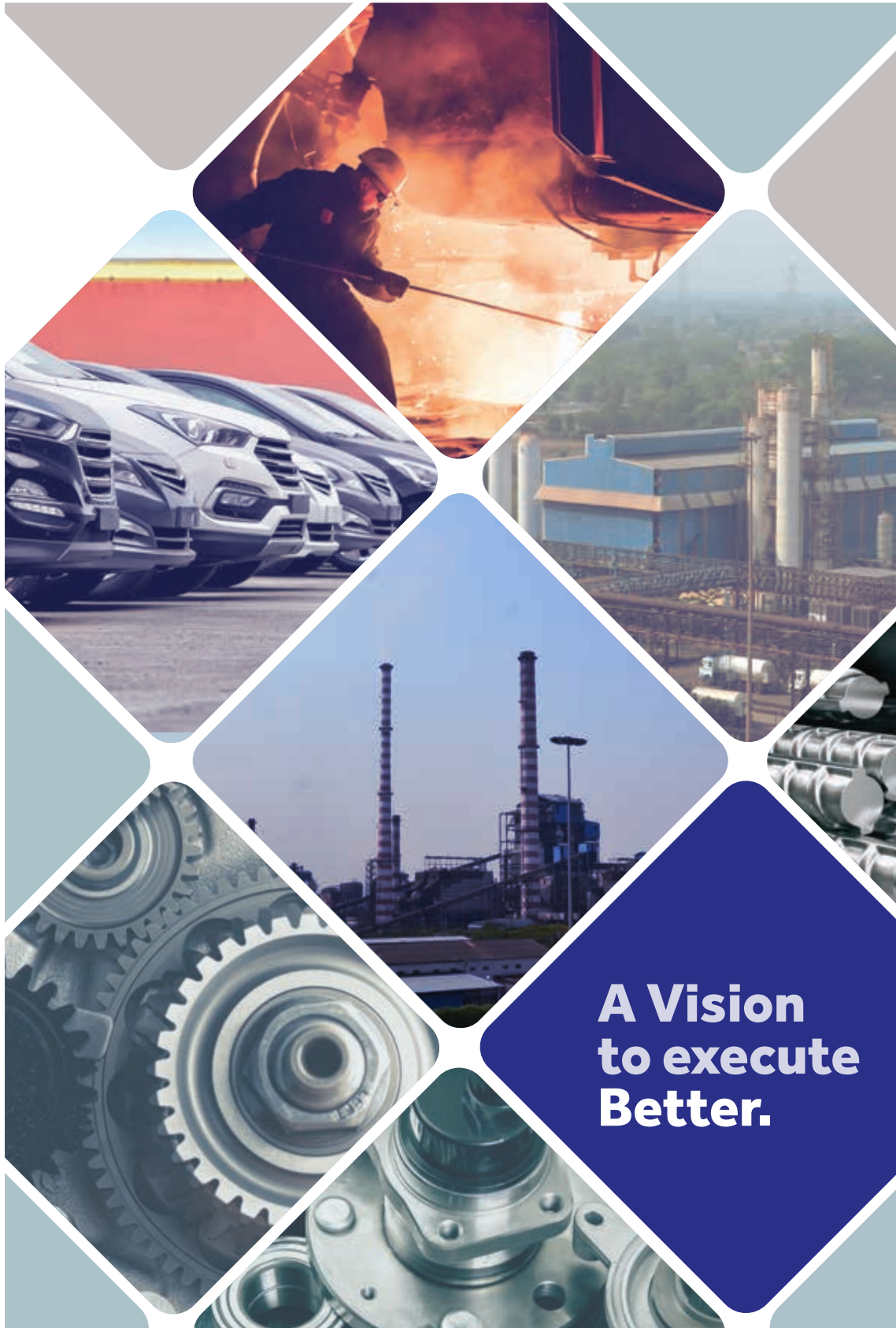


# Monnet Ispat and Energy Limited



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At a glance

# A Vision to execute Better

Monnet Ispat & Energy Limited (MIEL or the Company) with two steel plants at Raigarh and Raipur in the state of Chhattisgarh, caters to different sectors and industries demanding long steel products.

In the financial year 2018-19, a consortium of AION Investments Private II Ltd., (AION) and JSW Steel Limited (JSW Steel), acquired a majority stake in the Company through the Corporate Insolvency Resolution Process (CIRP) under the Insolvency & Bankruptcy Code 2016 (IBC). Post-acquisition of stake, the Board was reconstituted and new management was put in place.

The management has initiated measures in order to stabilize operations and to put the Company back on the growth path. The Company is deriving synergies from JSW Steel's expertise in large-scale, contemporary steelmaking and by accessing the steel major's centralised services in procurement, marketing and others. AION brings its group's global expertise of investing in cyclical sectors such as metals and mining, shipping, chemicals etc., and its rich experience in distressed turnarounds. With a strong background of the consortium, the management is focused to deliver better value for its stakeholders.

## **ABOUT AION CAPITAL MANAGEMENT LIMITED (AION)**

Incorporated in Mauritius, AION is a fund management company. It has a global investor base and represents one of the largest India-focused funds of ~\$825 million. AION, through its affiliates, leverages regional and global expertise in the metals and mining sector. It seeks opportunities in high potential distressed assets and turns them around with a value-oriented approach. It fixes capital structure, improves debt profile, eases their liquidity controls and focuses on long term strategic growth.

## **ABOUT JSW STEEL LIMITED (JSW STEEL)**

JSW Steel is a leader in Indian integrated steel manufacturing industry. JSW Steel is the flagship company of the US\$14 billion JSW Group with diversified interests in steel, cement, infrastructure, energy, sports and paints, among others. JSW Steel has achieved a distinct position in producing and marketing high value special steel products for various industries.

## **PRODUCT PORTFOLIO**

Process flow at MIEL has been built with the inherent flexibility of combining the primary iron making (through sinter, pellet & hot metal) and steel making route using blend of hot metal and direct reduced iron based on the market scenario. The pellets produced from iron ore fines is used in DRI making which reduces the cost further. Intermediate products like Pellet and DRI are also marketed.

On the product side also there is a flexibility of longs and flats. The long product mill is currently producing TMT. Trial production of special steels for automobile flat springs, spring steel for railway applications and rounds for engineering applications are underway. In the near future we will be producing special steel for the requirements of OEMs in Auto Industry like forging, free cutting, cold heading and electrode quality steels. We also plan to produce and sell cast products for above applications and for production of rails in export market.



## Message from the Chairman

**JYOTIN MEHTA**  
*Chairman*

Your Company has planned to introduce value added special steel products for applications in automobiles, boilers, railways, power grid and general engineering industry.

### **DEAR SHAREHOLDERS,**

It gives me immense pride to address you at this important stage of our journey in turning around your company, Monnet Ispat & Energy Limited. As you are aware, a consortium of AION Investments Private II Limited and JSW Steel Limited has acquired a majority equity stake in the Company. Together, they have brought in the desired liquidity needed to run our operations smoothly. Post the acquisition, debt profile of your Company has also shifted to sustainable levels. Post-acquisition of stake, the Board was reconstituted and new management was put in place.

Your Company is streamlining its operations for better organizational effectiveness and agility. Your Company has planned to introduce value added special steel products for applications in automobiles, boilers, railways, power grid and general engineering industry. The initial focus will be on North and Eastern domestic markets for logistic advantage.

The synergy of your Company with JSW Steel will help it to derive operational and raw material benefits apart from leveraging technical and marketing support. AION brings its group's global

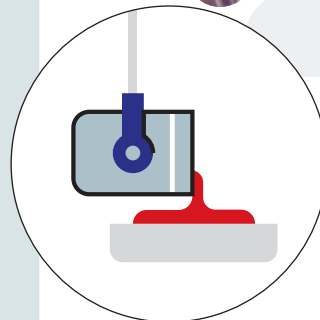


expertise of investing in cyclical sectors such as metals and mining, shipping, chemicals etc., and its rich experience in distressed turnarounds. These synergies are also expected to achieve our goal of overall reduction in cost of operations and improvement in efficiencies.

Your Company has also planned to increase the existing production capacity of our pellet plant at Raigarh from 2 MTPA to 2.50 MTPA within the next one year. The proposed expansion is expected to help your Company to reduce the cost of pellet production per tonne and to improve sales volume.

Your Company expects an operational turnaround by end of current financial year and sustained profitability from then on.

As I conclude, I sincerely thank all those who have stood beside your Company during challenging times. I appreciate the untiring support from our new Board, our beloved team members, lenders and shareholders who are helping your Company to surge back with added vigour. As we move ahead, I request your extended support and confidence for better tomorrow.



Your Company has also planned to increase the existing production capacity of our pellet plant at Raigarh from

**2 MTPA to 2.50 MTPA**

within the next one year

## 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 GRIEVANCE SERVICE

Mr. Ajay Kadhao (Compliance Officer)

Art Guild House, A-Wing, 2nd Floor.

Unit No-13, Phoenix Mall Compound,

Kurla West, Mumbai-400070

Phone: +91-22-40435999

E-mail: [isc\\_miel@aionjsw.in](mailto:isc_miel@aionjsw.in)

### CORPORATE WEBSITE

[www.aionjsw.in](http://www.aionjsw.in)

### BANKERS

IndusInd Bank Limited

### AUDITORS

#### Statutory Auditor

APAS & Co., 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

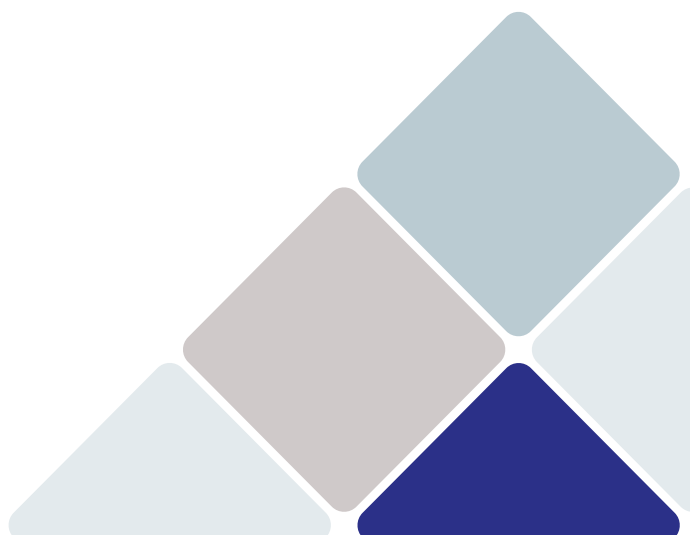
MCS Share Transfer Agent Ltd

F-65, Okhla Industrial Area, Phase-I,

New Delhi – 110 020

Tel.: 011- 41406149

Email: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)









# Directors' Report

To the Members,

The Board of Directors present the 29<sup>th</sup> Annual Report of the Company, along with the financial statements for the financial year ended 31<sup>st</sup> March, 2019.

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP") of Monnet Ispat and Energy Limited ("Company") was initiated by the Financial Creditor(s) of the Company. The Financial Creditor(s) petition to initiate the CIRP was admitted by the National Company Law Tribunal, Mumbai ("NCLT") on 18<sup>th</sup> July, 2017 ("Insolvency Commencement Date"). Mr. Sumit Binani was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company, and was subsequently confirmed as the Resolution Professional ("RP") by the Committee of Creditors ("CoC").

Hon'ble NCLT vide its order dated 24<sup>th</sup> 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<sup>st</sup> August, 2018 ("Reconstituted Board" or "Board") and new management was put in place.



## 1. FINANCIAL SUMMARY

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

(₹ in Crore, except per share data)

SI No.	Particulars	Standalone		Consolidated	
		Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>1</b>	<b>Income from Operations</b>				
	(a) Gross Sales	1872.35	1410.93	1872.35	1410.93
	(b) Other Operating Income	7.06	8.16	7.06	8.16
	<b>Total income from operations (net)</b>	<b>1879.41</b>	<b>1419.09</b>	<b>1879.41</b>	<b>1419.09</b>
	Other Income	26.83	12.14	27.00	13.14
	<b>Total income</b>	<b>1906.24</b>	<b>1431.23</b>	<b>1906.41</b>	<b>1432.23</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of Materials consumed	1728.32	1096.50	1728.32	1096.50
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(250.32)	(24.19)	(250.32)	(24.19)
	(c) Employee benefits expense	89.34	80.14	90.35	84.97
	(d) Finance Costs	445.27	1181.66	445.27	1193.26
	(e) Depreciation and amortization expense	275.60	351.61	277.51	355.02
	(f) Excise Duty	-	35.83	-	35.83
	(g) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations)	311.22	170.11	311.85	186.61
	<b>Total Expenses</b>	<b>2599.43</b>	<b>2891.66</b>	<b>2602.98</b>	<b>2928.00</b>
<b>3</b>	<b>Profit / (Loss) from operations before exceptional items and tax (1-2)</b>	<b>(693.19)</b>	<b>(1460.43)</b>	<b>(696.57)</b>	<b>(1495.77)</b>
4	Exceptional Items	2767.92	440.53	2855.67	263.52
<b>5</b>	<b>Profit / (Loss) from ordinary activities before tax (3-4)</b>	<b>(3461.11)</b>	<b>(1900.96)</b>	<b>(3552.24)</b>	<b>(1759.29)</b>
<b>6</b>	<b>Tax expense:</b>				
	(i) Current tax	-	-	-	-
	(ii) Deferred tax	-	-	-	-
<b>7</b>	<b>Loss after tax for the period (5 + 6)</b>	<b>(3461.11)</b>	<b>(1900.96)</b>	<b>(3552.24)</b>	<b>(1759.29)</b>
<b>8</b>	<b>Other Comprehensive Income (after tax)</b>				
	A. (i) Items that will not be reclassified to profit or loss	(33.04)	(30.84)	(33.06)	(30.84)
	(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	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	9.98	(0.69)
<b>9</b>	<b>Total Comprehensive Income for the period (7+8) comprising profit/ (loss) and other comprehensive income for the period.</b>	<b>(3494.15)</b>	<b>(1931.80)</b>	<b>(3575.32)</b>	<b>(1790.82)</b>
10	Paid-up equity share capital (Face Value ₹10/- per share fully paid-up)	469.55	200.79	469.55	200.79
11	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	982.27	(3278.48)	698.48	(3478.05)
<b>12</b>	<b>Earnings Per Share (EPS) (not annualized)</b>				
	(a) Basic	(94.44)	(94.68)	(96.92)	(87.63)
	(b) Diluted	(94.44)	(94.68)	(96.92)	(87.63)

Previous year's figures have been regrouped/rearranged wherever considered necessary.

## 2. FINANCIAL AND OPERATIONAL PERFORMANCE

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

During the year under review post acquisition by the Consortium, the integrated steel production including Blast Furnace, Electrical Furnace (Steel making), Ladle Refinery and continuous Casting of Steel, was re-started at the Raigarh plant of the Company, with effect from 8<sup>th</sup> February, 2019.

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<sup>st</sup> March, 2019, is as under –

### Production (MT) –

Particulars	FY'19	FY'18	Increase / (Decrease) (+)/(-) Variance
Sponge Iron	722,371	611,314	18.17%
Billets	157,430	145,357	8.31%
Structural Steel/TMT	108,945	111,150	(1.98%)
Ferro Alloys	28,358	29,004	(2.23%)
Pellets	537,920	-	-
Pig Iron	73,700	-	-

### Sales (MT) –

Particulars	FY'19	FY'18	Increase / (Decrease) (+)/(-) Variance
Sponge Iron	5,80,240	4,58,332	26.60%
Billets	32,442	32,861	(1.27%)
Structural Steel/TMT	98,098	100,699	(2.58%)
Ferro Alloys	25,173	24,896	1.11%
Pellets	81,647	-	-
Pig Iron	7,761	1,877	313.43%

During the year under review, the Company's revenue from operations was ₹ 1879.41 crores as against ₹ 1419.09 crores in the previous year. The Company's Profit Before Depreciation Interest and Tax ("PBDIT") was ₹ 27.68 crores in the financial year ended 31<sup>st</sup> March, 2019 as opposed to PBDIT of ₹ 72.84 crores in the immediate preceding year.

Taking into account depreciation and interest cost, profit before tax (PBT) stood at (₹ 3461.11) crores as against (₹ 1900.96) crores in the previous year and total comprehensive income for the year was (₹ 3494.15) crores against (₹ 1931.80) crores in the previous financial year.

During the year under review, there were exceptional items aggregating to ₹ 2767.92 crores as against ₹ 440.53 crores in the year ended on 31<sup>st</sup> March, 2019. Exceptional items for the year ended 31<sup>st</sup> March 2019 comprise of:

- Impairment/write off of property plant and equipment and capital work in progress amounting to ₹ 2,429.75 crores, which has been recognized based on the recoverable value of these assets.
- Impairment/write off of investments, inventories, receivables, current and non-current assets aggregating to ₹ 1,484.95 crores (previous year ₹ 440.53 crores) considered not realizable.
- Write back of current and non-current liabilities, aggregating to ₹ (1,173.78) crores.
- Plant Startup Expenses of ₹ 27.00 crores which comprise of various one-time revenue expenses incurred for startup of various manufacturing facilities at Raigarh plant of the Company which were non-operational for a long period of time.

### Consolidated:

During the year under review, the Company's revenue from operations was ₹ 1879.41 crores as against ₹ 1419.09 crores in the previous year. Further, in the financial year ended 31<sup>st</sup> March, 2019, profit before tax (PBT) was ₹ (3552.24) crores as against ₹ (1759.29) crores in the previous year and profit after tax (PAT) was ₹ (3552.24) crores against ₹ (1759.29) crores in the previous financial year.

The performance and financial position of the subsidiary companies and joint ventures is included in the consolidated financial statements of the Company.

## 3. CORPORATE INSOLVENCY RESOLUTION PROCESS & CHANGE OF MANAGEMENT

As stated above the Hon'ble NCLT approved the Resolution Plan submitted by the Consortium with certain modifications ("**Resolution Plan**"), on 24<sup>th</sup> July, 2018 ("**IBC/NCLT Order**").

Upon implementation of the Resolution Plan, the Resolution Applicants i.e. AION Investments Private II Limited ("**AION**") and JSW Steel Limited ("**JSW**") (directly and through their affiliates) took control over the management and ownership of the Company. The reconstituted Board reflects the joint control of the Company's management by JSW and AION as both the joint venture partners have appointed their nominees and Independent Directors.

Post-Acquisition, a new Board was constituted on 31<sup>st</sup> August, 2018 ("**Reconstituted Board**" or "**Board**") and a new management was put in place. In accordance with the provisions of the IBC and the NCLT order, the approved Resolution Plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

Members may kindly note that, for the financial year under review, the Directors of the Reconstituted Board ("**Directors**")

were in office from 31<sup>st</sup> August, 2018 to which this report primarily pertains. During the CIRP which commenced from 18<sup>th</sup> July, 2017 to 24<sup>th</sup> July, 2018, the RP was entrusted with the management of the affairs of the Company.

Prior to the Insolvency Commencement Date, the erstwhile Board of Directors had the oversight on the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("**Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("**Listing Regulations**").

Steering Committee of lenders, pursuant to approval of Resolution Plan by Hon'ble NCLT, Mumbai Bench, appointed an Interim Board on 30<sup>th</sup> July, 2018 to implement the approved resolution plan. The Interim Board consisted of Mr. Sumit Binani, non-executive Director, Mr. Jyotin Mehta and Mrs. Anuradha Ambar Bajpai as Independent Directors of the Company. Mr. Sumit Binani ceased to be Director of the Interim Board of the Company w.e.f. 31<sup>st</sup> August, 2018 on conclusion of Corporate Insolvency Resolution Proceedings.

On 31<sup>st</sup> August, 2018, the Board of Directors of the Company was re-constituted and as on date the Board of Directors of the Company consists of the following Directors:

Sl. No.	Name of Director	Designation
1	Mrs Anuradha Ambar Bajpai	Non-Executive Independent Director
2	Mr. Jyotin Mehta	Non-Executive Independent Director
3	Mr. Kalpesh Pankaj Kikani	Non-Executive Director
4	Mr. Nikhil Omprakash Gahrotra	Non-Executive Director
5	Mr. Ravichandar Moorthy Dhakshana	Whole-Time Director
6	Mr. Sanjay Kumar	Non-Executive Director
7	Mr. Seshagiri Rao MVS	Non-Executive Director
8	Mrs. Sutapa Banerjee	Non-Executive Independent Director

Salient features of the Resolution Plan approved and implemented during the financial year under review are as follows:

Pursuant to the CIRP under the Insolvency and Bankruptcy Code, 2016 initiated on 18<sup>th</sup> July 2017, the National Company Law Tribunal (NCLT) on 24<sup>th</sup> 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:

- Extinguishment of 5,07,32,841 equity shares of ₹ 10 each and 1,75,00,000 preferences shares of ₹ 100 each held by the erstwhile promoters.
- 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.
- 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 ₹ 2,457.00 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).
- 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 payment of ₹ 20.07 crores.
- Settlement of operational creditors, (other than employees and workmen), for a sum of ₹ 25 crores payable by the Company within one year from the NCLT Order date and extinguishment of other current and non-current liabilities standing as on the commencement of CIRP.
- Extinguishment of all contingent liabilities, commitment and other claims and obligations including all taxes and other government dues standing as on the effective date (i.e. 31<sup>st</sup> August, 2018).
- Merger of MSL into the Company, resulting in the extinguishment of the deemed Optionally Convertible Preference shares, contemporaneously with (c) above. The shareholders of MSL were issued 34,90,20,000 equity shares of ₹ 10 each and 52,59,80,000 Compulsorily Convertible preference shares of ₹ 10 each.

Fractional entitlements of equity shares of the Company resulting from such consolidation of the equity shares have been consolidated into equity shares having a face value of ₹ 10 each and were held by a Director of the Company as a trustee ("**Trustee**") on behalf of the equity shareholders of the Company entitled to such fractional entitlements for the purpose of sale in the open market. The sale proceeds realized by the Trustee from such sale (less the costs incurred by the Trustee to carry out such sale) have been distributed to the original equity shareholders entitled to such fractional entitlements in the same proportion as their respective fractional entitlements.



Further, in terms of NCLT Order, every retail shareholder of the Company holding 3 (three) or less equity shares of the Company as on the date of NCLT order, i.e., 24<sup>th</sup> July, 2018, has been allotted one equity share.

#### **4. 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**

There were no material changes and commitments, 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 relate and the date of the report.

#### **5. DIVIDEND AND RESERVES**

In view of the losses incurred by the Company, the Board of Directors of the Company has 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.

#### **6. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

As on 31<sup>st</sup> March, 2019, the Company has six subsidiary Companies (including 2 step-down subsidiaries), four joint ventures and one associate Company. During the financial year under review, the name of Monnet Enterprise PTE Ltd., Singapore, a non-operative and non-material subsidiary of the Company was voluntarily struck off from the register of Accounting and Corporate Regulatory, Singapore with effect from 4<sup>th</sup> December 2018. There has been no change in the nature of business during the year under review. The consolidated financial statements presented by the Company include financial information of its subsidiaries, joint ventures and associate companies and prepared in compliance with applicable Ind AS. The consolidated financial statement does not include financials of Monnet Power Company Limited (MPCL), an associate of the Company, since MPCL is under CIRP as per IBC and the Company has written off its investment in MPCL during the year under review.

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, [www.aionjsw.in](http://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 and

associate 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 [www.aionjsw.in](http://www.aionjsw.in)

Further, the consolidated financial statements of the Company and its subsidiaries, joint ventures and associate company 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.

#### **7. SHARE CAPITAL**

Authorised Share Capital of the Company as on 1<sup>st</sup> April, 2018 was ₹ 3,86,00,00,000/- (Rupees three hundred eighty-six crore only), divided into 21,10,00,000 (Twenty-one crores ten lacs) equity shares of ₹ 10/- (Rupees ten) each and 1,75,00,000 (One crore seventy-five lacs) Preference Shares of ₹ 100/- (Rupees one hundred) each.

Pursuant to the implementation of the Resolution Plan sanctioned by the NCLT, authorized share capital of the Company has been increased to ₹ 15,50,00,00,000 (Rupees one thousand five hundred and fifty crore only) comprising of 82,50,00,000 (Eighty two crore fifty lakh only) Equity Shares of ₹ 10/- (Rupees ten) each and 55,00,00,000 (Fifty five crore only) Preference Shares of ₹ 10/- (Rupees ten) each and 1,75,00,000 (One crore seventy five lakh) Preference Shares of ₹ 100/- (Rupees hundred) each.

Further, post implementation of the Resolution Plan the paid up capital stands at 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.

During the financial year under review, the members of the Company at the 28<sup>th</sup> Annual General meeting held on 27<sup>th</sup> December, 2018 approved the reclassification of authorised capital into ₹15,50,00,00,000 (Rupees one thousand five hundred and fifty crores only) comprising 1,00,00,00,000 (Rupees one hundred crore only) Equity Shares of ₹ 10/- (Rupees ten) each and 55,00,00,000 (Fifty-five crore only) Preference Shares of ₹ 10/- (Rupees ten).

As on 31<sup>st</sup> March 2019, post implementation of the resolution plan the authorized capital of the Company stands ₹ 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.

## 8. NON-CONVERTIBLE DEBENTURES

As on 01<sup>st</sup> April, 2018, the Company had 9200 Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each aggregating to ₹ 920.00 crores.

As on 31<sup>st</sup> March 2019, the Company does not have any outstanding NCD. Pursuant to the implementation of the Resolution Plan as approved by the Hon'ble NCLT, debts of eligible financial creditors were also paid in the manner provided in the approved Resolution Plan. The said NCDs have been extinguished from the records of National Securities Depository Limited and Central Depository Services (India) Limited, respectively and the Company is in process of delisting the same from BSE Limited.

## 9. CREDIT RATING

CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited) has 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. The agency has given a stable outlook for the facilities of the Company.

## 10. 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 thereunder. 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.

## 11. 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 except on 24<sup>th</sup> July, 2018, the NCLT vide its order approved the Resolution Plan.

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

The nominated authority, Ministry of Coal Head, vide their letter dated 30<sup>th</sup> December, 2017 ("The Letter") issued for termination of coal mines development and production agreement and vesting order in respect of Gare Palma IV/7 coal mine, and the termination is effective on completion of notice period of 15 business days as stated in the letter i.e. on 19<sup>th</sup> January, 2018. The Hon'ble National Company Law Appellate Tribunal ("NCLAT") vide its order dated

08<sup>th</sup> February, 2018 has restrained the Nominated Authority Ministry of Coal, Government of India from allotting the mine in question, in favour of any person, without the permission of the Hon'ble NCLAT. The appeal before Hon'ble NCLAT against termination of vesting Order and CMDPA was dismissed vide Order dated 30<sup>th</sup> November, 2018 and keeping in view the commercial feasibility of the mine, it has been decided to be handed over to the Government.

## 12. 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 reconstituted Board / management are of the opinion that based on the knowledge/ information gained by them about affairs of the Company in a limited period of time from records of the Company, the Company has effective internal financial control systems and policies and such controls are operating effectively. The reconstituted management is taking steps for further strengthening of internal financial controls.

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.

### 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

Post-acquisition, the Reconstituted Board/Management has reviewed the internal controls framework of the Company with an objective to have a robust internal control framework commensurate with the size, scale and nature of business of the Company. The reconstituted management has initiated steps to implement the robust internal control framework. This framework includes entity-level policies, processes and Standard Operating Procedures (SOP).

## 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### Directors

Pursuant to approval of Resolution Plan of the Company vide order dated 24<sup>th</sup> July, 2018 of the Hon'ble NCLT, Mumbai, erstwhile Directors of the Company Mr. Sandeep Kumar Jajodia, Mr. Jagdamba Prasad Lath and Mr. Kunal Sharma were deemed to have resigned.

During the financial year under review, Mr. Sumit Binani who was appointed as the Director of Interim Board resigned as the Resolution Professional on 29<sup>th</sup> July, 2019 and as the Director of Interim Board on 31<sup>st</sup> August, 2018.

On 31<sup>st</sup> August 2018, the composition of Board of Directors of the Company was re-constituted and as on date of this report, as stated also in item No. 3 of this report, 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

At the 28<sup>th</sup> Annual General meeting held on 27<sup>th</sup> December 2018 members of the Company have considered and approved the respective appointments of said Directors.

Mr. Ravichandar Moorthy Dhakshana, Whole-time Director and Mr. Seshagiri Rao MVS, Director, whose office of directorship are liable to retire by rotation at the ensuing 29<sup>th</sup> Annual General Meeting and being eligible and having offered themselves for reappointment. The Board of Directors has proposed to the shareholders for their respective reappointment as Directors liable to retire by rotation, pursuant to section 152 of the Companies Act, 2013.

### Key Managerial Personnel

During the year under review, the following changes took place in Key Managerial Personnel of the Company;

- a) Post implementation of the Resolution Plan, Mr. Sandeep Kumar Jajodia ceased as the Chairman & Managing Director and Mr. Ravichandar Moorthy Dhakshana was appointed as the Whole Time Director of the Company with effect from 31<sup>st</sup> August 2018
- b) Relinquishment of position by Mr. Sanjay Garodia, as the Chief Financial Officer of the Company and Mr. Hardeep Singh, as the Company Secretary and Compliance Officer of the Company, w.e.f. 21<sup>st</sup> January, 2019.
- c) Appointment of Mr. J Nagarajan as Chief Financial Officer of the Company with effect from 21<sup>st</sup> January 2019.
- d) Appointment of Mr. Ajay Kadhao as the Company Secretary and Compliance Officer of the Company with effect from 21<sup>st</sup> January 2019.

## 14. DIRECTORS 'RESPONSIBILITY STATEMENT

Members may kindly note that, the Directors of the Reconstituted Board were not in office for the part of the period to which this report primarily pertains. During the CIRP Process (i.e. between 18<sup>th</sup> July, 2017 to 24<sup>th</sup> July, 2018), RP and prior to the Insolvency Commencement date, the erstwhile Board of Directors were entrusted with and responsible for the management of the affairs of the Company.

As pointed out above, the reconstituted Board of Directors have been in office only since 31<sup>st</sup> August, 2018. The reconstituted Board is submitting this report in compliance with the Act and Listing Regulations and the Directors, as on date, are not to be considered responsible for the fiduciary duties discharged with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the acquisition.

Accordingly, as required under Section 134 (5) of the Act, the reconstituted Board of Directors, based on the knowledge/information gained by them about the actions of the erstwhile Directors of the Company (i.e the Directors of the Company prior to the Acquisition) and the affairs of the Company in a limited period of time from the records of the Company, state that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, 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 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<sup>st</sup> March, 2019 and of the profit or loss of the Company for that period;
- c) the Reconstituted Board had taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the annual accounts for the financial year ended 31<sup>st</sup> March, 2019 have been prepared on a going concern basis.
- e) the Reconstituted Board had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f) the Reconstituted Board had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.



## 15. 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"). During the year under review, the said policy was amended by the Board on the recommendation of the Nomination and Remuneration Committee in compliance with the SEBI Listing Regulations 2015.

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.

## 16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

After commencement of CIRP, Mr. Sumit Binani was appointed as Interim Resolution Professional ("IRP"), who was later on confirmed as Resolution Professional ("RP") by the Committee of Creditors. As per Section 17 of the Insolvency and Bankruptcy Code 2016, upon appointment of the IRP, the powers of the Board of Directors stands suspended and, thereafter, such powers are exercised by the IRP/ RP appointed for the Company.

During the financial year, after the Reconstitution of Board of Directors on 31<sup>st</sup> August, 2018, three (3) 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.

## 17. COMMITTEES OF THE BOARD

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

During the year under review, pursuant to the Resolution Plan approved by the Hon'ble NCLT, the Composition of Board of Directors of the Company and their Committees were re-constituted.

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. International Trade Practices and Corporate Governance 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.

## 18. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Directors who are part of reconstituted Board confirming that 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 thereunder and Regulation 25 of SEBI Listing Regulations, 2015.

## 19. NOMINATION AND REMUNERATION POLICY

During the financial year under review, pursuant to the SEBI Listing Regulations 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee amended the Nomination and Remuneration policy of the Company.

The details of this 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>.

## 20. 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>.

## 21. 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 hence disclosure in Form AOC-2 in terms of Section 134

of the Companies Act, 2013 is not required and does not form part of this report.

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.

## 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

Members of the Company at the Annual General Meeting ("AGM") held on 28<sup>th</sup> September, 2017, approved the appointment of M/s. APAS & Co., Chartered Accountants (FRN No. 000340C) as the statutory auditor from the conclusion of the 27<sup>th</sup> AGM till the conclusion of the 32<sup>nd</sup> AGM.

The Auditors have audited standalone and consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2019 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.

Existing statutory auditors APAS & Co. have tendered their resignation to the Company, on account of their other assignments due to which they will not be able to devote sufficient time for audit of the Company. They have informed the Company that their resignation will be effective from the conclusion of the ensuing 29<sup>th</sup> AGM of the Company.

The existing statutory auditor also noted that pursuant to the provisions of the Resolution Plan submitted by the Consortium, as approved by the Hon'ble NCLT, vide its order dated 24<sup>th</sup> July 2018, the Resolution Applicants have the right to seek appointment of the statutory auditors of the Company and the existing statutory auditors has conveyed their no objection to the same. Accordingly, M/s APAS & Co., will continue as the statutory auditors of the Company till conclusion of the ensuing 29<sup>th</sup> AGM.

The Board of Directors at its meeting held on 17<sup>th</sup> May 2019 has taken on record the said resignation letter tendered by M/s APAS & Co as the statutory auditors.

In view of resignation of the statutory auditors, the Board of Directors at the said meeting held on 17<sup>th</sup> May 2019, on recommendation of the Audit Committee, subject to approval of the shareholders, approved and recommended to the shareholders, the proposal of appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountant, Mumbai, (Registration Number 117366W/W-100018) as the statutory auditors, for a period of 5 years with effect from the conclusion of the ensuing 29<sup>th</sup> AGM till the conclusion of 34<sup>th</sup> AGM of the Company.

In terms of provisions of section 139 of the Companies Act, 2013, M/s. Deloitte Haskins & Sells LLP, Chartered Accountant, Mumbai, have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act. As required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### b) Secretarial Auditor

Post-implementation of Resolution Plan, 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 15<sup>th</sup> October, 2018 has appointed M/s S. Srinivasan & Co., a Company Secretaries firm to conduct a secretarial audit of the Company for the financial year 2018-19. The Report of the Secretarial Audit carried out for the financial year 2018-19 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. During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

The Board, at its meeting held on 17<sup>th</sup> May 2019 has re-appointed M/s S. Srinivasan & Co., a Company Secretaries Firm of Practising Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for financial year 2019-20.

### 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 17<sup>th</sup> May, 2019, 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 2019-20 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<sup>st</sup> March 2018 was 31<sup>st</sup> December 2018 and the Cost Audit Report was filed in XBRL mode on 14<sup>th</sup> November, 2018.

## 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 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 reconstituted Board/ management has reviewed the risk management framework of the Company and has adopted revised Risk Management framework of the Company.

The Company recognizes that the emerging & 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 -

- 1) execution of decided strategies with focus on action;
- 2) 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 viz <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. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Investments, Loans and Guarantees as covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note nos. 5, 6 and 34 respectively, to the financial statements.

### 31. CORPORATE GOVERNANCE REPORT

The Company constantly endeavours to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent 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 from the Practicing Company Secretary regarding compliance are given as an **Annexure-9** 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 2018-19.

### 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.
4. 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, and Shareholders for their unstinted support, assistance and co-operation. 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: 17<sup>th</sup> May, 2019

## 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

(Amounts in ₹)

Sl. No.	1	2	3	4		5	
Name of the subsidiary	Monnet Cement Ltd	Monnet Sport Foundation	Chomal Exports Pvt Ltd	Monnet Global Ltd		Monnet Enterprises PTE Ltd. (upto 4 <sup>th</sup> December 2018)	
Date since when subsidiary was acquired	29/11/2007	12/12/2011	31/12/2010	17/9/2005		16/3/2011	
Reporting period for the subsidiary concerned	Same	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	Rupees	US Dollar
Share capital	21,900,000	100,000	954,000	346,395,829	5,007,797	69	1
Reserves and surplus	(19,631,470)	(156,369)	(1,647,840)	(3,719,369,507)	(5,37,70,415)	(69) -	1
Total asset	2,282,000	10,079	40,813	402,591,215	5,820,206	-	-
Total liabilities	2,282,000	10,079	40,813	402,591,215	5,820,207	-	-
Investments	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-
Profit before taxation	(46,170)	(32,460)	(2,577,320)	(1,603,633,871)	(23,183,515)	(185,887,101)	(2,687,344)
Provision for taxation	-	-	-	-	-	-	-
Profit after taxation	(46,170)	(32,460)	(2,577,320)	(1,603,633,871)	(23,183,515)	(185,887,101)	(2,687,344)
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	99.97%	64.15%	51.00%	100.00%		100.00%	

Additional Disclosure	Name of Subsidiaries
Subsidiaries yet to commence operations	Monnet Cement Limited Monnet Sport Foundation Chomal Exports Private Limited Monnet Global Limited
Subsidiaries Liquidated or Sold during the year	Monnet Enterprises PTE Ltd. (The company's name was voluntarily strike off by concerned Singapore authority w.e.f. 4 <sup>th</sup> December 2018)

# 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 Ltd.	Mandakini Coal Company Ltd.	Urtan North Mining Company Ltd.	Monnet Ecomaister Enviro Pvt. Ltd.	Monnet Power Co. Ltd.
1. Latest audited Balance Sheet Date	3/31/2019	3/31/2019	3/31/2019	3/31/2019	3/31/2018
2. Date on which the Associate or Joint Venture was associated or acquired	6/20/2009	3/14/2008	3/4/2010	3/29/2011	2/23/2018
3. Shares of Associate/Joint Ventures held by the company on the year end					
a) No.	980000	39300000	5751347	14211363	220101460
b) Amount of Investment in Associates/Joint Venture	9,800,000.00	393,000,000.00	57,513,470.00	142,113,630.00	2,201,014,600.00
c) Extend of Holding %	49.00%	33.33%	33.33%	50.00%	28.31%
4. Description of how there is significant influence	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding
5. Reason why the associate/joint venture is not Consolidated	N.A.	N.A.	N.A.	N.A.	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	15,644,810	680,334,168	172,549,760	(7,155,432)	8,027,943,000
7. Profit / Loss for the year					
i. Considered in Consolidation	(35,280)	(1,083,810)	-	(41,776,172)	(4,138,016,080)
ii. Not Considered in Consolidation	(36,720)	(2,167,945)	-	(41,776,172)	(10,478,783,920)
<b>Total</b>	<b>(72,000)</b>	<b>(3,251,755)</b>	<b>0</b>	<b>(83,552,343)</b>	<b>(14,616,800,000)</b>

Additional Disclosure	Name of Associates/Joint ventures
Associates/Joint ventures yet to commence operations	MP Monnet Mining Company Ltd. Mandakini Coal Company Ltd Urtan North Mining Company Ltd. Monnet Power Company Limited
Associates/Joint ventures Liquidated or Sold during the year	-----

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

**J. Nagarajan**  
Chief Financial Officer

**Ajay Kadhao**  
Company Secretary

**Nikhil Omprakash Gahrotra**  
Director  
DIN: 01277756

**Ravichandar Moorthy Dhakshana**  
Whole-Time Director  
DIN: 03298700

Place: Mumbai  
Date: 17<sup>th</sup> May, 2019

## 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](http://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:

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

c. Manner in which the amount spent during 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/ programme 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.

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 years. The average net profits for preceding three financial years was ₹ (1776.21) Crores. 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.

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

Pursuant to completion of Corporate Insolvency Resolution Process, on 24<sup>th</sup> July, 2018, the then Board of Directors of the Company before approval of Resolution Plan have been deemed to have resigned, the Corporate Social Responsibility (CSR) Committee was re-constituted and consists of the following Directors subsequent to approval of Resolution Plan:

Name of Members	DIN	Composition of the CSR Committee
Mr. Nikhil Omprakash Gahrotra	01277756	Chairman
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- ₹ (1776.21) 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

- Total amount to be spent for the financial year - N.A.
- Amount unspent, if any: - N.A.

Place: Mumbai  
Date: 17<sup>th</sup> May, 2019

**Nikhil Omprakash Gahrotra**  
Chairman of CSR committee  
DIN: 01277756

By Order of the Board  
For Monnet Ispat and Energy Limited

**Ravichandar Moorthy Dhakshana**  
Whole-Time Director  
DIN: 03298700



## **FORM NO. MR- 3** **Secretarial Audit Report** **For The Financial Year Ended 31<sup>st</sup> March, 2019**

[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 & ENERGY LIMITED,**  
Monnet Marg,  
Mandir Hasaud, Raipur,  
Chhattisgarh – 492 101.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MONNET ISPAT & 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 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

The provisions of the said regulations are not applicable to the Company as there were no issue of shares pursuant to ESOP Scheme during the year under review.

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. 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;
- 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 as there was no delisting of share during the year under review.

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

The provisions of the said regulations are not applicable to the Company as there was no buyback during the year under review.

vi. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management.

## Annexure-3

### 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 has 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), 2015.

During the period under review the Company has complied with the aforesaid provisions of the Act, Rules, Regulations, Standards, etc. mentioned above.

#### We further report that:

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

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.

- Decisions at the meetings of the Board of Directors were carried through on the basis of majority and there were no dissenting views by any Member of the Board during the period under review.

#### 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, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- Corporate Insolvency Resolution Process (CIRP) of the Company (MIEL) was initiated by the financial creditor(s) of the Company w.e.f. 18<sup>th</sup> July, 2017 under the IBC, 2016 and the NCLT approved the resolution plan submitted by the consortium with certain modifications vide its order dated 24<sup>th</sup> July, 2018. The approved Resolution Plan contains the mechanism of implementation and the salient features of the approved resolution plan were mentioned in the Board's Report for the financial ended 31<sup>st</sup> March, 2018.
- Pursuant to the implementation of the approved Resolution Plan as submitted by consortium of JSW Steel Limited, AION Investments Private II Limited ("Resolution Applicant"), the Resolution Applicants (directly and through their affiliates) have taken control over the management and ownership of the Company.

Further, the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE"), vide its letters dated October 3, 2018 and October 4, 2018, have approved the reclassification of all of the erstwhile members of the "Promoter and Promoter Group" category of Company.

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

**S. Srinivasan**  
Practicing Company Secretary  
FCS: 2286  
CP.No: 748

Place: Mumbai  
Date: 08.05.2019

## Annexure- to A

To,

The Members

**MONNET ISPAT & ENERGY LIMITED**

Monnet Marg,

Mandir Hasaud, Raipur,

Chhattisgarh – 492 101.

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's 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 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

**S. Srinivasan**

Practicing Company Secretary

FCS: 2286

CP.No: 748

Place: Mumbai

Date: 08.05.2019

## 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<sup>st</sup> March, 2019 is given below and forms part of the Directors' Report.

#### A. CONSERVATION OF ENERGY

During financial year under review, the DRI plant at Raigarh and DRI plant and steel operations at Raipur locations were in operation at time of acquisition of management control by the Consortium with effect from 31<sup>st</sup> August 2018 as per Resolution plan approved by Hon'ble NCLT on 24<sup>th</sup> July 2018. Post-acquisition of management control, operations at Raigarh were gradually normalized with start of Pellet plant and thereafter start of the Integrated Steel production including Blast Furnace (for Iron making), Electrical Furnace (Steel making), Ladle Refinery and continuous Casting of Steel, with effect from 8<sup>th</sup> February, 2019 at the Raigarh plant.

The Company has been taking 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 3 financial years, the company has not made any investment towards alternative source of Energy. However, the possibility of SOLAR power installation can be 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 3 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. About 40 to 45 % of lighting has already been replaced by efficient LED lighting system. 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.

Initiative has been taken to further improve the energy consumption of major equipment's which was identified in the last Energy audit report by adopting VFD technology.

##### Benefits derived as a result of the above efforts

The more efficient equipment's has resulted in saving of auxiliary power consumption.

##### Information relating to imported Technology

##### - The details of technology imported

No import of technology during the last three year.

##### - The year of import

##### - whether the technology been fully absorbed

##### - if not fully absorbed, areas where absorption has not taken place, the reasons thereof

##### 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 2018-19 are as follow :-

	(in ₹ crores)	
Total Foreign Exchange used and earned	2017-18	2018-19
- Used	91.33	126.54
Earned	68.87	76.29

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

**Jyotin Mehta**

Chairman

DIN: 00033518

Place: Mumbai

Date: 17<sup>th</sup> May, 2019



## 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 of the Directors	Designation	The ratio of the remuneration of each director to the median remuneration of employees
	@Jyotin Mehta (w.e.f. 30/07/2018)	Non-Executive Independent Director	2.31
	@Anuradha Ambar Bajpai (w.e.f. 30/07/2018)	Non-Executive Independent Director	2.31
	*Kalpesh Pankaj Kikani (w.e.f. 31/08/2018)	Non-Executive Non-Independent Director	NA
	*Nikhil Omprakash Gahrotra (w.e.f. 31/08/2018)	Non-Executive Non-Independent Director	NA
	# Ravichandar Moorthy Dhakshana (w.e.f. 31/08/2018)	Whole-time (Executive) Director	44.60
	*Sanjay Kumar (w.e.f. 31/08/2018)	Non-Executive Non-Independent Director	NA
	*Seshagiri Rao MVS (w.e.f. 31/08/2018)	Non-Executive Non-Independent Director	NA
	@Sutapa Banerjee (w.e.f. 27/09/2018)	Non-Executive Independent	0.81
	*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.		
	# Appointed as Executive Director with effect from 31 <sup>st</sup> August 2018, hence remuneration is considered from that date only.		
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 (w.e.f. 31/08/2018)	Whole-time (Executive) Director	^N.A
	Nagarajan Jambunathan (w.e.f. 21/01/2019)	Chief Financial Officer	^N.A
	Ajay Kadhao (w.e.f. 21/01/2019)	Company Secretary	^N.A
	^ Appointed during the financial year and hence % increase is not applicable.		
	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.		
<b>The percentage increase in the median remuneration of employees in the financial year</b>	6.36 % increase in median employee's remuneration.		
	For calculating median employee remuneration employees who were in employment for the whole of the financial year 2018-19 are considered.		
<b>The number of permanent employees on the rolls of Company</b>	2295		
<b>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</b>	Employees in worker category employees at Raipur unit received an annual increase of 5.74 % in remuneration. There was no increase in the remuneration for any employees during the financial year under review.		
	There was no increase made in the salaries of any of the Managerial Personnel's (i.e. Whole Time Director, Chief Financial Officer and Company Secretary) as they were appointed during the financial year under review.		
<b>Affirmation that Remuneration paid by the company is as per the Remuneration policy of the Company</b>	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: 17<sup>th</sup> May, 2019

## 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. 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)	0.84	B.E (Mechanical)	29	21/07/2011	52	Jindal India Thermal Power Ltd.
2	Guru Prasad Choudhary	Vice President – Mining	0.53	B.Tech. (Mining)	32	14/07/2012	54	ERA Infra
3	Naresh Kr. Maheshwari	Chief Accounts Officer	0.51	C.A.	35	01/04/2014	61	Falcon Tyres Ltd.
4	Sunil Gupta	Sr. Vice president - Commercial	0.50	C.A. / ICWA	33	01/09/2014	58	Usha Martin Ltd.
5	Vijay Kumar	Sr. VP Head	0.43	BE-Mechanical	30	01/10/2018	56	L&T
6	Barid Baran Behera	Asstt. Vice president	0.36	M.Com, LLB, CA, CS	28	16/12/2008	53	Telecommunication Consultants INDIA Ltd.
7	Sapan Goyal	General manager - finance	0.33	B.IT / MBA	13	03/10/2016	39	Edelweiss Financial Services Ltd.
8	Hardeep Singh	Vice President - Corporate Affairs	0.30	C.S	23	19/03/1996	48	N.A.
9	Ashok Kumar Dubey	Sr. Dy. General Manager	0.24	BE (MET)	24	29/05/2015	49	Uttam Value Steel Ltd.
10	V.N. Kedia	General Manager - Purchase	0.23	Metric	46	01/04/1994	67	Birla Cotton Spinning And Weaving Mills Limited

**B. Particulars of employees was in receipt of remuneration at a rate of above ₹ 8.50 Lakhs per month, and worked for the part of the Year.**

S. 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	1.04	BE (Mechanical), BE (Electrical), Diploma (Finance)	41	31/08/2018	62	JSW Steel Ltd.

Notes:

- None of the above employees/Director is related to any Director of the Company.
- The nature of employment in all cases is contractual.
- 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.
- The Company has no employees posted and working in a country outside India
- Except as stated above in point "B" the Company has no employees who were in receipt of remuneration more than ₹ 1.02 Crores throughout the Financial Year.

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

**Jyotin Mehta**  
Chairman  
DIN: 00033518

Place: Mumbai  
Date: 17<sup>th</sup> May, 2019

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on **31.03.2019**

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

**CORPORATE INSOLVENCY RESOLUTION PROCESS**

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC"), the Corporate Insolvency Resolution Process ("CIRP" or "CIRP Process") of Monnet Ispat and Energy Limited ("Company") was initiated by the Financial Creditors of the Company. The Financial Creditors petition to initiate the CIRP was admitted by the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench on 18<sup>th</sup> July, 2017 ("Insolvency Commencement Date"). Mr. Sumit Binani was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Sumit Binani was confirmed as the Resolution Professional ("RP") by the Committee of Creditors ("CoC"). On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended and were exercised by the IRP/RP.

The RP invited expressions of interest and submission of a resolution plan in accordance with the provisions of the IBC. The CoC approved the resolution plan submitted by the Consortium of AION Investment Private II Limited and JSW Steel Limited. The RP submitted the CoC approved resolution plan to the NCLT on 12<sup>th</sup> April, 2018 for its approval and the NCLT approved the resolution plan submitted by the consortium with certain modifications ("Approved Resolution Plan"), on 24<sup>th</sup> July, 2018 ("NCLT Order").

Upon implementation of the Resolution Plan, the Resolution Applicants i.e. AION Investments Private II Limited ("AION") and JSW Steel Limited ("JSW") (directly and through their affiliates) took control over the management and ownership of the Company. The reconstituted Board reflects the joint control of the company's management by AION and JSW Steel as both the joint venture partners have appointed their nominees apart from the appointment of Independent Directors.

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	L02710CT1990PLC009826
2. Registration Date	01/02/1990
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, 492101 Chhattisgarh Ph.: 0771-2471334 Fax: 0771-2471250 Email: <a href="mailto:isc_miel@aionjsw.in">isc_miel@aionjsw.in</a> Website: <a href="http://www.aionjsw.in">www.aionjsw.in</a>
6. Whether listed company	Yes
7. Name, address and contact of details of Registrar and Transfer Agent	MCS SHARE TRANSFER AGENT LTD F-65, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi, 110020 Ph.: 011-41406149 Fax: 011-41709881 Email: <a href="mailto:admin@mcsregistrars.com">admin@mcsregistrars.com</a> Website: <a href="http://www.mcsregistrar.com">www.mcsregistrar.com</a>

**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

## Annexure-7

## 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, -496001	U27209CT2018PLC008397	Holding	48.12%	Section 2(87)(i)
2.	Monnet Cement Ltd. Monnet House 11, Masjid Moth, Greater Kailash, Part-II, New Delhi-110048	U26941DL2007PLC170880	Subsidiary	99.97%	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 Pvt. Ltd. 4065, Sec-C, Pocket-IV, Vasant Kunj, New Delhi-110070.	U74899DL1990PTC042166	Subsidiary	51.00%	Section 2(87)
5.	Monnet Global Ltd. LOB 15-117, PO Box-17870, Jebel Ali Freezone Authority, Dubai United Arab Emirates	Foreign Company	Subsidiary	100%	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 Tkvarchal, Avenue Svobody, 79	Foreign Company	Step Down Subsidiary	-	Section 2(87)
8.	Monnet Power Company Ltd. Monnet Marg Mandir Hasaud Raipur Chhattisgarh 492101	U01403CT2007PLC020179	Associate	28.31%	Section 2(6)
9.	MP Monnet Mining Company Ltd. 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 Ltd. 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 Ltd. Jindal Centre 12, Bhikaji Cama Place New Delhi 110066	U10100DL2010PLC199690	Associate	33.33%	Section 2(6)
12.	Monnet Ecomaister Enviro Pvt. Ltd. Monnet House, 11, Masjid Morh, Greater Kailash, Part- II New Delhi 110048	U74900DL2011PTC216741	Associate	50.00%	Section 2(6)

## 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 beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	6,300,616	-	6,300,616	3.14	-	-	-	-	(3.14)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	44,432,225	-	44,432,225	22.13	249,649,241	-	24,964,9241	53.17	31.04
e) Banks / FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>50,732,841</b>	<b>-</b>	<b>50,732,841</b>	<b>25.27</b>	<b>249,649,241</b>	<b>-</b>	<b>249,649,241</b>	<b>53.17</b>	<b>27.90</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	9,94,61,544	-	9,94,61,544	21.18	21.18
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,461,544</b>	<b>-</b>	<b>99,461,544</b>	<b>21.18</b>	<b>21.18</b>
<b>Total shareholding of Promoter</b>	<b>5,07,32,841</b>	<b>-</b>	<b>5,07,32,841</b>	<b>25.27</b>	<b>34,91,10,785</b>	<b>-</b>	<b>34,91,10,785</b>	<b>74.35</b>	<b>49.08</b>
<b>(A)=(A)(1) + (A)(2)</b>									



## Annexure-7

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds/UTI	1,14,819	1,500	1,16,319	0.06	-	495	495	-	(0.06)
b) Banks / FI	8,06,10,077	-	8,06,10,077	40.15	9,11,00,006	-	9,11,00,006	19.40	(20.75)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	19,06,866	-	19,06,866	0.41	0.41
g) FIs	45,96,336	-	45,96,336	2.29	15,16,939	-	15,16,939	0.32	(1.97)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>85,321,232</b>	<b>1,500</b>	<b>85,322,732</b>	<b>42.50</b>	<b>94,523,811</b>	<b>495</b>	<b>94,524,306</b>	<b>20.13</b>	<b>(22.37)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	16,834,164	3,693	16,837,857	8.39	7,464,016	968	7,464,984	1.59	(6.80)
ii) Overseas	-	16,000	16,000	0.01	1,082,957	5,280	1,088,237	0.23	0.22
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	27,050,585	290,455	27,341,040	13.62	11,272,953	91,055	11,364,008	2.42	(11.20)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	18,923,953	-	18,923,953	9.43	5,641,860	-	5,641,860	1.20	(8.22)
c) Others (specify)									
i) Non Resident Indians	1,479,151	7696	1,486,847	0.74	307,232	2,307	309,539	0.07	(0.67)
ii) Co-operative Societies	300	-	300	-	99	-	99	-	-
iii) NBFC registered with RBI	5,600	-	5,600	-	870	-	870	-	-
iv) Trust	5,000	-	5,000	-	6,232	-	6,232	-	-
iv) IEPF	96,072	-	96,072	0.05	36,614	-	36,614	0.01	(0.04)
<b>Sub-total (B)(2):-</b>	<b>64,394,825</b>	<b>317,844</b>	<b>64,712,669</b>	<b>32.23</b>	<b>25,812,833</b>	<b>99,610</b>	<b>25,912,443</b>	<b>5.52</b>	<b>(26.71)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>149,716,057</b>	<b>319,344</b>	<b>150,035,401</b>	<b>74.73</b>	<b>120,336,644</b>	<b>100,105</b>	<b>120,436,749</b>	<b>25.65</b>	<b>(49.08)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>200,448,898</b>	<b>319,344</b>	<b>200,768,242</b>	<b>100.00</b>	<b>469,447,429</b>	<b>1,00,105</b>	<b>469,547,534</b>	<b>100.00</b>	<b>-</b>

\*Total Number of Locked in shares as on 31<sup>st</sup> March, 2019 is 71015394.

\*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 01.04.2018			Shareholding at the end of the year 31.03.2019			% 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	Mahendra Kumar Jajodia (HUF)	250,000	0.12	-	-	-	(0.12)	
2	Sandeep Jajodia (HUF)	4,448	-	-	-	-	-	
3	Monnet Properties Private Limited	4,640	-	-	-	-	-	
4	Paras Traders Private Limited	12,432	0.01	-	-	-	(0.01)	
5	Harshwardhan Leasing Ltd.	332	-	-	-	-	-	
6	Monnet International Limited	381,096	0.19	0.04	-	-	(0.19)	
7	Udhyam Merchandise Pvt. Ltd.	25,123,675	12.51	2.49	-	-	(12.51)	
8	Monnet Industries Ltd.	50	-	-	-	-	-	

## Annexure-7

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% 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	
9	Apeksha Securities Ltd.	160,000	0.08	-	-	-	-	(0.08)
10	Sandeep Jajodia	1,110,289	0.55	-	-	-	-	(0.55)
11	Nikunj Jajodia	2,693,359	1.34	-	-	-	-	(1.34)
12	Nikita Jajodia	46,880	0.02	-	-	-	-	(0.02)
13	Mahendra Kumar Jajodia	947,490	0.47	-	-	-	-	(0.47)
14	Sudha Jajodia	1,243,150	0.62	-	-	-	-	(0.62)
15	Sabina Rungta	5,000	-	-	-	-	-	-
16	Umra Securities Limited	18,750,000	9.34	-	-	-	-	(9.34)
17	JSW Steel Limited	-	-	-	399	-	-	-
18	JTPM Atsali Limited	-	-	-	23,508,427	5.01	-	5.01
19	Creixent Special Steels Limited	-	-	-	225,934,607	48.12	24.36	48.12
20	JSW Techno Projects Management Limited	-	-	-	205,808	0.04	-	0.04
21	AION Investments Private II Limited	-	-	-	99,461,544	21.18	-	21.18
<b>Total</b>		<b>50,732,841</b>	<b>25.27</b>	<b>2.53</b>	<b>349,110,785</b>	<b>74.35</b>	<b>24.36</b>	<b>49.10</b>

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

S. No	Shareholder's Name	Shareholding at the beginning of the year		Date	Remarks	Cumulative Shareholding during the year	
		No. of Shares held as on 01.04.2018	% of total shares of the company			No. of shares held as on 31.03.2019	% of total shares of the company during the year
1.	Mahendra Kumar Jajodia (HUF)	250,000	0.12	31.08.2018	Decrease (2,50,000)	-	-
2.	Sandeep Jajodia (HUF)	4,448	-	31.08.2018	Decrease (4,448)	-	-
3.	Monnet Properties Private Limited	4,640	-	31.08.2018	Decrease (4,640)	-	-
4.	Paras Traders Private Limited	12,432	0.01	31.08.2018	Decrease (12,432)	-	-
5.	Harshwardhan Leasing Ltd.	332	-	31.08.2018	Decrease (332)	-	-
6.	Monnet International Limited	381,096	0.19	31.08.2018	Decrease (3,81,096)	-	-
7.	Udhym Merchandise Pvt. Ltd.	25,123,675	12.51	31.08.2018	Decrease (2,51,23,675)	-	-
8.	Monnet Industries Ltd.	50	-	31.08.2018	Decrease (50)	-	-
9.	Apeksha Securities Ltd.	160,000	0.08	31.08.2018	Decrease (1,60,000)	-	-
10.	Sandeep Jajodia	1,110,289	0.55	31.08.2018	Decrease (11,10,289)	-	-
12.	Nikunj Jajodia	2,693,359	1.34	31.08.2018	Decrease (46,880)	-	-
13.	Mahendra Kumar Jajodia	947,490	0.47	31.08.2018	Decrease (9,47,490)	-	-
14.	Sudha Jajodia	1,243,150	0.62	31.08.2018	Decrease (12,43,150)	-	-
15.	Sabina Rungta	5,000	-	31.08.2018	Decrease (5,000)	-	-
16.	Umra Securities Limited	18,750,000	9.34	31.08.2018	Decrease (18,750,000)	-	-
17.	JSW Steel Limited	-	-	31.08.2018	Increase 399	399	-
18.	JTPM Atsali Limited	-	-	31.08.2018	Increase 23,508,427	23,508,427	5.01
19.	Creixent Special Steels Limited	-	-	31.08.2018	Increase 22,59,34,607	225,934,607	48.12
20.	JSW Techno Projects Management Limited	-	-	31.08.2018	Increase 2,05,808	2,05,808	0.04
21.	AION Investments Private II Limited	-	-	31.08.2018	Increase 9,94,61,544	99,461,544	21.18
<b>Total</b>		<b>50,732,841</b>	<b>25.27</b>	<b>-</b>	<b>-</b>	<b>349,110,785</b>	<b>74.35</b>

## Annexure-7

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [01.04.2018]		Date	Remarks		Cumulative Shareholding during the Year	
		No. of shares held as on 01.04.2018/ end of the year 31.03.2019	% of total shares of the company		Increase/ Decrease in Shareholding	Reason	No. of shares	% of total shares of the company
1.	State Bank of India*	32,485,379	16.18	16.08.2018	44722576	Preferential Allotment	77,207,955	16.44
				26.10.2018	(51729331)	Sale	25,478,624	5.43
				01.03.2019	6416666	Purchase	31,895,290	5.43
				01.03.2019	(6416666)	Sale	25,478,624	5.43
				At the end of year	25,478,624	5.43	31.03.2019	
2.	ICICI Bank Limited	1,513,819	0.75	06.04.2018	(258,078)	Sale	1,255,741	0.63
				13.04.2018	(309,241)	Sale	946,500	0.47
				20.04.2018	(288,624)	Sale	657,876	0.33
				27.04.2018	(124,848)	Sale	533,028	0.27
				04.05.2018	4,320	Purchase	537,348	0.27
				11.05.2018	(386,295)	Sale	151,053	0.08
				25.05.2018	129,097	Purchase	280,150	0.14
				01.06.2018	12,504	Purchase	292,654	0.15
				08.06.2018	(292,654)	Sale	-	-
				16.08.2018	17,815,812	Preferential allotment	17,815,812	3.79
At the end of year	5,879,217	1.25	31.03.2019	(11,936,595)	Sale	5,879,217	1.25	
3.	IDBI Bank Ltd.	-	-	16.08.2018	14621621	Preferential Allotment	14,621,621	3.11
				26.10.2018	(9796487)	Sale	4,825,134	1.03
At the end of year	4,825,134	1.03	31.03.2019					
4.	Punjab National Bank	5,222,222	2.60	16.08.2018	8075442	Preferential Allotment	13,297,664	2.83
				26.10.2018	(8909436)	Sale	4,388,228	0.93
At the end of year	4,388,228	0.93	31.03.2019					
5.	UCO Bank	4,500,000	2.24	16.08.2018	8266569	Preferential Allotment	12,766,569	2.72
				26.10.2018	(8553602)	Sale	4,212,967	0.90
At the end of year	4,212,967	0.90	31.03.2019					
6.	Oriental Bank of Commerce	4,511,695	2.24	16.08.2018	7802742	Preferential Allotment	12,314,437	2.62
				26.10.2018	(8250674)	Sale	4,063,763	0.87
At the end of year	4,063,763	0.87	31.03.2019					
7.	Dena Bank	4,035,087	2.01	16.08.2018	7935889	Preferential Allotment	11,970,976	2.55
				26.10.2018	(8020555)	Sale	3,950,421	0.84
At the end of year	3,950,421	0.84	31.03.2019					
8.	Union Bank of India	4,345,029	2.16	31.03.2018				2.16
				16.08.2018	7,530,356	Preferential allotment	11,875,385	2.53
				26.10.2018	(7,956,509)	Sale	3,918,876	0.83
At the end of year	3,918,876	0.83	31.03.2019					
9.	Indian Overseas Bank	5,087,719	2.53	16.08.2018	9057897	Preferential Allotment	14,145,616	3.01
				26.10.2018	(9477563)	Sale	4,668,053	0.99
				01.03.2019	(1,000,000)	Sale	3,668,053	0.78
				At the end of year	3,668,053	0.78	31.03.2019	

## Annexure-7

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [01.04.2018]		Date	Remarks		Cumulative Shareholding during the Year	
		No. of shares held as on 01.04.2018/ end of the year 31.03.2019	% of total shares of the company		Increase/ Decrease in Shareholding	Reason	No. of shares	% of total shares of the company
10.	IFCI Ltd.	0	0	16.08.2018	11025987	Preferential Allotment	11,025,987	2.35
				26.10.2018	(7387412)	Sale	3,638,575	0.77
	At the end of year	3,638,575	0.77	31.03.2019				

\*The Shareholding of State Bank of India includes States Bank of Patiala, State Bank of India, State Bank of Bikaner and Jaipur, SBICAP Securities Limited and State Bank of Mysore.

## 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 01.04.2018	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	No. of shares held as on 31.03.2019	% of total shares of the company
1)	Jyotin Mehta (w.e.f. 30/07/2018)	Nil	Nil	-	-	-	Nil	Nil
2)	Anuradha Ambar Bajpai (w.e.f. 30/07/2018)	Nil	Nil	-	-	-	Nil	Nil
3)	Kalpesh Pankaj Kikani (w.e.f. 31/08/2018)	Nil	Nil	-	-	-	Nil	Nil
4)	Nikhil Omprakash Gahrotra (w.e.f. 31/08/2018)	Nil	Nil	-	-	-	Nil	Nil
5)	Ravichandar Moorthy Dhakshana (w.e.f. 31/08/2018)	Nil	Nil	-	-	-	Nil	Nil
6)	Sanjay Kumar (w.e.f. 31/08/2018)	Nil	Nil	-	-	-	Nil	Nil
7)	Seshagiri Rao MVS (w.e.f. 31/08/2018)	Nil	Nil	-	-	-	Nil	Nil
8)	Sutapa Banerjee (w.e.f. 27/09/2018)	Nil	Nil	-	-	-	Nil	Nil
9)	J. Nagarajan (Chief Financial Officer w.e.f. 21/01/2019)	Nil	Nil	-	-	-	Nil	Nil
10)	Ajay Kadhao (Company Secretary w.e.f. 21/01/2019)	Nil	Nil	06/12/2018	Increase	Market Purchase	100	0.00

## V. INDEBTEDNESS -

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Crores)
i) Principal Amount	8,186.00	354.00	-	8,541.00
ii) Interest due but not paid	2,316.00	29.00	-	2,345.00
iii) Interest accrued but not due	56.00	45.00	-	101.00
<b>Total (i+ii+iii)</b>	<b>10,558.00</b>	<b>429.00</b>	<b>-</b>	<b>10,987.00</b>
Change in Indebtedness during the financial year				
* Addition	2,073.00	125.00	-	2,198.00
* Reduction	8,186.00	354.00	-	8,540.00
Net Change	<b>(6,113.00)</b>	<b>(229.00)</b>	<b>-</b>	<b>(6,342.00)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	2,073.00	125.00	-	2,199.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	8.00	-	8.00
<b>Total (i+ii+iii)</b>	<b>2,073.00</b>	<b>133.00</b>	<b>-</b>	<b>2,207.00</b>

## Annexure-7

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount (₹ in Crores)
		<b>Ravichandar Moorthy Dhakshana</b>	
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.00	1.00
	(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)	0.04	0.04
	<b>Total (A)</b>	<b>1.04</b>	<b>1.04</b>
	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 28 <sup>th</sup> 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 w.e.f. 30/07/2018	@Anuradha Ambar Bajpai w.e.f. 30/07/2018	@Sutapa Banerjee w.e.f. 27/09/2018		
	Fee for attending board & committee meetings	0.05	0.05	0.02	0.12	
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	<b>Total (1)</b>	<b>0.05</b>	<b>0.05</b>	<b>0.02</b>	<b>0.12</b>	
2	Other Non-Executive Directors	*Seshagiri Rao M.V.S. w.e.f. 31/08/2018	*Nikhil Gahrotra w.e.f. 31/08/2018	*Kalpesh Kikani w.e.f. 31/08/2018	*Sanjay Kumar w.e.f. 31/08/2018	
	Fee for attending board & committee meetings	NIL			NIL	
	Commission					
	Others, please specify					
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>	<b>NIL</b>				
	<b>Total Managerial Remuneration(A+B)</b>	<b>0.05</b>	<b>0.05</b>	<b>0.02</b>	<b>0.12</b>	
	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

(Amount in ₹ crores)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Sanjay Kumar Garodia Chief Financial Officer Upto 21.01.2019	Nagarajan Jambunathan Chief Financial Officer w.e.f 21.01.2019	Hardeep Singh Company Secretary Upto 21.01.2019	Ajay Kadhao Company Secretary w.e.f 21.01.2019	
1	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.79	0.14	0.22	0.09	1.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	0.02	-	0.03
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others -Provident Fund	0.03	0.01	0.01	0.01	0.05
	<b>Total</b>	<b>0.83</b>	<b>0.15</b>	<b>0.24</b>	<b>0.10</b>	<b>1.32</b>

## 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: 17<sup>th</sup> May, 2019

# Management Discussion and Analysis

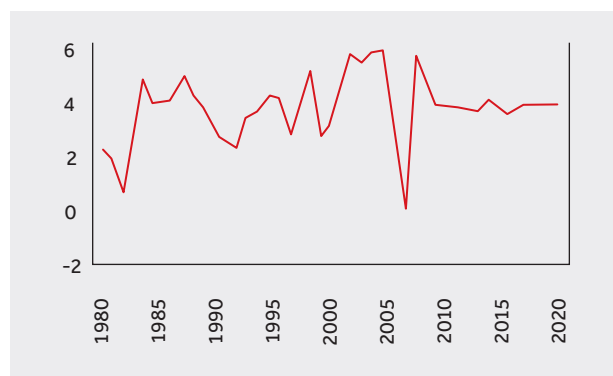
Established in 1990 Monnet Ispat and Energy Limited ("MIEL" or "the Company"), has a de-risked business portfolio that encompasses manufacturing and marketing of sponge iron, pellets, steel and ferro alloys. MIEL is a primary steel producer with steel plants at Raigarh and Raipur in the state of Chhattisgarh.

During the financial year 2017-2018, the Corporate Insolvency Resolution Process ("CIRP") of the Company was initiated by the financial creditors of the Company. The financial creditors petition to initiate the CIRP was admitted by the National Company Law Tribunal, Mumbai Bench on 18<sup>th</sup> July, 2017. There has been a successful resolution of the CIRP, as per Hon'ble National Company Law Tribunal, order dated 24<sup>th</sup> July 2018 ("NCLT Order"), under which there has been a change in the management of the Company on 31<sup>st</sup> August 2018. CIRP process is detailed in Directors' report. A consortium of AION Investment Private II Limited and JSW Steel Limited ("Consortium") have invested in the equity share capital and Compulsorily Convertible Preference Share (CCPs) of the Company thereby bringing in the desired liquidity for smooth operation of the facilities of the Company. There has also been a significant reduction in the debt profile of the Company.

## 1. GLOBAL ECONOMY

The year 2018 started on an optimistic note with global growth expectations pegged at 3.9%, driven by strong economic activity and policy-level interventions (Source: World Economic Outlook (WEO) by International Monetary Fund (IMF), January 2018). In the first half of CY2018, economic growth remained robust backed by the US fiscal stimulus plan rolled out in December 2017 and the resilient Emerging markets. A steady global oil consumption also supported the growth.

However, towards the second half of 2018, fears of trade wars among major economies, especially between the US and China, weighed on the growth momentum significantly. In addition to trade wars, geopolitical tensions across regions provided headwinds. The world economy grew at 3.7% in 2018 (Source: WEO by IMF, April 2019), comparable to CY2017 levels though below 3.9% expected at the start of the year.



Source: World Economic Outlook (April 2019), International Monetary Fund

## Outlook

The IMF's revised 2019 growth forecast reflects the spill-over effects of softening economic activities during the second half of calendar year (CY) 2018. IMF now estimates global growth rate at 3.3%, lower from 3.6% previously. Growth is expected to soften in the first half of 2019 and gradually pick up in the latter half. Improving overall financial market sentiment, expectations of positive developments in the resolution of trade wars, stabilisation in emerging markets, receding headwinds in the Eurozone and policy stimulus in China are expected to drive an improved sentiment.

## Region-wise growth and outlook estimates

Country / Region	CY2017	CY2018	CY2019	CY 2020
	(%)	(%)	(%)	(%)
World	3.8%	3.6%	3.3%	3.6%
AME's	2.4%	2.2%	1.8%	1.7%
EME's	4.8%	4.5%	4.4%	4.8%
ASEAN	5.4%	5.2%	5.1%	5.2%
US	2.2%	2.9%	2.3%	1.9%
EU-28	2.7%	2.1%	1.6%	1.7%
China	6.8%	6.6%	6.3%	6.1%
Japan	1.9%	0.8%	1.0%	0.5%
Russia	1.6%	2.3%	1.6%	1.7%
India	7.2%	7.1%	7.3%	7.5%

Source: IMF

## Annexure-8

### 2. INDIAN ECONOMY

- 7% India's Economic Growth in Financial Year 2019 (Source: CSO)
- 77 India's Ease of Doing Business Rank
- More than ₹ 10 trillion each direct and indirect tax collections in Financial Year 2019
- 7.3% India's expected growth rate in Financial Year 2020

#### India continues to hold the tag of the 'Fastest growing major economy'

An exciting, yet testing time lies ahead for the Indian economy. Reforms such as Make in India campaign in 2014, demonetisation in 2016, implementation of Goods and Services Tax (GST) in 2017, among many others played a vital role in shaping and propelling the economy. The country is yet to fully realise the impacts of the reforms that took shape in the last few years.

India ranked 77th position in the World Bank's Ease of Doing Business Index 2018. This was a remarkable feat as the nation jumped up 23 positions to achieve this feat. Better access to electricity, better avenues for credit and enterprise, and enhanced direct and indirect tax payment mechanisms have played an instrumental role in this.

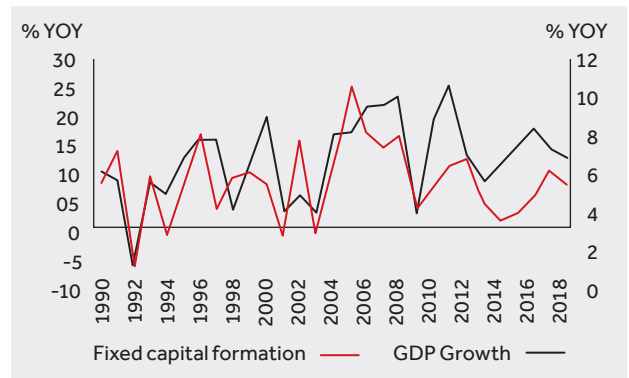
India's Gross Domestic Product (GDP) increased by 7.2% in Financial Year 2017-18 and 7% in Financial Year 2018-19 (Source: CSO). It continues to hold on to its position as the third largest start up base in the world with more than 4,750 technology start-ups on its soil.

#### Since 2012, India's growth rate has continued to outperform the global growth trend

Year	Global GDP growth rate (%)	Indian GDP growth rate (%)	Difference
2012	3.52	5.46	1.94
2013	3.47	6.39	2.92
2014	3.58	7.41	3.83
2015	3.45	8.16	4.71
2016	3.23	7.11	3.88
2017	3.76	6.74	2.98
2018	3.94	7.36	3.42

Source: DSIJ Oct-Nov 2018

As reported by IBEF in April 2019, the mergers and acquisitions activity in India witnessed US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments stood at US\$ 20.5 billion.



Source: CEIC, Deloitte

The Union Budget 2019-2020 gave special mention on measures to improve the existing social and physical infrastructure of the country. Such actions are expected to move the economy high up on the development scale and provide benefits to all sectors.

To empower Indians at large and bolster every individual's purchasing power, Make in India initiative is trying to advance the manufacturing sector. The government aims to make this sector take up 25% of GDP as opposed to the current share of 17%.

Similarly, the Digital India initiative will provide digital infrastructure to perform and provide services and make the nation emerge as a digitally literate nation.

The government is expected to focus on faster policy implementation, with infrastructure segment taking up the cornerstone of this focus. The government is looking at boosting private sector investments, which in turn will optimise the overall growth.

During the year, eight core industries saw an overall growth of 2.7% with cement and coal leading the march at 8% and 7.3% respectively. These eight sectors contributed 41% to India's Index of Industrial Production (IIP). Demand for long steel remain high due to increase in housing and construction projects and rose by 4.9% in 2018.

The recent Union Budget expanded the fiscal deficit target to 3.4% Financial Year 2018-19 and Financial Year 2019-20. This was necessary due to higher expenses set aside for support schemes towards farmers, income tax rebate and pension schemes for unorganised sector workers. India's forex reserves remained upwards of US\$405 billion (as of when), facilitated by growing merchandise export that has increased 8.85% y-o-y to US\$ 298.47 billion and services exports that grew by 8.54% y-o-y to US\$ 185.51 billion (source: IBEF).

## Outlook

India's economy is expected to contribute 13.7% of the growth in global economy that is higher than that of most advanced nations. The growth rate is expected to pick up to 7.3% in Financial Year 2020 and 7.5% in Financial Year

2021(Source: IMF). High investments, stronger fiscal policies and robust consumption will be the key growth drivers in the coming years. Through the year, other fundamentals remained supportive for the economy, which has contributed to India's 'fastest-growing major economy' status.

## 2019-2020 World Economy Growth Contribution (Intl\$)

China 28.0%	India 13.7%				United States 10.5%			
All other economies combined 22.5%	Indonesia 3.4%	Brazil 2.0%	Germany 2.0%		Japan 1.8%			
		Egypt 1.4%	Mexico 1.3%	France 1.3%	Turkey 1.3%			
	Russia 2.1%	South Korea 1.4%	Philippines 1.1%	Thailand 1.0%	Canada 0.9%			
		UK 1.4%	Saudi Arabia 1.0%	Spain 1.0%	Bangladesh 0.9%			

Source: IMF WEO April 2019

There has been a definite effort to balance growth with fiscal prudence. However, increased effort is needed if the nation wants to make its investment position stronger and maintain its fiscal deficit within target range at the same time. The need to keep the fiscal numbers within range is the result of budgetary allocations to social sectors, need to cut taxes and increased infrastructure spending.

The government should chart a roadmap to attract more private investors and manage its public finances effectively. The need of the hour is to make the right policy decisions so that there is the right mix in fiscal expenditures and incentivise private players in a way so that they stand to gain in the long run.

Turkey and is likely to spill over to other economies and trade beyond steel.

## Supply-side structural reforms by China to streamline capacities

China has taken a conscious call to close excess and inefficient capacities across various core sectors including steel and coal. Between 2016 and 2020, the country has set a steep target of closing down 200 MT of inefficient capacity. In 2017, China closed down 55 MT of steel and 30 MT of coal capacities in 2018. This, coupled with the restructuring of the 140 MT induction furnace capacities, has helped market sentiment, pricing power, and bottom-lines of most Chinese steel producers.

## Outlook for moderate expansion

World steel expects that global demand for steel to grow by 1.3% in 2019 and 1.0% in 2020. As far as steel production is concerned India is the second largest producer of crude steel followed by China. India's crude steel production in 2018 was at 106.5 MT, up by 4.9% from 101.5 MT in 2017. Japan produced 104.3 MT in 2018, down 0.3% compared to 2017. This points to prove that India replaced Japan and is now ahead of the curve.

## 3. GLOBAL STEEL INDUSTRY

### Robust growth in CY2018

Global steel demand grew by 4.9% in 2018, largely driven by a better-than-expected finished steel consumption in China, coupled with an investment-led recovery in the advanced economies.

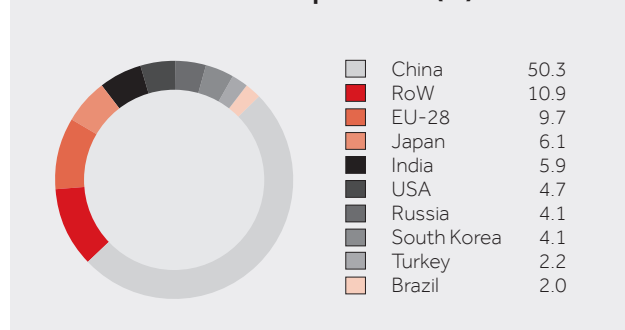
Global crude steel production reached 1,808.6 million tonnes in 2018, up 4.6% from 2017 levels. The rising production pushed capacity utilisation rates above 70%. Crude steel production increased across regions in 2018, except in the EU and Japan, which saw a 0.3% contraction (source: Worldsteel).

### US trade protection shifts global steel market dynamics

The US proclaimed Section 232 on imports of steel and aluminium by imposing a 25% and 10% duty, respectively, for select countries including India, citing national security concerns.

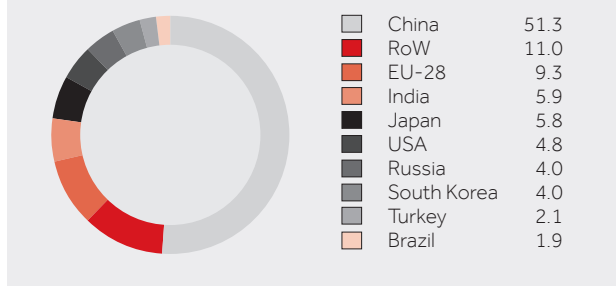
The US advocacy to promote domestic steel for domestic consumption has led to a growing threat of trade diversion, igniting a global trade friction spanning China, Europe and

### Share of world crude sheet production (%) 2017



## Annexure-8

Share of world crude sheet production (%) 2018



Source: Worldsteel 2017.

### 4. INDIAN STEEL INDUSTRY

India's financial year's 2019 crude steel production grew by 3.3% YoY, while the apparent finished steel consumption grew by 7.5%. Imports during this period surged by 4.7% YoY and exports declined by 33.9% YoY. Steel consumption was primarily driven by government expenditures on infrastructure (the central and state governments' infra spending pegged at ₹ 7-8 lakh crore). The infrastructure, construction and real estate sectors account for 60-65% of domestic steel consumption. The Smart Cities programme is a key demand driver. 1.29 million houses were built under the Pradhan Mantri Awaas Yojana (affordable housing). Rural development projects are also contributing to the uptick.

#### Performance highlights - Indian Steel Industry

(Source: Joint Planning Committee Report, March 2019)

In financial year 2019, steel production was 106.56 MT representing annual growth of 3.3%.

Hot metal production was 72.63 MT, an increase of 6.8%.

Pig iron production was 6.06 MT, up by 5.7%.

Total finished steel gross production was 131.57 MT, an increase of 3.7%.

Export of total finished steel reached 6.36 MT, a decrease of 33.9%.

Import of total finished steel was 7.83 MT, an increase of 4.7%. This displaces 15% of flat steel demand, 9% of total Indian steel demand and most significantly, poses a threat to over 2,30,000 jobs across direct and indirect employment associated with Indian steel industry.

Indian exports plummet to 26% to 8.5 MT in 2018-19 due to rising trade tensions across the globe, making India a net importer of steel.

Per capita consumption is up from 69-Kg to 73-Kg while share of flats remains steady at 46%. The growth of flat products witnessed a growth of 4.2% and long products at 10.4%.

Consumption of total finished steel was 97.54 MT, an increase of 7.5%.

#### Infrastructure sector

Increased spending in infrastructure projects increased the country's overall steel demand. It increased by 7.5% and stood at 97.52 million tonnes. Infrastructure, construction and real estate sector comprise 60-65% of steel demand. Housing projects such as Pradhan Mantri Awaas Yojana, construction projects such as Smart Cities programme are helping the uptick.

Worldsteel forecasts that India's steel demand will surpass that of United States. The demand is expected to be more than 7% in the next two years. The demand is projected to grow to approx. 100-105 MT, with per capita consumption improving to 75-76 kg. What bothers the steelmakers are lower domestic prices and cheaper imports. Major steelmakers have proposed to instate stronger border controls and stricter quality checks to overcome this threat.

#### Outlook

India continues to remain a bright spot and has the distinction of witnessing the highest growth rate in steel consumption among major steel consuming markets. This, admittedly, has also made India a magnet to attract higher imports from steel surplus economies, especially from countries like Japan and South Korea who enjoy a Free Trade Agreement.

In India, a strong momentum in government spending on infrastructure is driving an increase in Gross Fixed Capital Formation (GFCF), this is likely to get an impetus with government policies. While IIP and manufacturing PMI have weakened recently, and automotive and consumer durables production have corrected sharply, there is an expectation of improvement in H2 financial year 2020. Government is likely to take measures to spur investment and end user demand.

The government announced outlays of ₹ 1 lac crore in the Interim Budget is expected to spur rural spending and aid overall consumer demand. Further expectations of a normal monsoon bode well for the rural demand. As a result, the Company expects 6.5% - 7% steel demand growth for Financial Year 2020 in India.

#### Opportunities and threats

Several initiatives in the construction, infrastructure and automotive space has forward and backward linkages with the steel industry. These links will catalyse the country's total steel demand in the next fiscal.

The fortune of the steel industry is proportionate to the swings in other sectors such as automobile, infrastructure, consumer durable, sectors that generate high steel demand. Availability of raw materials and cheap labour makes this industry cost effective. The country produces its own iron ore as well. The country's steel demand has been on a rise.



## Annexure-8

However, the country witnessed unprecedented steel imports from several countries such as China, Japan, Russia and South Korea. Free trade agreement between India and Japan and South Korea eased the process of steel imports. Consequently, the domestic steel industry suffered resulting in high price cuts. The growing imports into India on account of trade diversion is matter of concern. Since, certain trade remedial actions have become irrelevant, imposition of safeguard duty is the need of the hour to stop such imports and corresponding injury to the domestic industry.

The government is expected to continue its long-term vision of giving impetus to the steel industry. Since the steel industry is closely linked to other industries, development of steel industry influences the national economic development.

### 5. FINANCIAL REVIEW

The Company is engaged in steel business. Brief performance of the Company (standalone) is as follows:

(₹ in Crores)			
Particulars	FY 2018-19	FY 2017-18	Variation
Turnover	1,879.41	1,419.09	32.44%
Profit before depreciation, interest, tax and exceptional items (PBDIT)	27.68	72.84	(62.00%)
Interest and finance charges	445.27	1,181.66	(62.32%)
Depreciation	275.60	351.61	(21.62%)
Exceptional Items	2,767.92	440.53	528.32%
Profit/(Loss) before tax	(3,461.11)	(1,900.96)	82.07%
Other Comprehensive Income (OCI)	(33.04)	(30.84)	7.13%
Total comprehensive income for the period comprising profit / (loss) and other comprehensive income for the period.	(3,494.15)	(1,931.80)	80.88%

#### Financial performance

During the year, the Company recorded a net loss of ₹ (3461.11) crores (previous year: loss of ₹ (1900.96) crores). The Company's PBDIT was ₹ 27.68 crores in the financial year ended 31<sup>st</sup> March, 2019 as opposed to a PBDIT of ₹ 72.84 crores. PBDIT for the current year was lower as compared to previous financial year as PBDIT generated out of Pellets, DRI, and structural steel was offset by operating loss on commencement of steel operations at Raigarh unit.

Taking into account depreciation and interest cost, profit before tax (PBT) stood at (Rs. 3461.11) crores as against (Rs. 1900.96) crores in the previous year and total comprehensive income for the year was (Rs. 3494.15) crores against (Rs. 1931.80) crores in the previous financial year.

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

#### a) Net sales and operating income

(₹ in Crores)				
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Domestic Turnover	1796	1342	454	34%
Export Turnover	76	69	7	11%
<b>Total Turnover</b>	<b>1872</b>	<b>1411</b>	<b>461</b>	<b>33%</b>
Other Operating Revenues	7	8	(1)	(13)%
<b>Revenue from operations</b>	<b>1879</b>	<b>1419</b>	<b>460</b>	<b>32%</b>
Other Income	27	12	15	125%
<b>Total income</b>	<b>1,906</b>	<b>1,431</b>	<b>475</b>	<b>33%</b>

During the financial year under review revenue from operations increased as compared to previous year due to higher sales of sponge iron and sales of pellets on account of re-start of pellet plant. Increase in other income is due to receipt of interest on fixed deposits with Bank.

#### b) Materials

(₹ in Crores)				
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Cost of materials consumed	1,478	1,072	406	38%

Cost of materials consumed increased due to increase in sponge iron production and restart of Pellet Plant, Blast Furnace, SMS and Bar Mill in Raigarh unit during the year under review.

#### c) Employee benefits expense

(₹ in Crores)				
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Employee benefits expense	89	80	9	11%

Increase in employee benefits expenses is largely on account of additions in employees. As on 31<sup>st</sup> March, 2019, the Company had 2295 direct employees apart from contract workforce.

#### d) Depreciation and amortisation expense

(₹ in Crores)				
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Depreciation and amortisation	276	352	(76)	(22)%

The reduction in depreciation charges is on account of lower depreciation due to impairment of property plant and equipment during the year under review.

## Annexure-8

## e) Other expenses

	(₹ in Crores)			
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Other Expenses	311	170	141	83%

Other expenses increased primarily on account of increase in power and fuel cost, repairs and maintenance and other manufacturing expenses arising on account of commencement of Pellet Plant, Blast Furnace, SMS and Bar Mill in Raigarh unit during the year under review.

## f) Finance costs

	(₹ in Crores)			
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Finance costs	445	1,181	(736)	(62)%

Reduction in finance cost is mainly on account of lower interest charge pursuant to implementation of resolution plan as approved by NCLT.

## g) Exceptional items

	(₹ in Crores)			
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Exceptional items	2,768	441	2,327	528%

The increase in exception items is on account of impairment/write-off of certain assets and write-back of certain liabilities during the year under review.

	Impairment/ (reversal of provision for impairment)	Write off/ (write back)
Property, Plant and Equipment and capital work in progress	2,403	27
Investments	69	715
Inventories	79	-
Trade Receivables	-	51
Loans and Other Receivables	564	238
Plant start up expenses	-	27*
Reversal of provision for Impairment of Non Current Investments	(197)	-
Provision for doubtful trade receivables reversed	(35)	-
Liability for current and non current borrowings written back	-	(1,008)
Trade payables and other current liabilities written back	-	(165)
<b>Total</b>	<b>2,884</b>	<b>(116)</b>

\* Charged to statement of profit and loss.

## h) Fixed assets

	(₹ in Crores)			
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Tangible assets	3,373	6,017	(2,644)	(44)%
Capital work-in-progress	154	166	(13)	(8)%
<b>Total</b>	<b>3,525</b>	<b>6,183</b>	<b>(2,657)</b>	<b>(43)%</b>

The reduction in fixed assets is mainly on account of impairment of property, plant and equipment and capital work in progress during the year under review.

## i) Investments

	(₹ in Crores)			
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Investments in subsidiaries, associates and joint ventures	-	587	(587)	(100)%
Other Investments	1	35	(34)	(97)%
<b>Total</b>	<b>1</b>	<b>623</b>	<b>(622)</b>	<b>(100)%</b>

The reduction in total investments is mainly on account of impairment/write-off of certain investments in subsidiaries, joint venture and associates due to non recoverability of investments.

## j) Inventories

	(₹ in Crores)			
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Raw Materials	188	151	37	25%
Work-in-Progress	6	3	3	108%
Semi Finished/ Finished Goods	350	103	247	240%
Production Consumables and Stores & Spares	75	64	12	18%
Stock in trade	40	-	40	100%
<b>Total</b>	<b>659</b>	<b>321</b>	<b>339</b>	<b>105%</b>

Increase in inventories is mainly on account of stocking of raw materials and finished goods due to commencement of Pellet and finished steel operations in Raigarh unit.

## k) Trade receivables

	(₹ in Crores)			
	FY 2018-19	FY 2017-18	Change (₹)	Change %
Total Debtors	48	97	(49)	(51)%
Less: Provision for doubtful debts	(2)	(37)	35	(94)%
<b>Total Receivables</b>	<b>46</b>	<b>60</b>	<b>(14)</b>	<b>(24)%</b>

Decrease in trade receivables is on account of reduction in collection period and write off of certain trade receivables.

## Annexure-8

### I) 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)

Key Ratios	FY 2018-19	FY 2017-18	Change in %
(i) Debtors Turnover (days)	10.29	20.25	(49)%
(ii) Inventory Turnover (days)	129	87	30%
(iii) Interest Coverage Ratio	0.03	0.06	(48)%
(iv) Current Ratio	2.38	0.50	374%
(v) Debt Equity Ratio	1.11	*	*
(vi) Operating Profit Margin (%)	0.05	4.28	(99)%
(vii) Net Profit Margin (%)	(184.16)	(133.96)	37%

\* Debt Equity ratio has not been computed for FY 2017-18 due to negative equity in FY 2017-18.

Reason for change in above key ratios

- Debtors Turnover has improved due to reduction in collection period
- Inventory turnover increased on account of stocking of raw materials and finished goods on account of restart of steel making operations at Raigarh
- Interest Coverage Ratio decreased due to lower interest charges pursuant to implementation of resolution plan as approved by NCLT.
- Current Ratio increased on account of reduction in creditors pursuant to implementation of resolution plan as approved by NCLT
- Debt Equity Ratio – Debt equity ratio is at 1.11 on account of increase in equity share capital and reduction of borrowings as compared to previous year as per approved resolution plan.
- Operating Profit Margin reduced on account of higher expenses incurred on restart of steelmaking operations
- Net Profit Margin (%) reduced due to increase in exceptional items.

### 6. OPERATIONAL REVIEW

The DRI units at Raigarh and Raipur unit DRI plant were in continuous operation at time of acquisition of management control by the Consortium on 31<sup>st</sup> August 2018 pursuant to the of the Hon'ble NCLT order. Post-acquisition of management control, operations of Raigarh Pellet plant was started in October 2018 and production was ramped up to around 90% of installed capacity. Cost control measures were

initiated in Raipur and Raigarh plant. Measures are being taken to increase the Pellet plant capacity to 2.50 MTPA in Financial Year 2019-2020, with marginal investment which will further reduce cost of production. In the month of February 2019, the Company started integrated steel production through blast furnace (for iron making), electric arc furnace (steel making), ladle refining, continuous casting and bar mill rolling. The management is working towards investing in equipment upgradations with the objective of producing value added steel (long) products for applications in automobile sector, energy, railways and general engineering. With this the Company is expected to enter into the value added market by the end of current financial year.

### Synergy from JSW Steel

Apart from the infusion of capital, the Company derives synergistic benefits from JSW Steel Limited (JSW). The Company will get the benefits of know-how expertise, training and marketing support from JSW which is already present in the value added steel market.

The Company also benefits from JSW Steel's centralised procurement of raw materials and capital shipments to optimise. The Company is planning to export special steel cast products, to global customers potentially including JSW Piombino Works (Italy).

### Demand scenario

There is rising demand for speciality steel products in the Eastern, Northern and Western markets. The Company's, plant in Chhattisgarh, is ideally located to cater to these geographies driven by favorable cost of logistics.

### Segment-wise or product-wise performance

The Company is engaged in the steel business, the details of which have been included in the financial statements of the Company.

### 7. RISKS AND CONCERNS

Risk Management and Control System to ensure that the risks of the Company are identified and managed effectively. The re-constituted management of the Company has adopted risk management framework for identifying and evaluating risks and opportunities that may have bearing on the organisation. The Company recognises that these risks needs to be managed and mitigated to protect the shareholders and other stakeholders' interest.

Although the entire steel industry is under threat due to steel imports from China, Japan, South Korea and Russia yet consumption is expected to rise due to the boost in infrastructure, construction and automobile sectors. The demand of steel in the capital good sectors is expected to rise as well. The National Steel Policy, 2017, has envisaged

300 million tonnes of production capacity by 2030. The Indian Government is giving increased focus to find new markets for Indian manufactured steel, trying to shift industry's attention towards special steel production and increasing per capital steel consumption.

## 8. 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 management to provide reasonable assurance that all assets are safeguarded; transactions are authorized, 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.

Place: Mumbai  
Date: 17<sup>th</sup> May, 2019

## 9. HUMAN RESOURCE DEVELOPMENT

As on 31<sup>st</sup> March 2019, the Company had 2295 direct employees apart from contract workforce.

The Company strives to provide a safe working atmosphere in the Company, where in every employee can develop his/her own strength and deliver their expertise in the interest of the Company.

### 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.

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

**Jyotin Mehta**  
Chairman  
DIN: 00033518

# Corporate Governance Report

## 1) CORPORATE INSOLVENCY RESOLUTION PROCESS

The Company was undergoing the insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) which began on 18<sup>th</sup> July, 2017. During the said process, the powers of the Board of Directors of the Company were suspended and were being exercised by the Resolution Professional (RP) duly appointed by the Adjudicating Authority which in this case is National Company Law Tribunal, Mumbai (NCLT). The Company continued to operate as a going concern and while the RP managed the affairs of the Company from the initiation of CIRP Proceeding till the approval of Resolution Plan.

The resolution plan (as amended and supplemented) submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited ("Resolution Applicants") was approved by the committee of creditors (CoC) of the Company. The RP submitted the CoC approved resolution plan to the Hon'ble NCLT on 12<sup>th</sup> April, 2018 for its approval and the NCLT approved the resolution plan submitted by the consortium with certain modifications ("Resolution Plan") on 24<sup>th</sup> July, 2018.

Pursuant to, and in accordance with the implementation of the final Resolution Plan, the existing Board of Directors of the Company, who were Directors prior to approval of Resolution Plan, have been deemed to have resigned and the Steering Committee of the Company appointed Mr. Sumit Binani, Mrs. Anuradha Ambar Bajpai and Mr. Jyotin Mehta, as Directors of the Company to hold office till the completion of acquisition of control over the Company by the Resolution Applicants as contemplated in the Resolution Plan.

Upon implementation of the Resolution Plan, the Resolution Applicants comprising of a consortium of JSW Steel Limited and AION Investments Private II Limited (directly and through their affiliates) took control over the management and ownership of the Company. The silent features of the Resolution Plan have been given in the Directors' Report.

## 2) 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.

## 3) BOARD OF DIRECTORS

### A. Composition & Category of Directors

During the year, the Corporate Insolvency Resolution Process (CIRP) came to an end on 24<sup>th</sup> July, 2018. During the pendency of CIRP, the powers of Board of Directors of the Company were suspended and all of the powers of the Board were instead exercised by Mr. Sumit Binani, Resolution Professional appointed for the Company.

Pursuant to completion of CIRP, Board of Directors of the Company was re-constituted and erstwhile Board of Directors were deemed to have resigned.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018 dated 31<sup>st</sup> May, 2018, the provisions as specified in regulation 17 shall not be applicable during the insolvency resolution process period in respect of



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a listed entity which is undergoing CIRP under the Insolvency Code. However, the role and responsibilities of the Board of Directors as specified under regulation 17 shall be fulfilled by the Interim Resolution Professional or Resolution Professional in accordance with sections 17 and 23 of the Insolvency Code.

The Company has an appropriate mix of Executive Directors (ED's), Non-Executive Directors (NED's) and Independent

Directors (ID's) 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 SEBI Listing Regulations, 2015.

As on 31<sup>st</sup> March, 2019, the Board comprised of eight members, one of whom is an ED, four NED's and three ID's. Detailed profile of our Directors is available on our website [www.aionjsw.in](http://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<sup>st</sup> March, 2019 are as follows:

Name of Directors	Category	Designation	No. of Directorships in other Listed and Public Companies	No. of Committee Memberships and Chairmanship in other Companies		Directorship in other listed entity (category of Directorship)	Number of shares /convertible instruments held by non- executive Directors
				Chairperson	Member		
Jyotin Mehta DIN: 00033518	Non-Executive Independent	Director	4	3	2	1. Majesco Limited (Director) 2. Linde India Limited (Independent director)	-
Anuradha Ambar Bajpai DIN: 07128141	Non-Executive Independent	Director	7	4	3	-	-
Kalpesh Pankaj Kikani DIN: 03534772	Non-Executive	Director	2	-	-	-	-
Nikhil Omprakash Gahotra DIN: 01277756	Non-Executive	Director	2	-	1	-	-
Ravichandar Moorthy Dhakshana DIN: 03298700	Executive	Whole-time Director	4	-	-	-	NA
Sanjay Kumar DIN: 07929953	Non-Executive	Director	-	-	-	-	-
Seshagiri Rao MVS DIN: 00029136	Non-Executive	Director	3	-	1	JSW Steel Limited (Joint Managing Director and Group CFO)	-
Sutapa Banerjee DIN: 02844650	Non-Executive Independent	Director	7	2	6	1. Niyogin Fintech Limited (Independent Director) 2. JSW Holdings Limited (Independent Director) 3. Manappuram Finance Limited (Independent Director)	-

Notes:

- The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI LODR 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<sup>st</sup> March, 2019.
- 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<sup>st</sup> March, 2019 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 fulfill the criteria of being independent as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.

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2015 ("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](http://www.aionjsw.in)

### 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	Available with Board
Industry Knowledge	a) Knowledge of steel / metal sector and industry b) Knowledge of public policy direction c) General understanding of government legislation /legislative process with respect to governance of the Board affairs	All available
Technical knowledge, in one or more areas	a) Accounting and Finance management b) Operations of steel/metal product manufacturing c) General understandings of Laws applicable to the Company and sector d) Marketing e) Information technology f) Experience in developing and implementing risk management systems g) Strategy development and implementation	All available
Governance	a) Strategic thinking/planning from governance aspect; b) Compliance focus; c) Executive performance management	All available
Behavioural	a) Ability and willingness to challenge board issues/matters b) Integrity and high ethical standards; c) Understanding of effective decision making; d) Willingness and ability to devote time and energy; e) Mentoring abilities;	All available

### C. Attendance of Directors

Corporate Insolvency Resolution Process (CIRP) was initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an order of the National Company Law Tribunal (NCLT) with effect from 18<sup>th</sup> July, 2017. As per Section 17 of the Code, upon appointment of the Resolution Professional, the powers of the Board of Directors stands suspended and such powers were exercised by the Resolution Professional appointed for the Company. Hence, no Board meeting was held after NCLT order dated 18<sup>th</sup> July, 2017, till the completion of the Resolution Plan as approved by the NCLT, Mumbai Bench on 24<sup>th</sup> July, 2018.

Steering Committee of lenders, pursuant to approval of Resolution Plan by Hon'ble NCLT, Mumbai Bench, appointed an Interim Board on 30<sup>th</sup> July, 2018 to implement the approved resolution plan. The Interim Board consisted of Mr. Sumit Binani, non-executive Director, Mr. Jyotin Mehta and Mrs. Anuradha Ambar Bajpai as Independent Directors of the Company.

The Interim Board of Directors of the Company met three (3) times during the year ended 31<sup>st</sup> March, 2019. The details of attendance of Interim Board of Directors at the meetings held are given below:

Name of Director(s)	30 <sup>th</sup> July, 2018	14 <sup>th</sup> August, 2018	31 <sup>st</sup> August, 2018
Jyotin Mehta	P	P	P
Anuradha Ambar Bajpai	P	P	P
*Sumit Binani	P	P	P

\*ceased to be Director of the Interim Board of the Company w.e.f. 31<sup>st</sup> August, 2018 on conclusion of Corporate Insolvency Resolution Proceedings.

Note:

- "A" denotes Absence and "P" denotes Presence in the meeting.

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On 31<sup>st</sup> August, 2018, the composition of Board of Directors of the Company was re-constituted. 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.

Three (3) meetings of re-constituted Board were held during the year ended 31<sup>st</sup> March, 2019. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

The details of attendance of Directors at the Board Meetings held since re-constitution of the Board, and Annual General Meeting held during the year ended are given below: —

Name of Director(s)	15 <sup>th</sup> October, 2018	21 <sup>st</sup> January, 2019	27 <sup>th</sup> March, 2019	Whether attended AGM held on 27 <sup>th</sup> December, 2018
Jyotin Mehta	P	P	P	P
Anuradha Ambar Bajpai	P	P	P	P
Kalpesh Pankaj Kikani	P	P	P	A
Nikhil Omprakash Gahrotra	P	P	P	P
Ravichandar Moorthy Dhakshana	P	P	P	P
Sanjay Kumar	P	P	P	P
Seshagiri Rao MVS	P	P	P	A
Sutapa Banerjee	P	P	P	A

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:

In compliance with SS-1, Secretarial Standard on Board Meeting, issued by the Institute of Company Secretaries of India, the meetings of the Board are governed by a structured agenda for facilitating meaningful and focused discussion at the meeting.

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 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.

During the year, 6 (six) meeting of the Board of Directors (including meetings of the Interim Board of Directors) were held and the gap between the consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present for all meetings.

The Company has also formulated 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 i.e <https://www.aionjsw.in/documents/default.aspx?f=investor-relations/familiarization-programme-for-independent-directors-44.pdf>

- E.** The Board of Directors had accepted all mandatory recommendations of Committees of the Board during the financial year under review.
- F.** Mr. Jyotin Mehta, Chairman of the Audit Committee attended the 28<sup>th</sup> Annual General Meeting.
- G.** Mrs. Anuradha Ambar Bajpai, Chairperson of Nomination and Remuneration Committee (till 28<sup>th</sup> March 2019) and Stakeholders Relationship Committee attended the 28<sup>th</sup> Annual General Meeting.

### H. Annual Performance Evaluation & 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. The Policy was amended by the Board of Directors on 4<sup>th</sup> March, 2019, in compliance with SEBI Listing Regulations.

Pursuant to Schedule IV of the Companies Act, 2013, a meeting of Independent Directors was held on 27<sup>th</sup> March, 2019. 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.

Further for the financial year 2018-19, 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 Nomination and Remuneration Committee. 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.

#### 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. However, pursuant to initiation of CIRP, no Committee meetings of the reconstituted Board were held before 31<sup>st</sup> August, 2018, as powers of Board and their Committees were suspended.

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.

According to regulation 15(2B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2015, the provisions as specified in Regulation 18, 19, 20 and 21 were not applicable during the insolvency resolution process period. Further, during the insolvency resolution process period, role and responsibilities of the Board of Directors as specified under regulation 17 has been fulfilled by the resolution professional in accordance with sections 17 and 23 of the Insolvency Code.

##### 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 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:
  - (a) 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;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;

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- (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) 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 crore 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.
  - The role of the Committee shall stand modified with reference to amendments to the provisions of SEBI Listing Regulations, the Companies Act 2013 and any other applicable regulations and amendments thereof and the Committee shall discharge its role accordingly from time to time;
  - The Audit Committee of the Company shall review 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 on following parameters;
- 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.
- As at 31<sup>st</sup> March, 2019, the composition of Audit Committee consists of the following Directors:
1. Mr. Jyotin Mehta, Non-Executive Independent Director – Chairman
  2. Mr. Nikhil Omprakash Gahotra, Non-Executive Director – Member



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3. Ms. Anuradha Ambar Bajpai, Non-Executive Independent Director - Member

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

The Audit Committee invites such executives, 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 three times during the financial year 2018-19 after the completion of CIRP (post re-constitution of the Board) 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	15 <sup>th</sup> October, 2018	21 <sup>st</sup> January, 2019	27 <sup>th</sup> March, 2019
Jyotin Mehta (Non-Executive Independent Director)	P	P	P
Nikhil Omprakash Gahrotra (Non-Executive Director)	P	P	P
Anuradha Ambar Bajpai (Non-Executive Independent Director)	P	P	P

The Audit Committee of the Interim Board met two times on 14<sup>th</sup> August 2018 and 31<sup>st</sup> August 2018 wherein all members of the Committee were present viz Mr. Sumit Binani, Non-Executive Director, Mr. Jyotin Mehta and Mrs. Anuradha Ambar Bajpai as Non-Executive Independent Directors of the Company.

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

The reconstituted Board / Management is of opinion that the Company has effective internal control systems and policies. Post the acquisition, the reconstituted Board/Management is in the process reviewing the internal controls framework with an objective to have a best in class internal control and revamping a framework for internal controls commensurate with the size, scale and nature of business.

### v. Risk Management

The Reconstituted Board/ management has reviewed the risk management framework of the Company and adopted risk management framework for identifying and evaluating risks and opportunities that may 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](http://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.

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- 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<sup>st</sup> March, 2019, the Nomination and Remuneration Committee consists of the following three members:

- Mrs. Sutapa Bnerjee, Non-Executive Independent Director- Chairperson
- Mr. Nikhil Omprakash Gahrotra, Non-Executive Director- Member
- Mr. Jyotin Mehta, Non-Executive Independent Director - Member

Mrs. Sutapa Banerjee was appointed as the Chairperson of the Nomination and Remuneration Committee with effect from 28<sup>th</sup> March 2019 in place of Mrs. Anuradha Ambar Bajpai at the Board meeting held on 27<sup>th</sup> March, 2019.

### iii. Nomination and Remuneration Committee Meetings and Attendance:

The Nomination and Remuneration Committee met three times during the financial year 2018-19 after the completion of CIRP. The necessary quorum was present in the meeting. The table below provides the attendance of the Nomination and Remuneration Committee members:

Name of Members	15 <sup>th</sup> October, 2018	21 <sup>st</sup> January, 2019	27 <sup>th</sup> March, 2019
Anuradha Ambar Bajpai (Non-Executive Independent Director)	P	P	P
Jyotin Mehta (Non-Executive Independent Director)	P	P	P
Nikhil Omprakash Gahrotra (Non-Executive Director)	P	P	P

The Nomination and Remuneration Committee of the Interim Board met one time on 14<sup>th</sup> August 2018 wherein all members of the Committee were present viz Mr. Sumit Binani, non-executive Director, Mr. Jyotin Mehta and Mrs. Anuradha Ambar Bajpai as Non-Executive Independent Directors of the Company.

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.
- Mrs. Sutapa Banerjee, Non-Executive Independent Director was appointed as the Chairperson of the Committee with effect from 28<sup>th</sup> March, 2019, in place of Mrs. Anuradha Ambar Bajpai

### 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](http://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.

The Board of Directors reviewed the policy and adopted the revised Nomination and Remuneration & Board Diversity Policy at its Board Meeting held on 27<sup>th</sup> March, 2019.

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### v. Details of remuneration paid to directors for the year ended 31<sup>st</sup> March, 2019

Name of Directors	Category	Remuneration paid to directors					Total (₹ in Crores)
		Salary	Perquisites	Stock Option	Comm-ission	Sitting fees	
Jyotin Mehta	Non-Executive Independent	-	-	-	-	0.05	0.05
Anuradha Ambar Bajpai	Non-Executive Independent	-	-	-	-	0.05	0.05
Sutapa Banerjee	Non-Executive Independent	-	-	-	-	0.02	0.02
Kalpesh Pankaj Kikani	Non-Executive	-	-	-	-	-	-
Nikhil Omprakash Gahrotra	Non-Executive	-	-	-	-	-	-
Sanjay Kumar	Non-Executive	-	-	-	-	-	-
Seshagiri Rao MVS	Non-Executive	-	-	-	-	-	-
Ravichandar Moorthy Dhakshana	Executive (Whole-time Director)	1.04	-	-	-	-	1.04
<b>TOTAL</b>		<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.12</b>	<b>1.16</b>

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' with effect from 31<sup>st</sup> August 2018 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 2018-19, 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 2018-19 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') 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.

As at 31<sup>st</sup> March, 2019, the Corporate Social Responsibility Committee consists of the following three members:

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

During the year under review, one meeting of CSR Committee was held on 21<sup>st</sup> January, 2019, where 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.

### 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.

## Annexure-9

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 & 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. As at 31<sup>st</sup> March, 2019, the Stakeholder Relationship Committee consists of the following three members:

- Mrs. Anuradha Ambar Bajpai, Non-Executive Independent Director- Chairperson
- Mr. Nikhil Omprakash Gahrotra, Non-Executive Director- Member
- Mr. Jyotin Mehta, Non-Executive Independent Director - Member

### iii. Meeting and Attendance:

The Stakeholder Relationship Committee met two times during the financial year 2018-19 after the completion of CIRP Process. The necessary quorum was present in the meeting. The table below provides the attendance of the Stakeholder Relationship Committee members:

Name of Members	15 <sup>th</sup>	21 <sup>st</sup>
	October, 2018	January, 2019
Anuradha Ambar Bajpai (Non-Executive Independent Director)	P	P
Jyotin Mehta (Non-Executive Independent Director)	P	P
Nikhil Omprakash Gahrotra (Non-Executive Director)	P	P

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, 2 <sup>nd</sup> Floor, Unit No-13, Phoenix Mall Compound, LBS Marg, Kurla West, Mumbai-400070
Phone	: 022-40435999
E-mail	: <a href="mailto:isc_miel@aionjsw.in">isc_miel@aionjsw.in</a>

During the year under review, Mr. Hardeep Singh relinquished his post as the Company Secretary and Compliance Officer of the Company w.e.f 21<sup>st</sup> January, 2019 and Mr. Ajay Kadhao was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 21<sup>st</sup> January, 2019.

### v. Details of the Shareholder's complaints received, redressed/pending during the financial year 2018-19:

The details of total number of complaints received; resolved/pending during the financial year 2018-19 is as follow: -

Particulars	No. of Complaints
Number of complaints received from the investors (including the opening Balance as on 01 <sup>st</sup> April, 2018) 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.	77
Number of complaints resolved during the year	77
Complaints Pending as at 31 <sup>st</sup> March, 2019	-

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

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) International Trade Practices and Corporate Governance Committee

Pursuant to the agreement entered into between JSW Steel Limited and AION Investments Private II Limited, the Company has constituted an international trade practices and corporate governance committee of the Board to monitor compliance by the Company with policies in relation to anti-corruption laws and sanctions administered by the Office of Foreign Assets Control of the United States Treasury.

Pursuant to completion of Corporate Insolvency Resolution Process, on 24<sup>th</sup> July, 2018, the International Trade Practices

## Annexure-9

and Corporate Governance Committee was constituted and consists of the following Directors:

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

### F) Finance Committee Meeting:

The Finance Committee of the Board was constituting as on 31<sup>st</sup> August, 2018 to consider and approve all types of loans and banking facilities up-to the maximum limit of ₹ 500 cr. 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<sup>st</sup> March, 2019, 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 Pankaj Kikani, Non-Executive Director - Member

The Finance Committee met four times during the financial year 2018-19. The necessary quorum was present in the meeting. The table below provides the attendance of the Finance Committee members:

Name of Members	31 <sup>st</sup> August, 2018	4 <sup>th</sup> October, 2018	23 <sup>rd</sup> November, 2018	27 <sup>th</sup> March, 2019
Ravichandar Moorthy Dhakshana (Executive Director)	P	P	P	P
Seshagiri Rao MVS (Non-Executive Director)	P	P	P	P
Kalpesh Kikani (Non-Executive Director)	P	P	P	P

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

## 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
28th	27 <sup>th</sup> December, 2018, 1:30 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 <sup>th</sup> September, 2017, 2:30 P.M		No special resolution passed
26th	30 <sup>th</sup> September, 2016, 2:30 P.M		<ul style="list-style-type: none"> <li>● Adoption of new set of Memorandum of Association</li> <li>● Adoption of new set of Articles of Association</li> </ul>

The above resolutions were passed with requisite majority.

Note:

The Registrar of the Companies, Chhattisgarh, granted an extension for holding the 28<sup>th</sup> Annual General Meeting of the Company.

### B. Details of Special Resolutions passed during the financial year 2018-19 through Postal Ballot

No Special Resolution was passed through postal ballot in the said period.

## 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 & the shareholders;

## Annexure-9

- 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](http://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, if any, and other information as required under Companies Act, 2013 and SEBI listing Regulations are promptly and prominently posted on its website [www.aionjsw.in](http://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	: Friday, 19 <sup>th</sup> July, 2019
Time	: 01.30 PM
Venue	: Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101
Financial Year	: 2018-19
Book Closure / Record Date	: 12 <sup>th</sup> July, 2019 to 19 <sup>th</sup> July, 2019 (both days inclusive)

#### B. Financial Year Calendar (Tentative):

The Company follows the period of 1<sup>st</sup> April to 31<sup>st</sup> 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, 2019
Second Quarter & Half Yearly Results	: on or before November 14, 2019
Third Quarter Results	: on or before February 14, 2020
Fourth & Audited Annual Results	: on or before May 30, 2020

- C. **Dividend Payment** : No dividend has been recommended for the Financial Year 2018-19.

- 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 on National Stock Exchange of India Ltd., BSE Ltd. & Calcutta Stock Exchange Ltd. (the stock exchanges). Whereas the Non-Convertible Debentures (NCDs) issued by your Company are also listed on BSE Ltd.

National Stock Exchange of India Ltd.	BSE Ltd.
'Exchange Plaza', Bandra Kurla Complex, Bandra (E), Mumbai- 400051.	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
website : <a href="http://www.nseindia.com">www.nseindia.com</a>	website : <a href="http://www.bseindia.com">www.bseindia.com</a>

The Company is in process of getting itself delisted from Calcutta Stock Exchange. The Company had filed applications for de-listing of its Securities from the Calcutta Stock Exchange Limited (CSE). Pending this application, CSE suspended listing 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<sup>th</sup> April, 2016 submitted the information sought by CSE for revocation of suspension.

The annual listing fee for the listed equity shares and non-convertible debentures for the year 2019-20 have been paid to BSE Ltd and National Stock Exchange Limited.

#### F. Stock Codes/Symbol:

National Stock Exchange of India Ltd -	: AIONJSW (Before commencement - MONNETISPA)
BSE Ltd.	: 513446
Calcutta Stock Exchange Ltd.	: 23037



## Annexure-9

### G. Non-Convertible Debentures :

The details of Non-Convertible Debentures (NCD's) issued by the Company on private placement basis are given below. Pursuant to the implementation of the Resolution Plan sanctioned by the NCLT, debts of eligible financial creditors, which includes NCD holders, were also paid in the manner provided in the approved Resolution Plan.

Number of Debentures	Value of Debenture (₹ in Lacs)	Category	ISIN	Contacts details of Debenture Trustee
1500	15000	Secured Redeemable Non-Convertible	INE743C07069	IL&FS Trustee Company Limited
400	4000		INE743C07077	IL&FS Financial Centre Plot no. C-22, G Block Bandra Kurla Complex, Bandra(E) Mumbai – 400 051
150	1500		INE743C07085	Website : www.itclindia.com
500	5000		INE743C07093	E-mail: Shailesh.Kokate@ilfsindia.com
150	1500		INE743C07101	
2500	25000		INE743C07119	
1000	10000		INE743C07028	IDBI Trusteeship Services Ltd
1200	12000		INE743C07010	Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001
450	4500		INE743C07044	Website: http://www.idbitrustee.com
350	3500		INE743C07036	E-mail : srinivas@idbitrustee.com
1000	10000		INE743C07051	

As on the date of report, the Company does not have any outstanding debentures. The ISIN's of the said NCD's have been extinguished from National Securities Depository Limited and Central Depository Services(India) Limited respectively.

Post extinguishment, the Company is in process of de-listing the NCD's from BSE Limited.

### H. Credit Rating :

The credit rating for long term bank facilities (term loan & fund based-cash credit) by CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited) was A- stable while and for long/short term bank facilities (non-fund based bank guarantees) was A- stable / A2+. The agency has given a stable outlook for the facilities of the Company.

### I. Market Price Data :

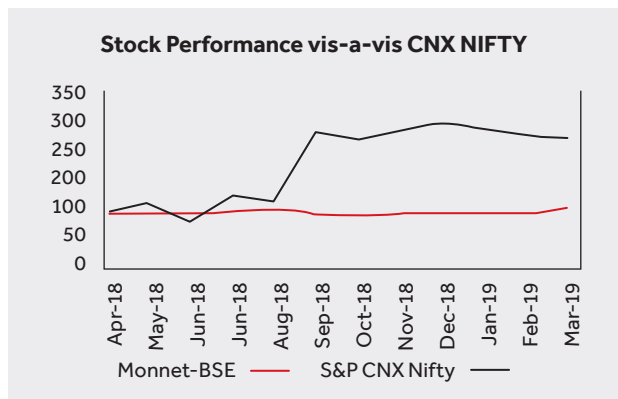
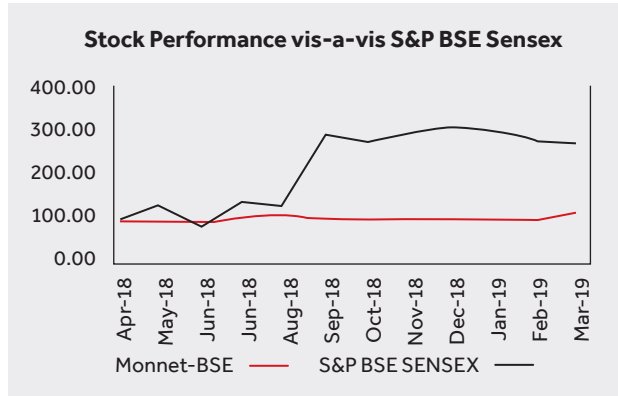
High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2018-19 on NSE and BSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Total Volume	High (₹)	Low (₹)	Total Volume
April – 2018	24.85	13.90	49,85,823	25.00	13.85	2,94,68,800
May- 2018	19.85	12.55	31,43,483	20.00	12.55	1,46,53,478
June- 2018	18.80	10.35	18,59,922	18.95	10.25	90,40,555
July – 2018	15.93	08.89	24,13,706	15.80	08.85	37,80,696
August – 2018	18.35	13.75	18,02,687	18.20	13.75	54,89,200
September-2018	34.35	21.25	5,86,491	34.05	21.05	1,85,107
October- 2018	48.10	29.20	8,99,273	47.75	29.05	10,79,811
November- 2018	38.50	29.85	5,53,022	38.50	29.05	9,41,663
December- 2018	43.70	33.00	6,41,086	43.5	33.30	15,28,715
January- 2019	42.75	32.60	3,76,711	41.00	31.55	6,65,862
February- 2019	34.95	27.00	2,28,222	35.15	30.20	5,23,413
March- 2019	35.00	23.05	4,22,443	35.15	23.00	3,132,338

## Annexure-9

### J. Stock Performance

The performance of the Company's share relative to the BSE Sensitive Index and S&P 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:



### K. Registrar & 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-

<b>Registrar and Transfer Agents</b>	: MCS Share Transfer Agent Ltd
<b>Address</b>	: F-65, Okhla Industrial Area, Phase-I, New Delhi – 110 020
<b>Contact Details</b>	: Tel.: 011- 41406149 Fax: 011- 41709881
<b>Email Address:</b>	: <a href="mailto:admin@mcsregistrars.com">admin@mcsregistrars.com</a>

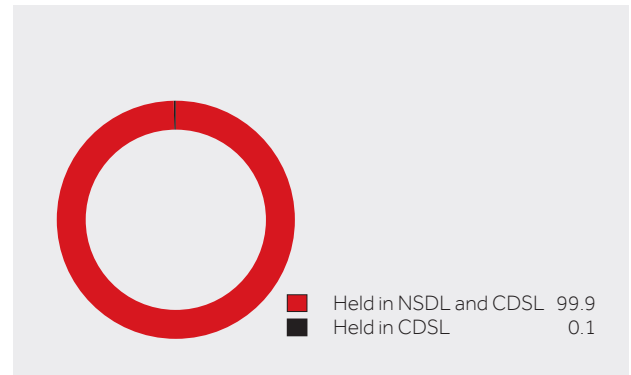
#### Share transfers system

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<sup>st</sup> March, 2019, 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.



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.

### 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<sup>st</sup> March, 2019, the Company has no outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity.

## Annexure-9

### N. Shareholding as on 31<sup>st</sup> March, 2019

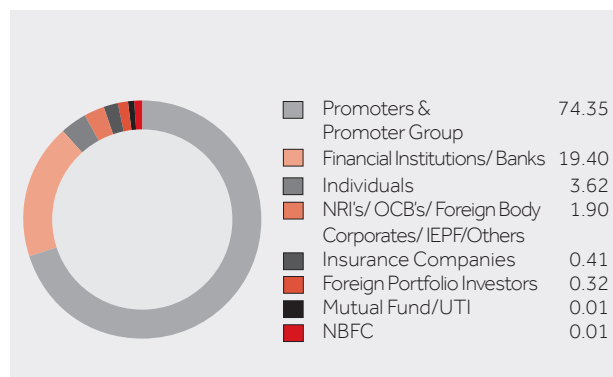
#### i. Distribution of Shareholding:

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 500	29924	84.7561	3244292	0.6909
501 - 1000	2518	7.1319	1869125	0.3981
1001 - 2000	1411	3.9965	2103798	0.4480
2001 - 3000	380	1.0763	946789	0.2016
3001 - 4000	338	0.9573	1162353	0.2475
4001 - 5000	165	0.4673	753879	0.1606
5001 - 10000	299	0.8469	2160123	0.4600
10001-50000	183	0.5183	3705661	0.7892
50001-100000	28	0.793	2098143	0.4468
Above 100000	60	0.1699	451503371	96.1571
<b>TOTAL</b>	<b>35306</b>	<b>100.000</b>	<b>469547534</b>	<b>100.0000</b>

#### ii. Shareholding pattern:

Shareholding pattern as on 31<sup>st</sup> March, 2019 for the purpose of reporting in the Annual Report of the Company for the year 2018-19 is given as under:

Category	As on 31 <sup>st</sup> March, 2019	
	No. of Equity Shares	Percentage (%)
Promoters & Promoter Group	349,110,785	74.35
Mutual Funds / UTI	495	-
Foreign Portfolio Investors	1,516,939	0.32
Financial Institutions/ Banks	91,100,006	19.40
Insurance Companies	1,906,866	0.41
Individuals	17,005,868	3.62
NBFC	870	-
NRI's / OCB's / Foreign Nationals/IEPF/ Others	8,905,705	1.90
<b>Total</b>	<b>469,547,534</b>	<b>100.00</b>



#### Top Ten Shareholders as on 31<sup>st</sup> March, 2019:

Name of the Shareholders	No. of Shares	% Age of Paid-Up Capital
Creixent Special Steels Limited	225,934,607	48.12
AION Investments Private II Limited	99,461,544	21.18
State Bank of India	25,478,624	5.43
JTPM Atsali Limited	23,508,427	5.01
ICICI Bank Ltd.	5,879,217	1.25
IDBI Bank Ltd.	4,825,134	1.03
Punjab National Bank	4,388,228	0.93
UCO Bank	4,212,967	0.90
Oriental Bank of Commerce	4,063,763	0.87
Dena Bank	3,950,421	0.84

### 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](http://www.aionjsw.in). Details of Unclaimed Dividend as on 31<sup>st</sup> March, 2019 and due dates for transfer are as follows:

#### Details of Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

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	2011-12	29/09/2012	05/11/2012	2.5	29/09/2019	05/11/2019
Final Dividend	2012-13	30/09/2013	06/11/2013	1.5	30/09/2020	06/11/2020
Final Dividend	2013-14	27/09/2014	03/11/2014	1.0	27/09/2021	03/11/2021

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

## Annexure-9

### 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, capex and exports of finishes steel. Currency hedging is guided by the Hedging Policy adopted by the Company.

### R. Plant Location

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

### S. Address for Correspondence

<b>Corporate Office</b>	: Art Guild House, A-Wing, 2nd Floor, Unit No-13, Phoenix Mall Compound, LBS Marg, Kurla West, Mumbai-400070 Phone: 022-40435999 E-mail : isc_miel@aionjsw.in
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## 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. 35 of the notes to the accounts attached with the standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2019. There were no material related party transaction and all transactions between the Company and related parties were on arms' length basis during the year under review and hence disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required to be attached and do not forms part of this report. All related party transactions are reviewed and approved by the Audit Committee.

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. 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](http://www.aionjsw.in).

During the financial year 2018-19, 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)
- As Audit Fees	0.352
- For Limited Review	0.030
- For Certification & Other Matters	0.040
- Reimbursement of Expenses	0.005
<b>TOTAL</b>	<b>0.427</b>

### C. Matters related to capital market

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](http://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. 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.

### **G. 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 do not have any material subsidiary as per provisions of SEBI Regulations. The Company monitors performance of subsidiary companies in the following ways:

- a) Minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company's Board;
- b) Significant transaction, arrangement, investments, if any, of the unlisted subsidiary companies, are reviewed by the Board/Audit Committee of the Company;

### **H. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015., which is available on the website of the Company [www.aionjsw.in](http://www.aionjsw.in).

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

### **I. 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, with a view to regulate, monitor and report trading in securities of the Company by its Directors and Designated persons.

### **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 Reconstituted 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

## Annexure-9

- 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 statements 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**

**Jyotin Mehta**  
Chairman  
DIN: 00033518

Place: Mumbai  
Date: 17<sup>th</sup> May, 2019



## Corporate Governance Compliance Certificate

TO THE MEMBERS OF

### **MONNET ISPAT & ENERGY LIMITED,**

We have examined the compliance of conditions of Corporate Governance by MONNET ISPAT & ENERGY LIMITED, for the year ended on March 31, 2019, as per Regulation 17-27, clause (b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2019.

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

**Rahul Agarwal**

Company Secretary  
Membership No. F 4005  
CP No. 7052

Place: New Delhi  
Date: 13 May, 2019

### **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, 2019.

For **Monnet Ispat and Energy Limited**

Place: Mumbai  
Date: 17 May, 2019

Ravichandar Moorthy Dhakshana  
Whole-time Director

### **Certificate on Debarring and Disqualification of Directors of the Company**

[Pursuant to Schedule V (C)(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.

Based on the records available with the Registrar of Companies through the MCA21 site, Stock Exchanges namely, BSE & NSE, disclosures received from the Directors and taken on record by the Company as on March 31, 2019, we hereby certify that none of the directors on the Board of Monnet Ispat and Energy Limited bearing CIN: L02710CT1990PLC009826, have been debarred or disqualified from being appointed or continuing as directors by the Securities and Exchange Board of India or Ministry of Corporate Affairs and/or any such statutory authority as on March 31, 2019.

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

Place: Mumbai  
Date: 08.05.2019

**S. Srinivasan**  
FCS: 2286  
CP.No: 748

# FINANCIAL STATEMENTS

# Independent Auditor's Report

## TO THE MEMBERS OF MONNET ISPAT AND ENERGY LIMITED

### Report on the Audit of 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 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows 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 (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities 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 we have obtained 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Financial impacts arising out of order under section 31 of the Insolvency and Bankruptcy code, 2016 by NCLT dated July 24, 2018 regarding approval of resolution plan and other related events</b></p> <ul style="list-style-type: none"> <li>As per the order, certain changes took place in the capital structure of the Company. These included extinguishment of equity and preference shares held by the erstwhile promoters, reduction in share capital of non-promoters and issue of fresh equity shares to financial creditors.</li> <li>Settlement of debts of financial creditors by payment in cash, issue of equity shares and issue of optionally convertible preference shares.</li> <li>Settlement of dues of operational creditors of the Company (other than employees and workmen) for a sum of ₹ 25 crores.</li> <li>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)</li> <li>Merger with Milloret Steel Limited with effect from 31<sup>st</sup> August, 2018 and issue of equity and preference shares pursuant thereto</li> <li>Impairment of various assets and liabilities of the Company as on the effective date, based on report of a third party consultant.</li> </ul>	<p>Our audit work included, but was not restricted to, performing the following procedures::</p> <ul style="list-style-type: none"> <li>We reviewed the resolution plan submitted by the resolution applicant and the NCLT order passed. We noted the modifications made by NCLT with respect to the original resolution plan.</li> <li>We reviewed the accounting with respect to extinguishment, reduction and fresh issue of shares and other securities and settlement of financial and operational creditors as per the NCLT order. We also reviewed the appropriateness of presentation of these events in the financial statements.</li> <li>We reviewed and concluded that the accounting for merger with Milloret Steel Limited was in conformity with the prevailing accounting standards.</li> <li>We assessed the professional competence, objectivity and capabilities of the third party consultant, engaged by the management to carry out impairment assessment of various assets and liabilities. We assessed operating and capital costs included in the cash flow forecasts for consistency with current operating costs and forecast production. We also reviewed the valuation assumptions used relating to discount rates, risk premium, industry growth rates, etc., to assess their reasonability.</li> </ul>

# Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>Revenue is recognized to the extent that economic benefit will flow to the Company and the revenue can be reliably measured. It is measured at fair value consideration received or receivable, net of returns and allowances, discounts and rebates. The Company recognizes revenue when it satisfies its performance obligation by transferring the goods to the customers.</p> <p>Revenue is key driver of the business and judgement is involved in determining when contractual obligations have been performed and to the extent that the right to consideration has been earned.</p> <p>The management of the Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the risks and rewards have been transferred. We therefore identified Revenue Recognition as a significant risk and key audit matter.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>● We understood business revenue recognition policy and how they are applied, including the relevant controls, and tested controls over revenue recognition;</li> <li>● Analytical review of the revenue recognized over the year</li> <li>● Agreeing on a sample basis amounts of revenue to customer contracts and verifying the extent, timing and customer acceptance of goods, where relevant.</li> <li>● We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognised in the appropriate period.;</li> <li>● We discussed key contractual arrangements with management and obtained relevant documentation, including in respect of rebate and returns arrangements.</li> </ul> <p>The Company's accounting policy on Revenue recognition is shown in note 2.2(j) to the financial statements and related disclosures are included in note 22.</p> <p>Based on our audit procedures we did not identify any evidence of material misstatement in the revenue recognized for the year ended 31 March 2019 in the standalone financial statements.</p>

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial

statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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.

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

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES 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 scepticism throughout the audit. We also:

1. 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.
2. Obtain an understanding of internal controls 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.

5. 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.

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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity

# Independent Auditor's Report

dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) We are enclosing herewith a report in Annexure II for our opinion on adequacy of internal financial controls system in place in the company and the operating effectiveness of such controls.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS 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 during the year, to the Investor Education and Protection Fund by the Company.

For **APAS & CO.**  
Chartered Accountants  
Firm Regn No. 000340C

**(Rajeev Ranjan)**  
Partner  
M. No. 535395

Place: Mumbai  
Dated: May 17, 2019



# Annexure- I to the Independent Auditor's Report

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

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us no material discrepancies were noticed on such physical verification.
  - c) Title deeds in respect of all immovable properties are held in the name of the company.
- ii) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials except ores & coal. We were informed that physical verification of the same was difficult due to its volume and loose nature. The physical verification of ores and coal was made on the basis of volume and density. As informed to us, discrepancies noticed on physical verification, wherever material, were duly dealt with in the books of account.
- iii) As informed to us the company had in earlier years granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act 2013. In respect of such loans we have been informed that:
  - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
  - b) The schedule of repayment of principal and payment of interest is not stipulated. Therefore no comments are offered on whether the repayments or receipts are regular.
  - c) In the absence of a stipulated repayment schedule, overdue amounts as at the end of the year cannot be calculated.

We further report that consequent to change in the shareholding during the year (refer key audit matter above for details) these loans have been assessed as impaired and suitable provision has been made against the loans.

- iv) According to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186, wherever applicable, in respect of loans, investments, guarantees and security given by the company, except that no interest was charged on some loans due to financial constraints faced by the borrower companies.

We further report that consequent to change in the shareholding during the year (refer key audit matter above for details) these loans have been assessed as impaired and suitable provision has been made against the loans.

- v) According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.
- vi) The central government has prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act 2013, read with Rules framed thereunder in respect of the manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- vii) a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and any other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date that became payable except an amount of ₹ 0.02 crores in respect of provident fund dues.

- b) There are no dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax or goods and services tax which remained unpaid due to any dispute.

As represented by the management, pursuant to the Corporate Insolvency Resolution Process (CIRP) under IBC, 2016, the Adjudicating Authority (NCLT Mumbai) approved the Resolution Plan, which inter alia resulted in extinguishment of all contingent liabilities, commitments and other claims and obligations including all taxes and other government dues standing as on and arising for period prior to the effective date i.e., 31 August, 2018.

- viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, there is no default in repayment of loans to the banks, financial institutions / debenture holders as at the year end.

# Annexure- I to the Independent Auditor's Report

- ix) As explained to us, the amounts raised by way of term loans were applied for the purpose for which the loans were taken. The company has not raised any money during the year by way initial or further public offer.
- x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31.03.2019.
- xi) According to information and explanations given to us, no managerial remuneration has been paid or provided by the company during the year.
- xii) The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.
- xiii) According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of Companies Act 2013. Necessary disclosures have been made in the financial statements as required by the applicable accounting Standards.
- xiv) According to information and explanations given to us the company has not made any preferential allotment or private placement of shares or debentures during the year. All allotment of shares during the year were as per the NCLT order dated 24<sup>th</sup> July, 2018 under section 31 of the IBC Code, 2016.
- xv) According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.
- xvi) In our opinion, in view of its business activities, the company is not required to be registered under section 451A of Reserve Bank of India Act 1934.

For **APAS & CO.**  
Chartered Accountants  
Firm Regn No. 000340C

**(Rajeev Ranjan)**  
Partner  
M. No. 535395

Place : Mumbai  
Dated : May 17, 2019

# Annexure- II to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **MONNET ISPAT AND ENERGY LIMITED** ("the Company") as of 31<sup>st</sup> March 2019 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 issued by the Institute of Chartered Accountants of India. 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was 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 judgment, 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 I/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.

# Annexure- I to the Independent Auditor's Report

## 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, 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<sup>st</sup> March 2019, 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" issued by the Institute of Chartered Accountants of India.

For **APAS & CO.**  
Chartered Accountants  
Firm Regn No. 000340C

**(Rajeev Ranjan)**  
Partner  
M. No. 535395

Place : Mumbai  
Dated : May 17, 2019

# Balance Sheet

As at 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	Notes	As at 31 MARCH 2019	As at 31 MARCH 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant And Equipment	3	3,372.55	6,017.26
Capital Work-In-Progress		153.63	166.14
Intangible Assets	4	-	-
Financial Assets			
Investments	5	0.99	622.75
Loans	6	0.00	24.44
Other Financial Assets	7	5.85	14.15
Other Non-Current Assets	8	6.36	-
		<b>3,539.38</b>	<b>6,844.74</b>
<b>Current assets</b>			
Inventories	9	658.81	320.96
Financial Assets			
Trade Receivables	10	45.71	60.30
Cash and Cash Equivalents	11 a	165.31	91.38
Bank Balance other than above	11 b	48.12	11.78
Loans	12	18.79	650.18
Other Financial Assets	7	0.37	14.46
Current Tax Assets (Net)	13	2.13	58.25
Other Current Assets	8	161.66	157.70
Assets classified as held for sale	42	3.31	0.00
		<b>1,104.21</b>	<b>1,365.01</b>
<b>Total Assets</b>		<b>4,643.59</b>	<b>8,209.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	995.53	200.79
Other Equity	15	982.27	(3,278.48)
		<b>1,977.80</b>	<b>(3,077.69)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	16	2,044.10	3,395.14
Provisions	17	3.23	3.40
Deferred Tax Liabilities (Net)	18	-	-
Other Non Current Liabilities	19	-	22.76
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	16	154.21	1,908.85
Trade Payables	20		
Total Outstanding dues of micro and small enterprises		3.36	5.57
Total Outstanding dues of creditors other than micro and small enterprises		396.27	117.50
Other Financial Liabilities	21	33.83	5,814.07
Other Current Liabilities	19	30.48	20.15
Provisions	17	0.31	-
<b>Total Liabilities</b>		<b>2,665.79</b>	<b>11,287.44</b>
<b>Total Equity and Liabilities</b>		<b>4,643.59</b>	<b>8,209.75</b>
<b>Significant accounting policies</b>	<b>1&amp;2</b>		
The accompanying Notes 1 to 50 form an integral part of these financial statements In terms of our report of even date annexed			

For **APAS & Co.**

Chartered Accountants  
FRN No. 000340C

**Rajeev Ranjan**

Partner  
M.no 535395

Dated: 17<sup>th</sup> May 2019

Place: Mumbai

For and on behalf of the Board

**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

# Statement of Profit and Loss

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	31 March 2019	31 March 2018
<b>INCOME</b>			
Revenue from Operations	22	1,879.41	1,419.09
Other Income	23	26.83	12.14
<b>Total Income (I)</b>		<b>1,906.24</b>	<b>1,431.23</b>
<b>EXPENSES</b>			
Cost of material consumed		1,728.32	1,096.50
Changes in inventories of finished goods, stock in trade and work-in-progress	24	(250.32)	(24.19)
Excise duty on sale of goods		-	35.83
Employee benefits expense	25	89.34	80.14
Finance costs	26	445.27	1,181.66
Depreciation and amortisation expense	27	275.60	351.61
Other expenses	28	311.22	170.11
<b>Total Expenses (II)</b>		<b>2,599.43</b>	<b>2,891.66</b>
<b>Profit before tax from continuing operations before exceptional items (I-II)</b>		<b>(693.19)</b>	<b>(1,460.43)</b>
<b>Exceptional items (Net)</b>	29	<b>2,767.92</b>	<b>440.53</b>
<b>Profit before tax from continuing operations after exceptional items</b>		<b>(3,461.11)</b>	<b>(1,900.96)</b>
<b>Tax expense:</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit for the year from continuing operations</b>		<b>(3,461.11)</b>	<b>(1,900.96)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss in subsequent year			
Re-measurement gains (losses) on defined benefit plans		1.01	(7.31)
Equity instruments through other comprehensive income		(34.05)	(23.53)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(33.04)</b>	<b>(30.84)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(3,494.15)</b>	<b>(1,931.80)</b>
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic	30	(94.44)	(94.68)
(2) Diluted		(94.44)	(94.68)
<b>Significant accounting policies</b>	<b>1 &amp; 2</b>		

The accompanying Notes 1 to 50 form an integral part of these financial statements

In terms of our report of even date annexed

For **APAS & Co.**

Chartered Accountants

FRN No. 000340C

**Rajeev Ranjan**

Partner

M.no 535395

Dated: 17<sup>th</sup> May 2019

Place: Mumbai

For and on behalf of the Board

**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



# Statement of Cash Flows

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	Year Ended	
	31 March 2019	31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(3,461.11)	(1,900.96)
<b>Adjusted for :</b>		
Depreciation	275.60	351.61
Interest Received	(14.09)	(5.31)
Interest Paid	445.27	1,181.66
Amortisation of deferred upfront fee	-	(1.28)
Profit on Sale of Fixed Assets	0.04	-
P&L balance transferred on merger	(2.59)	-
Impairment / write off of Non Current Investments	587.72	-
Impairment of Inventory	79.30	19.33
Write off / Impairment of Trade Recievables	15.70	-
Impairment / write off of Fixed Assets	2,429.75	-
Write off / Impairment of Non Recoverable Advances	802.23	-
Financial Liability Written back	(1,008.32)	-
Operational Liabilty Written back	(165.46)	-
Loss on appropriation of pledged shares	-	177.01
Provision for impairment in non current investments	-	196.57
Dividend received	-	(0.02)
	3,445.15	1,919.57
Operating Profit before Working Capital Changes	(15.96)	18.61
Working capital adjustments:		
Increase in inventories	(417.15)	(62.57)
Increase in trade and other receivables	(116.68)	173.43
Increase in trade and other payables	354.60	(149.06)
Increase in provisions	0.14	(7.58)
	(179.09)	(45.78)
Cash Generated from Operations	(195.05)	(27.17)
Direct Taxes Paid	(1.28)	(0.88)
<b>Net Cash from operating activities</b>	<b>(196.33)</b>	<b>(28.05)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / Expenditure for CWIP	(48.43)	(17.04)
Cash and Cash Equivalents-acquired on merger	675.15	-
Sale of Fixed Assets	0.26	-
Purchase of Investments	-	0.02
Interest Received	14.09	5.31
Dividend Received	-	0.02
<b>Net Cash used in Investing Activities</b>	<b>641.07</b>	<b>(11.69)</b>

# Statement of Cash Flows

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	Year Ended	
	31 March 2019	31 March 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(118.29)	(9.72)
Proceeds/ (Repayment) of Long Term Borrowings (Net)	(96.24)	-
Proceeds / (Repayment) of Short Term Borrowings (Net)	(156.12)	82.41
<b>Net Cash flow from in Financing Activities</b>	<b>(370.65)</b>	<b>72.69</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>73.93</b>	<b>32.95</b>
<b>Cash and Cash Equivalents as on 1.4.2018</b>	<b>91.38</b>	<b>58.43</b>
<b>Cash and Cash Equivalents as on 31.03.2019</b>	<b>165.31</b>	<b>91.38</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.05	0.08
Balance in current account and deposits with banks	165.26	91.30
	<b>165.31</b>	<b>91.38</b>

- The cash flow statement is prepared using the "indirect method" set out in IND AS 7 - Statement of Cash Flows.
- Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered, highly liquid bank balances, and fixed deposits

**Significant accounting policies**

**1&2**

The accompanying Notes 1 to 50 form an integral part of these financial statements

In terms of our report of even date annexed

For **APAS & Co.**

Chartered Accountants

FRN No. 000340C

**Rajeev Ranjan**

Partner

M.no 535395

Dated: 17<sup>th</sup> May 2019

Place: Mumbai

For and on behalf of the Board

**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

## A. EQUITY SHARE CAPITAL FOR ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE OF ₹ 10/- EACH

Particulars	Note	Amount
As at 1 April 2017		200.79
Shares issued during the year		-
As at 1 April 2018	14	200.79
Changes during the year		794.74
<b>As at 31 March 2019</b>	14	<b>995.53</b>

## B. OTHER EQUITY (REFER NOTE 15)

(Amount in Rupees crores, unless otherwise stated)

	Reserves and Surplus							Items of OCI				Total equity
	Capital Reserve	Share premium	Debt Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	Equity contribution resulted on merger	General Reserve	Retained earnings	Equity measurement gains/ (losses) Through OCI	Re-measurement gains/ (losses) on defined benefit plans	
<b>As at 1 April 2017</b>	77.77	1,114.46	86.02	1.89	19.68	3.31	-	164.07	(2,757.94)	(44.68)	(11.26)	(1,346.68)
Net income / (loss) for the year	-	-	-	-	-	-	-	-	(1,900.96)	-	-	(1,900.96)
Transfer on Amalgamation	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	(23.53)	(7.31)	(30.84)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	(1,900.96)	(23.53)	(7.31)	(1,931.80)
Addition due to issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	77.77	1,114.46	86.02	1.89	19.68	3.31	-	164.07	(4,658.90)	(68.21)	(18.57)	(3,278.48)
<b>As at 1 April 2018</b>	77.77	1,114.46	86.02	1.89	19.68	3.31	-	164.07	(4,658.90)	(68.21)	(18.57)	(3,278.48)
Net income / (loss) for the year	-	-	(86.02)	470.46	-	-	7,287.03	86.02	(3,461.11)	-	-	(3,461.11)
Implementation of resolution plan (refer to Note No. 46 and 47)	-	-	-	-	-	-	-	-	-	-	-	7,757.49
<b>Transfer on Amalgamation</b>	-	-	-	-	-	-	-	-	(2.59)	-	-	(2.59)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(34.05)	1.01	(33.04)
<b>Total comprehensive income</b>	-	-	(86.02)	470.46	-	-	7,287.03	86.02	(3,463.70)	(34.05)	1.01	4,260.75
Addition due to issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2019</b>	77.77	1,114.46	-	472.35	19.68	3.31	7,287.03	250.09	(8,122.60)	(102.26)	(17.56)	982.27

### Significant accounting policies

1 & 2

The accompanying Notes 1 to 50 form an integral part of these financial statements

In terms of our report of even date annexed

For: **APAS & Co.**

Chartered Accountants

FRN No. 000340C

**Rajeev Ranjan**

Partner

M. no. 535395

Dated: 17<sup>th</sup> May 2019

Place: Mumbai

For and on behalf of the Board

**Ravichandrar Moorthy Dhakshana**

Whole-time Director

DIN : 03298700

**J. Nagarajan**

Chief Financial Officer

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Director

DIN : 01277756

**Ajay Kadhao**

Company Secretary

M. No. ACS- 13444

# Standalone Financial Statements

for the year ended 31 March 2019

Accounting Policies under Ind AS

## 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 and the National 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. MIEL is primary steel producer with steel plants at Raigarh and Raipur that has a production capacity of 1.5 MTPA to produce HR plates, rebars and structure profiles to cater to the rapidly growing infrastructure and construction industry.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

The financial statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

### 2.2 Significant accounting policies

#### a. Current versus 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 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 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 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.

#### b. Property, plant and equipment

##### i) Tangible assets

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (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.

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.

# Standalone Financial Statements

for the year ended 31 March 2019

## Accounting Policies under Ind AS

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.

Leasehold buildings and Leasehold Improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

### ii) Capital work in progress (CWIP)

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.

### c. 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.

### d. Borrowing Costs

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.

### e. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

### f. Inventories

Inventories are stated at the lower of cost and net realisable value.

# Standalone Financial Statements

for the year ended 31 March 2019

## Accounting Policies under Ind AS

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.

Cost of raw material, stores and spares, packing materials, trading and other products are determined on FIFO basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale

### g. 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.

### h. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the

nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) Financial assets

##### Classification

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.

##### Initial recognition and 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.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified



# Standalone Financial Statements

for the year ended 31 March 2019

## Accounting Policies under Ind AS

dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### Derecognition

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.

### Investment in subsidiaries, joint ventures and associates

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

### Impairment

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 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 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

# Standalone Financial Statements

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is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

## 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

### Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

### Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities

designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

### Derecognition

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.

## (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

## (d) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity foreign exchange options, forward contracts, interest rate swaps and cross currency swaps.

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.

## j. Revenue Recognition

### Sale of Goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer

# Standalone Financial Statements

for the year ended 31 March 2019

## Accounting Policies under Ind AS

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.

### 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.

### k. Foreign currency transactions

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 Indian National Rupee (INR).

In preparing the financial statements of each individual group entity, 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
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

For the purposes of presenting these standalone financial statements, the assets and liabilities of the Company's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### l. Taxes on income

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 period as determined in accordance

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for the year ended 31 March 2019

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with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

## 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 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

## 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.

## m. Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

The Company operates a defined benefit gratuity plan with approved gratuity fund, and contributions are made to a separately administered approved gratuity fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit & loss in subsequent periods.

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Past service costs are recognised in statement of profit & loss in the period of plan amendment.

Compensated absences and other benefits like gratuity which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a non-current liability at the present value of the defined benefit obligation at the balance sheet date.

### n. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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.

### o. 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting

is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### p. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

### q. Changes in accounting policies and disclosures New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled.

### When a Customer obtains Contract of the goods or services

Determining the timing of the transfer of control at a point in time of the transfer of control at a point in time or one time requires judgment.

The Company received its revenue streams and contracts with customers using the five step analysis prescribed under Ind AS 115 and concluded that there were no materials changes to the amount or timing of revenue recognized.

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## Accounting Policies under Ind AS

The Company adopted Ind-AS 115 using the modified retrospective approach and was not required to recognize any transaction adjustments.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's standalone financial statements.

**r. Unless specifically stated to be otherwise, these policies are consistently followed.**

### 2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

#### Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including

legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

#### (b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly



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for the year ended 31 March 2019

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sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet 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 considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### (d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 2.4 Recent accounting pronouncements

**Ind AS 116 Leases:** On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 116, Leases. IndAS 116 will replace the existing leases Standard, IndAS17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirement for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- a) It's carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or;
- b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under IndAS17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is in process of evaluating the effect of these amendments on the financial statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition – i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

**Amendment to Ind AS 12 – Income taxes:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

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Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

-to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

-to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. There is no impact on the Company on account of this amendment.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 3. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
<b>Cost</b>								
<b>As at April 1, 2017</b>	<b>46.09</b>	<b>36.85</b>	<b>796.90</b>	<b>7,021.02</b>	<b>12.26</b>	<b>13.88</b>	<b>42.56</b>	<b>7,969.56</b>
Additions	-	-	0.07	8.00	0.12	0.01	-	8.20
Disposals	-	-	-	-	-	-	0.70	0.70
<b>As at March 31, 2018</b>	<b>46.09</b>	<b>36.85</b>	<b>796.97</b>	<b>7,029.02</b>	<b>12.38</b>	<b>13.89</b>	<b>41.86</b>	<b>7,977.06</b>
Additions	-	-	0.07	1.26	0.26	0.01	0.51	2.11
Disposals	-	-	-	0.02	-	-	1.03	1.05
<b>As at March 31, 2019</b>	<b>46.09</b>	<b>36.85</b>	<b>797.04</b>	<b>7,030.26</b>	<b>12.64</b>	<b>13.90</b>	<b>41.34</b>	<b>7,978.12</b>
<b>Depreciation</b>								
<b>As at April 1, 2017</b>	<b>-</b>	<b>-</b>	<b>130.04</b>	<b>1,446.65</b>	<b>9.30</b>	<b>7.79</b>	<b>14.91</b>	<b>1,608.69</b>
Depreciation charge for the year	-	-	28.44	318.35	1.30	1.14	2.38	351.61
Disposals	-	-	-	-	-	-	0.50	0.50
<b>As at March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>158.48</b>	<b>1,765.00</b>	<b>10.60</b>	<b>8.93</b>	<b>16.79</b>	<b>1,959.80</b>
Depreciation charge for the year	-	-	22.19	249.70	0.81	0.94	1.97	275.60
Disposals	-	-	-	0.01	-	-	0.74	0.75
Provision for Impairment	2.84	24.96	250.10	2,085.94	0.41	1.14	5.53	2,370.92
<b>As at March 31, 2019</b>	<b>2.84</b>	<b>24.96</b>	<b>430.77</b>	<b>4,100.63</b>	<b>11.82</b>	<b>11.01</b>	<b>23.55</b>	<b>4,605.57</b>
<b>Net book value :</b>								
<b>As at March 31, 2019</b>	<b>43.25</b>	<b>11.89</b>	<b>366.27</b>	<b>2,929.63</b>	<b>0.82</b>	<b>2.89</b>	<b>17.79</b>	<b>3,372.55</b>
As at March 31, 2018	46.09	36.85	638.49	5,264.02	1.78	4.96	25.07	6,017.26
As at April 1, 2017	46.09	36.85	666.86	5,574.37	2.96	6.09	27.65	6,360.87

Notes:

### I. Property, plant and equipment pledged as security

Refer to note 16 for information on property, plant and equipment pledged as security by the Company.

- II. During the 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, 44).

## 4. INTANGIBLE ASSETS

	Software	Total
<b>Cost</b>		
<b>As at April 1, 2017</b>	<b>0.56</b>	<b>0.56</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2018</b>	<b>0.56</b>	<b>0.56</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2019</b>	<b>0.56</b>	<b>0.56</b>
<b>Amortisation</b>		
<b>As at April 1, 2017</b>	<b>0.56</b>	<b>0.56</b>
Amortisation charge for the year	-	-
Disposals	-	-
<b>As at March 31, 2018</b>	<b>0.56</b>	<b>0.56</b>
Amortisation charge for the year	-	-
Disposals	-	-
<b>As at March 31, 2019</b>	<b>0.56</b>	<b>0.56</b>
<b>Net book value :</b>		
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>
As at March 31, 2018	-	-
As at April 1, 2017	-	-

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 5. INVESTMENTS

### Financial Assets

	31 March 2019	31 March 2018
<b>(a) Investments in equity shares</b>		
<b>Investments in subsidiaries (unquoted)</b>		
Monnet Global Ltd 1,83,786 (March 31, 2018 : 1,83,786) Equity shares of 100 AED each fully paid up	20.54	20.54
Monnet Cement Ltd 21,89,400 (March 31, 2018 : 2,189,400) Equity shares of ₹10 each fully paid up	2.19	2.19
Chomal Exports Pvt Ltd 48,654 (March 31, 2018 : 48,654) Equity shares of ₹10 each fully paid up	0.19	0.19
Monnet Sports Foundation 5,000 (March 31, 2018 : 5,000) Equity shares of ₹10 each fully paid up	0.01	0.01
Monnet Enterprises Pte Ltd Nil (March 31, 2018 : 1) Equity share of USD 1 each fully paid up	-	-
<b>Investments in Joint Ventures (unquoted)</b>		
Monnet Ecomaister Enviro Pvt Ltd 1,42,11,363 (March 31, 2018 : 14,211,363) Equity shares of ₹10 each fully paid up"	14.21	14.21
Mandakini Coal Company Ltd 3,92,99,800 (March 31, 2018 : 39,299,800) Equity shares of ₹10 each fully paid up"	39.30	39.30
MP Monnet Mining Company Ltd 9,80,000 (March 31, 2018 : 980,000) Equity shares of ₹10 each fully paid up"	0.98	0.98
Urtan North Mining Company Ltd 57,51,347 (March 31, 2018 : 5,751,347) Equity shares of ₹10 each fully paid up"	5.75	5.75
<b>Investments in Associate Companies (quoted)</b>		
Monnet Power Co Ltd 2,20,101,460 (March 31, 2018 : 686,587,019) Equity shares of ₹10 each fully paid up"	-	700.79
<b>Investments at fair value through OCI (unquoted)</b>		
Rameshwaram Steel & Power Pvt Ltd 41,52,273 (March 31, 2018 : 4,152,273) Equity shares of ₹10 each fully paid up"	-	-
Falcon Internal Forces and Fire Services Pvt Ltd 1,000 (March 31, 2018 : 1,000) Equity shares of ₹10 each fully paid up"	-	-
Monnet Engineering & Infrastructure P Ltd 4,000 (March 31, 2018 : 4,000) Equity shares of ₹10 each fully paid up"	-	0.07
Business India Publications Ltd 1,00,000 (March 31, 2018 : 100,000) Equity shares of ₹10 each fully paid up"	-	-
Chattel Constructions Pvt Ltd Nil (March 31, 2018 : 9,999) Equity shares of ₹10 each fully paid up"	-	-
Investments at fair value through OCI (quoted)		
IFSL 13,00,000 (March 31, 2018 : 1,300,000) Equity shares of Re.1 each fully paid up	-	-
Aditya Birla Capital Ltd 2,100 (March 31, 2018 : 2,100) Equity shares of ₹10 each fully paid up	0.02	0.03
Aditya Birla Fashion & Retail Ltd 5,200 (March 31, 2018 : 5,200) Equity shares of ₹10 each fully paid up"	0.11	0.08
Grasim Industries Ltd 1,500 (March 31, 2018 : 1,500) Equity shares of ₹10 each fully paid up	0.13	0.16
XL Energy limited (formerly XL Telecom Ltd) 1,66,808 (March 31, 2018 : 166,808) Equity shares of ₹10 each fully paid up	0.01	0.03
Kamanwala Housing Construction Ltd 63,343 (March 31, 2018 : 63,343) Equity shares of ₹10 each fully paid up	0.07	0.06
Indiabulls Real Estate Ltd 25,000 (March 31, 2018 : 25,000) Equity shares of ₹10 each fully paid up	0.23	0.45
RattanIndia Infrastructure Limited 73,750 (March 31, 2018 : 73,750) Equity shares of ₹10 each fully paid up	0.02	0.04
Soril Holdings and Ventures Ltd (formerly Indiabulls Wholesale Services Ltd) 3,125 (March 31, 2018 : 3,125) Equity shares of ₹10 each fully paid up	0.10	0.06

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	31 March 2019	31 March 2018
Bellary Steel Ltd. 8,03,243 (March 31, 2018 : 803,243) Equity shares of Re.1 each fully paid up	-	-
Pioneer Investment Ltd. 23,392 (March 31, 2018 : 23,392) Equity shares of ₹10 each fully paid up	0.07	0.09
Sujana Towers Ltd 12,500 (March 31, 2018 : 12,500) Equity shares of ₹10 each fully paid up	-	-
Orrisa Sponge Iron & Steel Ltd. 19,94,633 (March 31, 2018 : 1,994,633) Equity shares of ₹10 each fully paid up	-	33.71
Nu Tek India Ltd 4,80,000 (March 31, 2018 : 480,000) Equity shares of ₹5 each fully paid up	0.01	0.04
	83.94	818.78
<b>(b) Investment in Mutual Funds (quoted)</b>		
SBI MF Magnum Tax Gain 55,123 (March 31, 2018 : 55,123) units	0.22	0.21
<b>(c) Capital Contribution in Partnership Firm</b>		
Khasjamda Mining Company	0.33	0.33
Total	84.49	819.32
Less: Aggregate value of provision for impairment of investment	69.29	196.57
Less: Investment reclassified as held for sale (Refer note II below)	14.21	-
<b>Total</b>	<b>0.99</b>	<b>622.75</b>
<b>Aggregate book value of quoted investments</b>	0.99	34.96
<b>Aggregate market value of quoted investments</b>	0.99	34.96
<b>Aggregate value of unquoted investments</b>	-	587.79
<b>Investment in Partnership firm</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Capital contribution</b>		
Monnet Ispat & Energy Ltd	(0.34)	0.33
Sanjay P Date	0.33	0.34
% in Profits		
Monnet Ispat & Energy Ltd	99%	99%
Sanjay P Date	1%	1%

## Note:

- The Company had pledged 49,40,00,000 shares of its subsidiary Monnet Power Company Limited for avilment of credit facilities by the Company/ its subsidiary company. Lenders had invoked the pledge and accordingly, on transfer of pledged shares to the trustee's depository participant account, the number of shares held by the Company has been adjusted.
- The Company has 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 for a total consideration of ₹ 10000 (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.

## 6. LOANS (NON CURRENT) #

	Notes	31 March 2019	31 March 2018
<b>LOANS</b>			
Unsecured, Considered Good		-	24.44
<b>Total</b>		<b>-</b>	<b>24.44</b>

Notes:

# Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 7. OTHER FINANCIAL ASSETS

	Non Current		Current	
	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018
Bank deposits (having maturity more than 12 months)*	0.68	8.68	-	-
Interest accrued on deposits and loans	-	-	0.37	1.46
Security Deposit (Unsecured, Considered Good)	5.19	5.47	-	13.00
Less: Provision for Impairment	0.02	-	-	-
	<b>5.85</b>	<b>14.15</b>	<b>0.37</b>	<b>14.46</b>
*Lien marked bank deposits	0.27	8.68		

## 8. OTHER NON-FINANCIAL ASSETS

	Non Current		Current	
	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018
<b>Capital advances</b>				
Unsecured, considered good	5.98	-	-	-
<b>Other loans and advances (Unsecured, considered good)</b>				
Advance to employees	-	-	0.43	-
Prepaid expenses	0.34	-	10.21	6.55
Advances to suppliers	-	-	134.59	122.69
Balance with statutory authorities:				
Balances with GST/ Excise Authorities	-	-	17.47	10.21
MAT Credit Entitlement	-	-	18.25	18.25
Advance to gratuity fund	0.04	-	-	-
	0.38	-	180.95	157.70
Less: Provision for Impairment	-	-	19.29	-
<b>Total</b>	<b>6.36</b>	<b>-</b>	<b>161.66</b>	<b>157.70</b>

## 9 INVENTORIES

	31 March 2019	31 March 2018
Raw Materials	267.16	151.43
Work-in-progress	5.73	2.75
Finished Goods	350.40	103.06
Stock in trade	39.37	-
Stores and spares	75.45	63.72
	<b>738.11</b>	<b>320.96</b>
Provision for Impairment of Inventory	(79.30)	
<b>Total</b>	<b>658.81</b>	<b>320.96</b>

### Note:

- I. For mode of valuation refer Accounting policy 2.2 (f)
- II. Inventory of finished goods includes inventory aggregating to ₹253.94 crores valued at net realisable value. Writedown of inventories arising out of the above accounting to ₹ 50.04 crores has been recognised as an expense during the year.



# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 10. TRADE RECEIVABLES

	31 March 2019	31 March 2018
Considered good	45.71	60.30
Considered doubtful	2.16	36.98
Less: Allowance for doubtful debts	(2.16)	(36.98)
<b>Total</b>	<b>45.71</b>	<b>60.30</b>
Considered good, secured	-	-
Considered good, unsecured	45.71	60.30
Which have significant increase in credit risk	0.63	-
Credit impaired	1.53	36.98
<b>Dues from directors or companies where directors are interested</b>	0.03	-

The Credit period on sale of goods ranges from 30 to 90 days generally without security.

### Ageing of receivables that are past due but not impaired

Particulars	31 March 2019	31 March 2018
60-90 days	-	0.37
90-180 days	1.99	8.56
> 180 days	14.28	15.17
<b>Total</b>	<b>16.27</b>	<b>24.10</b>

## 11. CASH AND BANK BALANCES

	31 March 2019	31 March 2018
<b>11 a. Cash and cash equivalents :</b>		
<b>Balances with banks</b>		
On current accounts	23.06	37.67
On Bank deposits with upto three months maturity	142.20	53.63
Cash on hand	0.05	0.08
<b>Total</b>	<b>165.31</b>	<b>91.38</b>
<b>11 b. Bank balances other than above</b>		
Earmarked bank balances	0.17	0.40
Other bank deposits	47.95	11.38
<b>Total</b>	<b>48.12</b>	<b>11.78</b>

Short-term deposits are made for a period of upto three months at varying rate of interest, depending on cash flow requirements of the Company.

### Notes:

Earmarked bank balances includes balance of ₹0.17 crores (31 March 2018: ₹0.40 crores) pertaining to unclaimed dividend. Deposits with banks include deposits provided as collateral against credit facilities of ₹47.95 crores (31 March 2018: ₹ 11.38 crores).

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 12. LOANS (CURRENT)

	31 March 2019	31 March 2018
<b>Loans to related parties *</b>		
Unsecured	66.07	186.20
<b>Other loans and advances</b>		
Unsecured	437.92	463.98
Less: Provision for Impairment	485.20	-
<b>Total</b>	<b>18.79</b>	<b>650.18</b>
Considered good, secured	-	-
Considered good, unsecured	18.79	650.18
Which have significant increase in credit risk	-	-
Credit impaired	485.20	-

\* disclosure with respect to related party transactions is given in note 35.

## 13. CURRENT TAX ASSETS (NET)

	31 March 2019	31 March 2018
Income tax paid (net of provision for tax)	59.53	58.25
Less: Provision for Impairment	57.40	-
<b>Total</b>	<b>2.13</b>	<b>58.25</b>
<b>Break-up of the financial assets carried at amortised cost :</b>		
Loans to related parties (current)	-	186.20
Loans (non current)	-	24.44
Trade receivables	45.71	60.30
Cash and cash equivalents	165.31	91.38
Other bank balances	48.12	11.78
Other loans	18.79	463.98
Other financial assets (current)	0.37	14.46
Other financial assets (non current)	5.85	14.15
<b>Total</b>	<b>284.15</b>	<b>866.69</b>

## 14. SHARE CAPITAL

	31 March 2019	31 March 2018
<b>a) Equity share capital</b>		
<b>Authorised:</b>		
100,00,00,000 (31 MARCH 2018: 21,10,00,000) Shares of ₹10/- each"	1,000.00	211.00
Issued subscribed and paid up:		
<b>Equity share capital</b>		
469,547,534 shares of par value of ₹10/- each (31 MARCH 2018: 20,07,68,242 shares of par value of ₹10/- each)	469.55	200.77
Add: Shares forfeited	-	0.02
	<b>469.55</b>	<b>200.79</b>
<b>b) Financial Instruments entirely equity in nature</b>		
<b>Authorised:</b>		
Preference Share capital		
55,00,00,000 (31 MARCH 2018: 1,75,00,000 shares of par value of ₹100/- each) Shares of ₹10/- each	550.00	175.00
<b>Issued subscribed and paid up:</b>		
Preference Share capital		
0.01% Compulsory Convertible Preference Shares (CCPS) 525,980,000 (31 MARCH 2018: Nil) shares of par value of 10/- each	525.98	-
	525.98	-
<b>Total</b>	<b>995.53</b>	<b>200.79</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees 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)

	31 March 2019		31 March 2018	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	20.07	200.79	20.07	200.79
<b>Movement during the year :</b>				
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	-	-
<b>Outstanding at the end of the year</b>	<b>46.95</b>	<b>469.55</b>	<b>20.07</b>	<b>200.79</b>

	31 March 2019		31 March 2018	
	No of shares	Amount	No of shares	Amount
<b>Compulsory Convertible Preference Shares</b>				
At the beginning of the year	-	-	-	-
Issued on Merger	52.60	525.98	-	-
<b>Outstanding at the end of the year</b>	<b>52.60</b>	<b>525.98</b>	<b>-</b>	<b>-</b>

## 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 2019		31 MARCH 2018	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Udhyam Merchandise Pvt Ltd	-	-	2.51	12.51%
Creixent Special Steels Ltd (Holding Company)	22.59	48.12%	-	-
Umra Securities Limited	-	-	1.88	9.34%
JTPM Atsali Ltd	2.35	5.01%	-	-
State Bank of India	2.55	5.43%	3.25	16.18%
Aion Investments Pvt Ltd	9.95	21.18%	-	-

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 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 2019		31 MARCH 2018	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
JTPM Atsali Ltd	18.55	35.27%	-	-
Creixent Special Steel Ltd.	34.05	64.73%	-	-

## F. Equity shares allotted as fully paid up (during 5 years preceding March 31, 2019) without payment being received in cash

34,90,000 equity shares and 52,59,80,000 compulsorily convertible preference shares issued 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.

## 15. OTHER EQUITY

	Amount
<b>a) Capital Reserve</b>	
As at 1 APRIL 2017	77.77
Changes during the year	-
As at 31 MARCH 2018	77.77
Changes during the year	-
As at 31 MARCH 2019	77.77
<b>b) Securities Premium</b>	
As at 1 APRIL 2017	1,114.46
Changes during the year	-
As at 31 MARCH 2018	1,114.46
Changes during the year	-
As at 31 MARCH 2019	1,114.46
<b>c) Debenture Redemption Reserve</b>	
As at 1 APRIL 2017	86.02
Changes during the year	-
As at 31 MARCH 2018	86.02
Changes during the year	(86.02)
As at 31 MARCH 2019	-
<b>d) Capital Redemption Reserve</b>	
As at 1 APRIL 2017	1.89
Changes during the year	-
As at 31 MARCH 2018	1.89
Changes during the year	470.46
As at 31 MARCH 2019	472.35
<b>e) Capital Reconstruction Reserve</b>	
As at 1 APRIL 2017	19.68
Changes during the year	-
As at 31 MARCH 2018	19.68
Changes during the year	-
As at 31 MARCH 2019	19.68
<b>f) Amalgamation Reserve</b>	
As at 1 APRIL 2017	3.31
Changes during the year	-
As at 31 MARCH 2018	3.31
Changes during the year	-
As at 31 MARCH 2019	3.31
<b>g) General Reserve</b>	
As at 1 APRIL 2017	164.07
Changes during the year	-
As at 31 MARCH 2018	164.07
Changes during the year	86.02
As at 31 MARCH 2019	250.09

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	Amount
<b>h) Equity Instruments Through OCI</b>	
<b>As at 1 APRIL 2017</b>	(44.68)
Changes during the year	(23.53)
<b>As at 31 MARCH 2018</b>	<b>(68.21)</b>
Changes during the year	(34.05)
<b>As at 31 MARCH 2019</b>	<b>(102.26)</b>
<b>i) Re-measurement gains/ (losses) on defined benefit plans</b>	
<b>As at 1 APRIL 2017</b>	(11.26)
Changes during the year	(7.31)
<b>As at 31 MARCH 2018</b>	<b>(18.57)</b>
Changes during the year	1.01
<b>As at 31 MARCH 2019</b>	<b>(17.56)</b>
<b>j) Equity contribution resulted on merger</b>	
<b>As at 1 APRIL 2017</b>	-
Profit for the year 2017-18	-
<b>As at 31 MARCH 2018</b>	-
Profit for the year 2018-19	<b>7,287.03</b>
Less: Transferred on Amalgamation	<b>7,287.03</b>
<b>As at 31 MARCH 2019</b>	
<b>k) Retained Earnings</b>	
<b>As at 1 APRIL 2017</b>	<b>(2,757.94)</b>
Changes during the year	(1,900.96)
<b>As at 31 MARCH 2018</b>	<b>(4,658.90)</b>
Changes during the year	(3,461.11)
<b>As at 31 MARCH 2019</b>	(2.59)
<b>Total other equity</b>	<b>(8,122.60)</b>
<b>As at 31 MARCH 2019</b>	<b>982.27</b>
<b>As at 31 MARCH 2018</b>	<b>(3,278.48)</b>
<b>As at 1 APRIL 2017</b>	(1,346.68)

## 16. BORROWINGS

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Debentures</b>				
<b>Secured</b>				
Non-Convertible Redeemable Debentures redeemable at par	-	919.91	-	-
<b>Liability component of financial liabilities</b>				
6.5% Cumulative Non Convertible Redeemable Preference Shares	-	148.58	-	-
<b>Term Loan</b>				
<b>Secured</b>				
Foreign currency loans from Banks	-	1,357.44	-	-
Rupee loans from Banks	1,919.10	4,074.40	-	-
Term loan from NBFCs	-	131.53	-	-
Less: current maturities of long term debt (refer note 21)	-	(3,236.72)	-	-
<b>Term loans</b>				
<b>Unsecured</b>				
- from banks	-	-	-	354.46
- from companies	125.00	-	-	-
<b>Working capital facility</b>				
<b>Secured</b>				
From Banks	-	-	154.21	1,554.39
	<b>2,044.10</b>	<b>3,395.14</b>	<b>154.21</b>	<b>1,908.85</b>

Note: Refer note 46 & 47 regarding extinguishment of liabilities post implementation of resolution plan

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2019	As on 31st March 2018			
6.5% Cumulative Non Convertible Redeemable Preference Shares	-	148.58	6.5%	N.A.	Preference shares were issued on 30th March, 2013 for the YEAR of 9 years with YEARly put and call options. Refer note 16(b)
Non-Convertible Debentures	-	919.91	Refer note 16(b)	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	
Foreign currency loans from Banks	-	1,357.44	LIBOR plus 4.25 to 4.6%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 14-15 to FY 19-20
Rupee loans from Banks	-	4,074.40	11% To 13%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 2014-15 to FY 2026-27
Rupee loans from Banks	1,919.10	-	3 month MCLR + 10 bps	Secured by first charge on all immovable and movable fixed assets (present & future) of the company and second charge on all current assets of the Company.	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement.
Term loan from NBFCs	-	131.53	12.25% to 12.50%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 2014-15 to FY 2026-27
Short term loans from banks (unsecured)	-	354.46	11.50% to 13%	N.A.	On demand
Short term loan from Companies (Unsecured)	125.00	-	SBI 1 year MCLR + 200 bps	N.A.	Repayable at the end of 7 years from date of disbursement with option to prepay after one year.
Working capital facility	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 company.	On demand
Working capital facility	-	1,554.39	10.95% to 12.75%	Secured by first charge on movable current assets and second charge on all immovable assets of the company. Some of the loans are guaranteed by Managing Director of the company	On demand



# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 17. PROVISIONS

	Non-current		Current	
	31 March 2019	31 MARCH 2018	31 March 2019	31 MARCH 2018
<b>Provision for employee benefits</b>				
Provision for gratuity	-	0.49	-	-
Provision for compensated absences	3.23	2.91	0.31	-
(Refer note 33 for Ind AS 19 disclosures)				
	<b>3.23</b>	<b>3.40</b>	<b>0.31</b>	<b>-</b>

## 18. INCOME TAXES

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

	31 March 2019	31 MARCH 2018
Profit before tax	(3,461.11)	(1,900.96)
Enacted tax rate in India	34.94	30.90
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting loss before income tax</b>	<b>(3,461.11)</b>	<b>(1,900.96)</b>
At India's statutory income tax rate of 34.94% (31 March 2018: 30.90%)	(1,209.45)	(587.40)
Expenses not deductible in determining taxable profits	424.05	461.64
Income exempt from taxation	-	(0.01)
Tax holiday and similar concessions	-	-
Effect of different tax rates of subsidiaries in other jurisdictions	-	-
Adjustments in respect of current income tax of previous years	-	-
Deferred tax asset not recognised	785.40	125.77
Unclaimed MAT Credit Entitlement written back	-	-
<b>At the effective income tax rate of 0.00% (31 March 2018: 0.00%)</b>	<b>-</b>	<b>-</b>
Income tax expense reported in the statement of profit and loss	-	-
Income tax attributable to a discontinued operation	-	-
	<b>-</b>	<b>-</b>

The Company has not recognised MAT credit amounting to ₹18.25 crores (₹2.42 crores relating to AY 2010-11 and ₹15.83 crores relating to AY 2014-15) due to uncertainty regarding utilisation within the stipulated period of 15 years.

Deferred tax balance in relation to	As at 31-Mar-18	Acquired pursuant to business combination	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
Cashflow hedges / FCMITDA	-	-	-	-	-	-
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)
Finance lease obligations	-	-	-	-	-	-
Minimum alternate tax (MAT) credit	-	-	-	-	-	-
Others- IND AS adjustmnet	(34.71)	-	34.71	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

Deferred tax balance in relation to	As at 01-Apr-17	Acquired pursuant to business combination	For the year ended 31 March 2018			As at 31-Mar-18
			Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(282.08)	-	(791.35)	-	-	(1,073.43)
Carried forward business loss / unabsorbed depreciation	303.30	-	804.84	-	-	1,108.14
Cashflow hedges / FCMITDA	-	-	-	-	-	-
Provisions for Impairment of Inventory/Trade receivables	-	-	-	-	-	-
Provisions for employee benefit / loans and advances and guarantees	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
Minimum alternate tax (MAT) credit	-	-	-	-	-	-
Others- IND AS adjustmnet	(21.22)	-	(13.49)	-	-	(34.71)
<b>Total</b>	-	-	-	-	-	-

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

(₹ in Crores)

Expiry of Losses (as per local tax laws)	2019-20	2020-21	2021-22	2022-23	Beyond 5 Years	Indefinite	Total
Business Losses	-	-	-	580.96	1,605.15	-	2,186.11
Unabsorbed depreciation	-	-	-	-	-	4,131.30	4,131.30
Long term capital losses	-	-	3.20	-	294.28	-	297.48
Short term capital losses	2.60	-	-	-	-	-	2.60
<b>Total</b>	<b>2.60</b>	<b>-</b>	<b>3.20</b>	<b>580.96</b>	<b>1,899.43</b>	<b>4,131.30</b>	<b>6,617.49</b>

## 19. OTHER NON-FINANCIAL LIABILITIES

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 MARCH 2018
Deferred upfront fee liability	-	22.76	-	-
Advance from customers	-	-	20.13	11.10
Statutory dues	-	-	10.35	9.05
<b>Total</b>	<b>-</b>	<b>22.76</b>	<b>30.48</b>	<b>20.15</b>

## 20. TRADE PAYABLES

	31 March 2019	31 March 2018
Acceptances	134.16	-
Other than acceptances		
- total outstanding dues of micro and small enterprises;	3.36	5.57
- total outstanding dues of creditors other than micro and small enterprises	237.11	117.50
- payable as Per NCLT Order (Refer Note 46)	25.00	-
<b>Total</b>	<b>399.63</b>	<b>123.07</b>

### Note:

Disclosure with respect to related party transactions is given in note 35.

### 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 39

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 21. OTHER FINANCIAL LIABILITIES

(at amortised cost)

	31 March 2019	31 March 2018
Current maturities of long term debt	-	3,236.72
Interest payable:		
Interest accrued but not due on borrowings	7.97	101.24
Interest accrued and due on borrowings	-	2,344.53
Unclaimed dividends	0.17	0.40
Security deposits and retention money	1.51	21.13
Payable for capital expenditures	19.14	51.12
Outstanding liabilities	-	49.31
Others	5.04	9.62
	<b>33.83</b>	<b>5,814.07</b>
<b>Break-up of financial liabilities carried at amortised cost</b>		
Trade Payables	399.63	123.07
Other financial liabilities (current)	33.83	5,814.07
Borrowings (current)	154.21	1,908.85
Borrowings (non current)	2,044.10	3,395.14
	<b>2,631.77</b>	<b>11,241.13</b>

## 22. REVENUE FROM OPERATIONS

	31 March 2019	31 March 2018
Sale of Products *	1,877.0	1,403.01
Sale of services	-	11.51
Less: Rebate and Discounts	(4.65)	(3.59)
	<b>1,872.35</b>	<b>1,410.93</b>
Other operating revenues		
Sale of scrap	6.22	2.46
Export Incentives	0.84	5.70
<b>Total</b>	<b>1,879.41</b>	<b>1,419.09</b>

\* Includes Export Sales ₹76.29 crores (March 31 2018 ₹68.87 crores)

### 1. Implementation of Ind AS 115

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any impact on the Statement of Profit and Loss for the Company.

The Company has assessed and determined the following categories for disaggregation of revenue:

Particulars	For the year ended	
	31 March 2019	31 March 2018
Revenue from contracts with customer - Sale of products (including freight income)	1,872.35	1,410.93
Other operating revenue	7.06	8.16
<b>Total revenue from contracts with customers</b>	<b>1,879.41</b>	<b>1,419.09</b>
India	1,803.12	1,350.22
Outside India	76.29	68.87
<b>Total revenue from contracts with customers</b>	<b>1,879.41</b>	<b>1,419.09</b>
<b>Timing of revenue recognition</b>		
At a point in time	1,879.41	1,419.09
Over a period of time	-	-
<b>Total revenue from contracts with customers</b>	<b>1,879.41</b>	<b>1,419.09</b>

₹ in crores

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

₹ in crores

Product Wise	31 March 2019	31 March 2018
Sponge Iron	1,160.40	794.60
Billets	85.96	92.76
Ferro Alloys	172.34	171.95
Pellets	49.71	-
Structure/ TMT	365.11	323.95
Pig Iron	21.39	4.34
Others	24.50	31.49
<b>Total</b>	<b>1,879.41</b>	<b>1,419.09</b>

Sale of goods includes excise duty collected from customers of ₹ Nil (31 March 2018: ₹ 35.83 crores). Revenue from operations for previous periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable with 31 March 2018.

## Contract Balances

Particulars	For the year ended	
	31 March 2019	31 March 2018
Trade Receivables	45.71	60.30
Contract liabilities (Advance from customers)	20.13	11.10

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In March 2019, ₹ 2.16 crores (March 2018: ₹ 36.98 crores) was recognised as provision for expected credit losses on trade receivables.

Contract liabilities include short term advances received for sale of goods. The outstanding balances of these accounts increased in 2018-19 due to the increase in the Company's customer base.

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 upon delivery of the goods and payment is generally due within 30 to 90 days from delivery. There is no warranty clause for goods sold by the Company.

## 23. OTHER INCOME

	31 March 2019	31 March 2018
<b>Interest Income</b>		
From Bank Deposits	10.05	3.13
Others	4.04	0.10
Unwinding of discount on financial assets	-	2.08
<b>Dividend</b>		
Non Current Investments	-	0.02
Amortisation of deferred upfront fee	-	1.28
Rent Received	1.40	1.08
Insurance Claim Received	6.80	0.02
Foreign Exchange fluctuation	3.63	0.12
Profit on Sale of Fixed Assets	-	-
Other Miscellaneous Income	0.91	4.31
<b>Total</b>	<b>26.83</b>	<b>12.14</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 24. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

	31 March 2019	31 March 2018
<b>Inventories at the beginning of the year</b>		
Finished Goods	103.06	139.66
Work-in-process	2.75	11.59
<b>Total Inventories at the beginning of the year</b>	<b>105.81</b>	<b>151.25</b>
<b>Previous year provision for impairment adjusted against opening inventory</b>	-	54.59
	<b>105.81</b>	<b>96.66</b>
<b>Finished Goods used for Fixed Assets</b>	-	15.04
<b>Inventories at the end of the year</b>		
Finished Goods	350.40	103.06
Work-in-process	5.73	2.75
<b>Total Inventories at the end of the year</b>	<b>356.13</b>	<b>105.81</b>
<b>Total</b>	<b>(250.32)</b>	<b>(24.19)</b>

## 25. EMPLOYEE BENEFITS EXPENSE

	31 March 2019	31 March 2018
Salaries, wages and amenities	81.53	71.74
Contribution to provident fund and other funds	5.27	6.43
Staff welfare expenses	2.54	1.97
<b>Total</b>	<b>89.34</b>	<b>80.14</b>

## 26. FINANCE COSTS

	31 March 2019	31 March 2018
Interest on borrowings	443.31	1,175.45
Other ancillary borrowing costs	0.48	0.25
Unwinding of discount on financial liabilities	1.48	5.96
<b>Total</b>	<b>445.27</b>	<b>1,181.66</b>

## 27. DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2019	31 March 2018
Depreciation on property, plant and equipments (refer note 3)	275.60	351.61
<b>Total</b>	<b>275.60</b>	<b>351.61</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 28. OTHER EXPENSES

	31 March 2019	31 March 2018
Stores and Spares Consumed	34.64	28.66
Power and Fuel	147.85	53.87
Excise Duty on Stocks	-	(10.42)
Water charges	6.77	3.69
Other Manufacturing Expenses	34.47	23.87
Printing and Stationery	0.37	0.39
Rent	0.36	0.35
Rates & Taxes	0.66	0.64
Vehicle Expenses	10.20	3.73
Communication Expenses	0.72	0.81
Travelling & Conveyance	1.83	3.61
Insurance Charges	4.93	5.74
Legal & Professional Charges	17.34	17.31
Directors Sitting Fees	0.13	0.06
Auditors' Remuneration		
- As Audit Fees	0.35	0.35
- For Limited Review	0.03	0.03
- For Tax Matters	-	0.02
- For Certification & Other Matters	-	0.02
- Reimbursement of Expenses	-	0.01
Miscellaneous Expenses	3.97	3.29
Lease Rent & Hire Charges	0.61	0.43
Share Transfer Expenses	0.02	0.02
Internal Audit Fees & Expenses	0.17	0.26
Loss from Partnership Firm	0.34	0.01
Bank Charges	2.42	1.38
Security Service Charges	7.96	1.11
Provision For Doubtful Debts	0.20	1.82
Distribution & Marketing Expenses	15.07	23.18
Loss on Sale of Fixed Assets	0.04	-
Repairs & Maintenance		
- Machinery	16.53	4.71
- Building	2.39	0.28
- Others	0.85	0.87
	<b>311.22</b>	<b>170.10</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 29. EXCEPTIONAL ITEMS (NET)

		31 March 2019	31 March 2018
Provision for impairment of Property, Plant and Equipment and Capital Work in Progress	2,402.86		-
Capital Work in Progress written off	26.89	2,429.75	-
Non Current Investments written off	700.79		-
Provision for Impairment of Non Current Investments	69.29		196.57
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		-
Loss on Appropriation of Pledged Shares	-	587.72	177.01
Provision for Impairment of Loans and Advances	564.11		-
Non Recoverable Advances Written off	238.12	802.23	47.62
Impairment of Inventory	-		19.33
Provision for Impairment of Inventory	79.30	79.30	-
Trade receivables written off	50.72		-
Provision for doubtful trade receivables reversed	(35.02)	15.70	-
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)	-
		<b>2,767.92</b>	<b>440.53</b>

### Exceptional items for the year ended 31 March 2019 comprise of:

- Impairment of property plant and equipment amounting to ₹ 2,429.75 crores, which has been recognized based on the recoverable value of these assets.
- Impairment / write off of investments, inventories, receivables, current and non-current assets aggregating to ₹ 1,484.95 crores (previous year ₹440.53 crores) considered not realizable.
- Extinguishment of current and non-current liabilities, aggregating to ₹ (1,173.78) crores (Refer note 46 for details)
- Plant Startup Expenses of ₹ 27.00 crores which comprise of various one time revenue expenses incurred for startup of various manufacturing facilities at Raigarh plant of the Company which were non operational for a long period of time.

## 30. EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.



# Notes to Standalone Financial Statements

for the year ended 31 March 2019

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The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2019	31 March 2018
Profit / (loss) for the year as per Statement of Profit & Loss	(3,461.11)	(1,900.96)
<b>Profit attributable to equityholders of the Company for basic earnings</b>	<b>(3,461.11)</b>	<b>(1,900.96)</b>
	No. in crores	No. in crores
Weighted average number of equity shares in calculating basic EPS	36.65	20.07
Effect of dilution:	-	-
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>36.65</b>	<b>20.07</b>
<b>Earnings per equity share in ₹</b>		
<b>Basic</b>	(94.44)	(94.68)
<b>Diluted</b>	(94.44)	(94.68)
<b>Face Value of each equity share (₹)</b>	10	10

## 31. DISCLOSURE OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES:

### 1) Disclosure of investment in the following subsidiaries :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)	
			As on 31.03.19	As on 31.03.18
1	Monnet Global Ltd	U.A.E.	100.00%	100%
2	Monnet Enterprises Pte. Ltd.	SINGAPORE	Entity dissolved	100%
3	Monnet Cement Ltd.	INDIA	99.97%	99.97%
4	Chomal Exports Pvt Ltd	INDIA	51.00%	51.00%
5	Monnet Sports Foundation	INDIA	64.16%	94.16%

## 32. 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 (%)	
			As on 31.03.19	As on 31.03.18
1	Mandakini Coal Company Ltd	India	33.33%	33.33%
2	Urtan North Mining Company Ltd	India	33.33%	33.33%
3	MP Monnet Mining Company Ltd	India	49.00%	49.00%
4	Monnet Ecomaister Enviro Pvt Ltd	India	50.00%	50.00%

## 33. 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. The Company's contribution to the provident fund is ₹ 4.10 crores (31 March 2018 ₹ 4.96 crores)

### 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 deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

the insurer. 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.

**The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:**

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

	31 March 2019	31 March 2018
<b>Defined benefit obligation at the beginning of the year</b>	13.75	10.99
Current service cost	1.23	1.05
Interest cost	1.07	0.79
Benefits paid	(1.88)	(6.12)
Actuarial (gain)/ loss on obligations - OCI	(1.04)	7.04
<b>Defined benefit obligation at the end of the year</b>	<b>13.13</b>	<b>13.75</b>

**Changes in the fair value of plan assets are, as follows:**

	31 March 2019	31 March 2018
<b>Fair value of plan assets at the beginning of the year</b>	13.26	17.75
Contribution by employer	0.48	-
Benefits paid	(1.57)	(5.50)
Expected Interest Income on plan assets	1.04	1.28
Actuarial gain/(loss) on plan asset	(0.04)	(0.27)
<b>Fair value of plan assets at the end of the year</b>	<b>13.17</b>	<b>13.26</b>

**Reconciliation of fair value of plan assets and defined benefit obligation:**

	31 March 2019	31 March 2018
Fair value of plan assets	13.17	13.26
Defined benefit obligation	13.13	13.75
<b>Amount recognised in the Balance Sheet</b>	<b>(0.04)</b>	<b>0.49</b>

**Amount recognised in Statement of Profit and Loss:**

	31 March 2019	31 March 2018
Current service cost	1.23	1.05
Interest expense	1.07	0.79
Expected return on plan asset	(1.04)	(1.28)
<b>Amount recognised in Statement of Profit and Loss</b>	<b>1.27</b>	<b>0.56</b>

**Amount recognised in Other Comprehensive Income:**

	31 March 2019	31 March 2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	1.05	(1.82)
Return on plan assets (excluding amounts included in net interest expense)	(0.04)	(0.27)
Experience adjustments	-	(5.22)
<b>Amount recognised in Other Comprehensive Income</b>	<b>1.01</b>	<b>(7.31)</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity	31 March 2019	31 March 2018
<b>Investment Details</b>	Funded	Funded
Investment with Insurance fund	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31 March 2019	31 March 2018
Discount rate	7.79%	7.78%
Future salary increases	7.00%	7.00%
Attrition Rate	2.00%	2.00%
Retirement age	60 years	60 years

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Assumptions</b>				
Discount rate	+ 0.25%	+ 0.25%	(0.32)	(0.34)
	- 0.25%	- 0.25%	0.33	0.35
Future salary increases	+ 0.25%	+ 0.25%	0.34	0.36
	- 0.25%	- 0.25%	(0.32)	(0.34)
Withdrawal rate	+ 0.25%	+ 0.25%	0.02	0.02
	- 0.25%	- 0.25%	(0.02)	(0.02)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year. Sensitivities due to mortality are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 is Nil

The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

	31 March 2019	31 March 2018
Within the next 12 months (next annual reporting year)	0.80	0.98
Between 2 and 5 years	2.65	2.29
Beyond 5 years	30.65	6.17
<b>Total expected payments</b>	<b>34.10</b>	<b>9.44</b>

The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

	31 March 2019	31 March 2018
<b>Compensated Absences</b>		
Present value of unfunded obligation (₹ in crores)	3.54	2.91
Expenses recognised in Statement of profit and loss (₹ in crores)	0.99	(0.55)
Discount rate (p.a.)	7.79%	7.40%
Salary escalation rate (p.a.)	7.00%	5.00%

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 34. COMMITMENTS AND CONTINGENCIES

### (a) Leases

#### Operating Lease commitments - Company as lessee

The company has obtained some office premises on operating lease.

Lease payments of ₹ 0.78 crores (March 31, 2018 – ₹ 0.35 crores) have been recognized as an expense in the statement of profit and loss during the year.

The future minimum lease payments under non-cancellable operating leases are as follows:

	31 March 2019	31 March 2018
Not later than one year	0.57	-
Later than one year and not later than five years	2.41	-
Later than five years	-	-
<b>Total</b>	<b>2.98</b>	<b>-</b>

### (b) Commitments

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) of ₹ 144.42 crores (March 31, 2018 - NIL)
- Rupee equivalent of export obligation to be completed by 23<sup>rd</sup> December, 2021 under EPCG Scheme NIL crores (March 31, 2018 - ₹ 152.13 crores)

### (c) Contingent Liabilities

	31 March 2019	31 March 2018
Counter guarantees issued in respect of guarantees issued by Company's bankers	69.95	73.41
Guarantees provided on behalf of subsidiaries and joint ventures	-	1050.25
Excise/ service tax demands	-	12.13
VAT demands	-	1.38
Entry tax demands	-	30.67
Income tax demands	-	238.80
Demands raised by CSPDCL for cross subsidy and other matters	-	144.84
Cess on power generation	-	35.09
Risk purchase claim of customers	-	38.11
Other claims against the Company not acknowledged as debt	-	195.32
DMF & NMET liability for raw material purchased	-	5.87
(The above are basic amounts excluding interest, if any)		

Note: Refer note 46(f) regarding extinguishment of contingent liabilities and commitments pursuant to the NCLT order dated 24<sup>th</sup> July, 2018.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

## 35. RELATED PARTY DISCLOSURES

### A. List of related parties

#### (a) Entities substantially owned directly or indirectly by the Company, irrespective of whether transactions have occurred or not:-

- 1 Monnet Global Ltd
- 2 Monnet Cement Ltd
- 3 Monnet Enterprises PTE LTD. (upto 04.12.2018)
- 4 Chomal Exports Private Limited
- 5 Monnet Sports Foundation
- 6 Pt Monnet Global (step - subsidiary) (upto 31.03.2018)
- 7 Pt. Sarwa Sembada Karya Bumi (step - subsidiary)
- 8 LLC Black Sea Natural Resources, Abkhazia (step - subsidiary)

#### (b) Joint Ventures

- 1 MP Monnet Mining Company Ltd
- 2 Mandakini Coal Company Ltd
- 3 Urtan North Mining Company Ltd
- 4 Monnet Ecomaister Enviro Pvt Ltd.

#### (c) Associates

#### (d) Partnership Firm

#### (e) Holding Company

#### (f) Joint Venturer of holding company

#### (g) Subsidiary of Joint Venturer of holding company

#### (h) Enterprise owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:-

- 1 Tirumala Balaji Alloys Pvt. Ltd. (Till 24.07.2018)
- 2 M. K. Jajodia & Sons HUF (Till 24.07.2018)
- 3 Monnet Project Developer Ltd. (Till 24.07.2018)
- 4 Excello Fin Lea Ltd. (Till 24.07.2018)
- 5 JSW Steel coated products Ltd.(From 31.08.2018)

#### (i) Key Management Personnel:-

- 1 Mr. Sandeep Kumar Jajodia - Chairman & Managing Director (upto 17.7.2017)
- 2 Mr.J.P.Lath - Independent director (upto 17.7.2017)
- 3 SBI Observer (upto 17.7.2017)
- 4 Mr. Suman Jyoti Khaitan - Independent director (upto 17.7.2017)
- 5 IDBI Representative (upto 17.7.2017)
- 6 Mr. Kunal Sharma - Independent director (upto 17.7.2017)
- 7 Ms. Ankita Wadhwan - Independent director (upto 17.7.2017)
- 8 Mr. Sanjay Garodia (CFO upto 20.01.2019)
- 9 Mr. Hardeep Singh (Company Secretary upto 20.01.2019)
- 10 Mr. Sumit Binani (Interim resolution professional / resolution professional/ director) (From 18.7.2017 to 31.8.18)
- 11 Mr. D Ravichandar (w.e.f. 31.08.2018)
- 12 Ms.Anuradha Ambar Bajpai (w.e.f. 30.07.2018)
- 13 Ms. Sutapa Banerjee (w.e.f. 27.09.2018)
- 14 Mr. Jyotin Mehta (w.e.f. 30.07.2018)
- 15 Mr. Kalpesh Kikani (w.e.f. 31.08.2018)
- 16 Mr. Nikhil Gahrotra (w.e.f. 31.08.2018)
- 17 Mr. Sanjay Kumar (w.e.f. 31.08.2018)
- 18 Mr. Seshagiri Rao (w.e.f. 31.08.2018)
- 19 Mr. J. Nagarajan (CFO w.e.f. 21.01.2019)
- 20 Mr. Ajay Kadhao (Company Secretary w.e.f. 21.01.2019)

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

## B. Details relating to remuneration of Key Managerial Personnel

Name of KMP	31 March 2019					31 March 2018	
	Short-term employee benefits	Sitting fees	Post employment benefits	Other long-term employee benefits	ESOP	Short-term employee benefits	Sitting fees
Mr.J.P.Lath	-	-	-	-	-	-	0.01
SBI Observer	-	-	-	-	-	-	0.01
Ms. Suman Jyoti Khaitan	-	-	-	-	-	-	0.02
Mr. Suresh Kishinchand Khatanhar	-	-	-	-	-	-	-
Mr. Kunal Sharma	-	-	-	-	-	-	0.02
Ms. Ankita Wadhwan	-	-	-	-	-	-	0.02
Ms. Anuradha Ambar Bajpai	-	0.05	-	-	-	-	-
Ms. Sutapa Banerjee	-	0.02	-	-	-	-	-
Mr. Jyotin Mehta	-	0.05	-	-	-	-	-
Mr. Hardeep Singh (Company Secretary upto 20.01.2019)	0.24	-	-	-	-	0.31	-
Mr. Sanjay Garodia (CFO upto 20.01.2019)	0.83	-	-	-	-	0.60	-
Mr. J Nagarajan (CFO 21.01.2019 to 31.03.2019)	0.15	-	-	-	-	-	-
Mr. Ajay Kadhao (Company Secretary 21.01.2019 to 31.03.2019)	0.10	-	-	-	-	-	-
Mr. D Ravichandar (Director 31.08.2018 to 31.03.2019)	1.04	-	-	-	-	-	-

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

## C. The following transaction were carried out with related parties is the ordinary course of business.

Related Party Transactions	Amount (₹ in crores)	Joint Venturer of Holding Co.	Relatives of Key Managerial Personnel	Subsidiaries	Joint Ventures	Subsidiary of Joint Venturer of Holding Co.	Associate	Enterprises over which KMP or their relatives are able to exercise significant influence
Sales of goods	-	-	-	-	-	-	-	-
Monnet Project Developer Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	0.42
JSW Steel Ltd.	31 <sup>st</sup> March 2019	9.53	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Loan Taken	-	-	-	-	-	-	-	-
JSW Steel Ltd.	31 <sup>st</sup> March 2019	125.00	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-	-	-
Monnet Power Company Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	3.53	-	-	-	-
Loan Repaid	-	-	-	-	-	-	-	-
Monnet Global Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	8.08	-	-	-	-
JSW Steel Ltd.	31 <sup>st</sup> March 2019	9.12	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Creixent Steel Limited	31 <sup>st</sup> March 2019	2.55	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Interest Paid on Loan	-	-	-	-	-	-	-	-
JSW Steel Ltd.	31 <sup>st</sup> March 2019	7.52	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	-	-
M.K.Jajodia & Sons HUF	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	0.03	-	-	-	-	-
Purchase of Raw Material / stores / fixed assets	-	-	-	-	-	-	-	-
JSW Steel Ltd.	31 <sup>st</sup> March 2019	67.38	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
JSW STEEL COATED PRODUCTS LTD.	31 <sup>st</sup> March 2019	-	-	-	-	0.42	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Reimbursement of Expenses Payable	-	-	-	-	-	-	-	-
JSW Steel Ltd.	31 <sup>st</sup> March 2019	9.91	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Guarantees issued on behalf of other Body Corporates	-	-	-	-	-	-	-	-
Monnet Power Company Ltd.	31 <sup>st</sup> March 2019	-	-	635.27	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-



# Notes to Standalone Financial Statements

for the year ended 31 March 2019

Related Party Transactions	31 <sup>st</sup> March 2019	Joint Venturer of Holding Co.	Relatives of Key Managerial Personnel	Subsidiaries	Joint Ventures	Subsidiary of Joint Venturer of Holding Co.	Associate	Enterprises over which KMP or their relatives are able to exercise significant influence
Mandakini Coal Co. Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	89.71	-	-	-
Urtan North Mining Co. Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	3.67	-	-	-
Monnet Global Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	260.55	-	-	-	-
Monnet Ecomaster Enviro Pvt. Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	24.30	-	-	-
Net outstanding balances:								
Monnet Global Ltd.	31 <sup>st</sup> March 2019	-	-	55.95	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	55.95	-	-	-	-
Monnet Power Company Ltd.	31 <sup>st</sup> March 2019	-	-	117.55	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	117.55	-	-	-	-
Monnet Enterprises PTE Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	0.07	-	-	-	-
MP Monnet Mining Company Ltd	31 <sup>st</sup> March 2019	-	-	-	0.21	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	0.21	-	-	-
Mandakini Coal Company Ltd	31 <sup>st</sup> March 2019	-	-	-	3.09	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	3.09	-	-	-
Urtan North Mining Company Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	(0.83)	-	-	-
Monnet Ecomaster Enviro Pvt. Ltd.	31 <sup>st</sup> March 2019	-	-	-	6.76	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	6.76	-	-	-
JSW Steel Ltd - Loan	31 <sup>st</sup> March 2019	(125.00)	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
JSW Steel Ltd - Trade Payable	31 <sup>st</sup> March 2019	(77.76)	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
JSW Steel Ltd - Trade Receivable	31 <sup>st</sup> March 2019	0.03	-	-	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Khasjamda Mining Company	31 <sup>st</sup> March 2019	-	-	-	-	-	-	(0.34)
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	0.33
Jsw Steel Coated Products Ltd.	31 <sup>st</sup> March 2019	-	-	-	-	0.08	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Balances Written Off:								
Monnet Enterprises PTE Ltd.	31 <sup>st</sup> March 2019	-	-	0.08	-	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-
Urtan North Mining Company Ltd.	31 <sup>st</sup> March 2019	-	-	-	(0.83)	-	-	-
	31 <sup>st</sup> March 2018	-	-	-	-	-	-	-

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 36. 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.

Customer contributing to more than 10% of Revenue : the Company has only one customer contributing to 14.69% of the turnover.

## 37. 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:

	31 March 2019	31 March 2018
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	3.36	5.57
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	-	-

## 38. FINANCIAL INSTRUMENTS

### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

### As at 31 March 2019

Particulars	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
<b>Financial assets</b>					
Investment	-	0.99	-	0.99	0.99
Trade receivable	45.71	-	-	45.71	45.71
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	18.79	-	-	18.79	18.79
Other financial assets	6.22	-	-	6.22	6.22
<b>Total</b>	<b>284.15</b>	<b>0.99</b>	<b>-</b>	<b>285.14</b>	<b>285.14</b>
<b>Financial Liabilities</b>					
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
<b>Total</b>	<b>2,631.77</b>	<b>-</b>	<b>-</b>	<b>2,631.77</b>	<b>2,631.77</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

As at 31 March 2018

Particulars	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
<b>Financial assets</b>					
Investment	587.79	34.96	-	622.75	622.75
Trade Receivable	60.30	-	-	60.30	60.30
Cash and cash equivalents	91.38	-	-	91.38	91.38
Bank balances other than cash and cash equivalents	11.78	-	-	11.78	11.78
Loans	650.18	-	24.44	674.62	674.62
Other financial assets	28.61	-	-	28.61	28.61
<b>Total</b>	<b>1,430.04</b>	<b>34.96</b>	<b>24.44</b>	<b>1,489.44</b>	<b>1,489.44</b>
<b>Financial Liabilities</b>					
Long Term Borrowings	3,246.56	-	148.58	3,395.14	3,395.14
Short term borrowings	1,908.85	-	-	1,908.85	1,908.85
Trade payables	123.07	-	-	123.07	123.07
Other financial liabilities	5,814.07	-	-	5,814.07	5,814.07
<b>Total</b>	<b>11,092.55</b>	<b>-</b>	<b>148.58</b>	<b>11,241.13</b>	<b>11,241.13</b>

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, 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.

### I. 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 2019 and 31 March 2018.

The analyses 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 34.

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 2019 and 31 March 2018.

### 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.

The following table provides a breakup of the Company's fixed and floating rate borrowings:

Particulars	31 March 2019	31 March 2018
Fixed rate borrowings	-	1,068.49
Floating rate borrowings	2,198.31	7,472.22
<b>Total borrowings</b>	<b>2,198.31</b>	<b>8,540.71</b>
Total net borrowings	2,198.31	8,540.71
Add: Upfront fees	20.90	14.26
<b>Total borrowings</b>	<b>2,219.21</b>	<b>8,554.97</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

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
		₹ crores
<b>31-Mar-19</b>		
₹	+50	(6.41)
₹	-50	6.41
<b>31-Mar-18</b>		
₹	+50	(27.82)
₹	-50	27.82

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly lower volatility than in prior years due to decrease in the overall borrowings.

Exposure to currency risk

The carrying amounts of the Company's monetary assets and liabilities at the end of the reporting period are:

## Currency Exposure as at 31 March 2019

Particulars	USD	EURO	CAD	AED	₹	Total
<b>Financial assets</b>						
Trade Receivable	14.76	-	-	-	30.95	45.71
Non current investment	-	-	-	-	0.99	0.99
Loans	-	1.27	-	0.24	17.28	18.79
Cash and cash equivalents	-	-	-	-	165.31	165.31
Bank balances other than cash and cash equivalents	-	-	-	-	48.12	48.12
Other financial assets	-	-	-	-	6.22	6.22
<b>Total financial assets</b>	<b>14.76</b>	<b>1.27</b>	<b>-</b>	<b>0.24</b>	<b>268.87</b>	<b>285.14</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	2,198.31	2,198.31
Trade payables	130.10	-	-	-	269.53	399.63
Other financial liabilities	-	-	-	-	33.83	33.83
<b>Total financial liabilities</b>	<b>130.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,501.67</b>	<b>2,631.77</b>

## Currency Exposure as at 31 March 2018

Particulars	USD	EURO	CAD	AED	₹	Total
<b>Financial assets</b>						
Trade Receivable	-	-	-	-	60.30	60.30
Non current investment	-	-	-	-	622.75	622.75
Loans	55.93	0.23	-	0.14	618.32	674.62
Cash and cash equivalents	-	-	-	-	91.38	91.38
Bank balances other than cash and cash equivalents	-	-	-	-	11.78	11.78
Other financial assets	-	-	-	-	28.61	28.61
<b>Total financial assets</b>	<b>55.93</b>	<b>0.23</b>	<b>-</b>	<b>0.14</b>	<b>1,433.14</b>	<b>1,489.44</b>
<b>Financial Liabilities</b>						
Borrowings	1,580.39	-	-	-	3,723.60	5,303.99
Trade payables	8.17	6.46	0.04	-	114.90	123.07
Other financial liabilities	-	-	-	-	5,814.07	5,814.07
<b>Total financial liabilities</b>	<b>1,588.56</b>	<b>6.46</b>	<b>0.04</b>	<b>-</b>	<b>9,652.57</b>	<b>11,241.13</b>

## 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 Rupees (₹). The Company 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/ CAD/ 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, in particular interest rates remain constant.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax
		₹ in crores
<b>31-Mar-19</b>	+5%	1.10
	-5%	(1.10)
<b>31-Mar-18</b>	+5%	(76.63)
	-5%	76.63

	Change in EURO rate	Effect on profit before tax
		₹ in crores
<b>31-Mar-19</b>	+5%	0.06
	-5%	(0.06)
<b>31-Mar-18</b>	+5%	(0.31)
	-5%	0.31

	Change in AED rate	Effect on profit before tax
		₹ in crores
<b>31-Mar-19</b>	+5%	0.01
	-5%	(0.01)
<b>31-Mar-18</b>	+5%	0.01
	-5%	(0.01)

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

## II. Credit risk

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 and financial institutions.

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-assess the Company's policy and update 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.

### A. Trade receivables

Customer credit risk is managed by each business unit subject to 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 10."

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, as its customers are located in several jurisdictions and operate in largely independent markets. 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 and financial institutions 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 extraordinary 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.

#### 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.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## As at 31 March 2019

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Non current investment	-	-	0.99	0.99
Trade Receivable	45.71	-	-	45.71
Loans	18.79	-	-	18.79
Cash and cash equivalents	165.31	-	-	165.31
Bank balances other than cash and cash equivalents	-	-	48.12	48.12
Other financial assets	0.37	0.68	5.17	6.22
<b>Total financial assets</b>	<b>230.18</b>	<b>0.68</b>	<b>54.28</b>	<b>285.14</b>
<b>Financial liabilities</b>				
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
<b>Total financial liabilities</b>	<b>587.67</b>	<b>281.30</b>	<b>1,783.70</b>	<b>2,652.67</b>

## As at 31 March 2018

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Non current investment	-	-	622.75	622.75
Trade receivable	60.30	-	-	60.30
Loans	650.18	24.44	-	674.62
Cash and cash equivalents	91.38	-	-	91.38
Bank balances other than cash and cash equivalents	11.78	-	-	11.78
Other financial assets	14.46	8.68	5.47	28.61
<b>Total financial assets</b>	<b>828.10</b>	<b>33.12</b>	<b>628.22</b>	<b>1,489.44</b>
<b>Financial liabilities</b>				
Long term borrowings	-	2,435.03	974.37	3,409.40
Short term borrowings	1,908.85	-	-	1,908.85
Trade payables	123.07	-	-	123.07
Other financial liabilities	5,814.07	-	-	5,814.07
<b>Total financial liabilities</b>	<b>7,845.99</b>	<b>2,435.03</b>	<b>974.37</b>	<b>11,255.39</b>

## 40. CAPITAL MANAGEMENT

The Company, being 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, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
Long term borrowings	2,044.10	3,395.14
Short term borrowings	154.21	1,908.85
Current maturities	-	3,236.72
<b>Total borrowings</b>	<b>2,198.31</b>	<b>8,540.71</b>
Less: Cash and cash equivalents	165.31	91.38
Bank balances other than cash and cash equivalents	47.95	11.38
Net debts	1,985.05	8,437.95
<b>Total equity</b>	<b>1,977.80</b>	<b>(3,077.69)</b>
<b>Gearing ratio (%)</b>	<b>100.37%</b>	<b>(274.17)%</b>

(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.

## 41. UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

	31 March 2019		31 March 2018	
	Foreign Currency	Amount (₹ crores)	Foreign Currency	Amount (₹ crores)
Foreign trade payables				
USD in crores	0.67	48.43	0.13	8.17
EURO in crores	-	-	0.08	6.46
CAD in crores	-	-	-	0.04
Borrowings				
USD in crores	-	-	24.26	1,580.39
Foreign advances recoverable				
EURO in crores	0.02	1.27	-	0.23
USD in crores	0.81	55.71	0.86	55.93
AED in crores	0.01	0.24	0.01	0.14
Foreign trade receivables				
USD in crores	0.21	14.76	-	-

## 42 ASSETS HELD FOR SALE

S.No.	Particulars	As at 31 MARCH 2019	As at 31 MARCH 2018
1	Preference shares in Orissa Sponge Iron & Steel Ltd	2.92	-
2	Loan to Orissa Sponge Iron & Steel Ltd	0.39	-
3	Investment in equity share of Monnet Ecomaister Enviro Pvt Ltd	0.001	-
		<b>3.31</b>	<b>-</b>

I. The Company has entered into an agreement for sale of its investment in preference shares and loan given to Orissa Sponge Iron and Steel Ltd at 15% of the original amount paid. Accordingly, these amounts have been reclassified as held for sale and the difference has been recognised in the profit & loss account for the year.

II. The Company has entered into an MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having a carrying value of ₹14.21 crores for a total consideration of ₹ 10000 (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 has been classified as held for sale.



# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 43 DISCLOSURE OF MOVEMENT IN PROVISIONS DURING THE YEAR AS PER IND AS- 37, 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS':

(₹ In crores)

Particulars	Balance As on 01.04.2018	Provided During the year	Paid/Adjusted During the year	Balance As on 31.03.2019
Gratuity	0.49	(0.22)	0.31	(0.04)
Accumulated leaves	2.91	0.99	0.36	3.54
<b>Total</b>	<b>3.40</b>	<b>0.77</b>	<b>0.67</b>	<b>3.50</b>

## 44. IMPAIRMENT OF CURRENT AND NON CURRENT ASSETS

Following IBC Proceedings, 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. The carrying amount of the CGU was determined to be higher than its recoverable amount of ₹ 4,252 crores and an impairment loss of ₹ 3,949 crores was recognized as on the effective date of the order. Out of the same ₹ 3,915 crores was recognised as 'exceptional items' in the statement of profit or loss and ₹ 34 crores was recognised under equity instruments through other comprehensive income.

The recoverable amount of the CGU (each plant as a CGU) was based on its value in use and was determined with the assistance of independent appraisers. Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU by using a post-tax discount rate of 11.75%.

The discount rate calculation is based on the specific circumstances of MIEL and is derived from its weighted average cost of capital (WACC). WACC represents the returns required by the investors of both debt and equity weighed for their relative funding in the entity. The returns expected depend on the perceived level of risk associated with the business of the company and the industry in which the company operates.

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
<b>Assets</b>		
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	-
<b>Total</b>	<b>3,915.00</b>	<b>34.05</b>

Following the impairment loss recognised in the CGU, the recoverable amount was equal to the carrying amount.

45. 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.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

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 hereinabove:

(₹ In crores)

Particulars	Expenditure on capital work in progress	Investment in Shares	Other Current & Non-current assets / (liabilities)	Total
<b>Coal Blocks allotted to the Company</b>				
Utkal – B2	44.07	-	-	44.07
Rajgamar	13.96	-	-	13.96
<b>Coal Block through JVs</b>				
Mandakini Coal Company Ltd	-	39.30	3.09	42.39
Urtan North Mining Company Ltd	-	5.75	(0.82)	4.93
MP Monnet Mining Company Ltd	-	0.98	2.71	3.69
	58.03	46.03	4.98	109.04
Less: Provision for Impairment	46.03	46.03	2.48	94.54
<b>Net Carrying Value</b>	<b>12.00</b>	<b>-</b>	<b>2.50</b>	<b>14.50</b>

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:

- 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.
- 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.
- 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 ₹ 2,457.00 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).
- 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 ₹ 7,287.03 crores has been recognized as equity contribution resulted on merger in other equity.

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

Details of the share capital issued and net assets acquired are as follows:

Assets/ (Liabilities)	(₹ crores)
<b>Assets</b>	
<b>Current Assets</b>	
Financial Assets	
Cash and cash equivalents	675.15
Others	209.14
Other Current Assets	9.51
Fees for authorized share capital	2.55
<b>Total</b>	<b>896.35</b>
<b>Liabilities</b>	
Other Equity	(0.04)
Borrowings	9.12
Other Financial liabilities	9.87
Other current liabilities	2.40
<b>Total</b>	<b>21.35</b>
<b>Net consideration settled by issue of equity / Compulsory Convertible preference shares</b>	<b>875.00</b>

## 48 DISCLOSURE UNDER IND AS 7 'STATEMENT OF CASH FLOWS'

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

	31 March 2018	Cash flows	Non-cash Fair value	31 March 2019
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
<b>Total liabilities from financing activities</b>	<b>8,540.71</b>	<b>(252.36)</b>	<b>(6,090.04)</b>	<b>2,198.31</b>

	31 March 2017	Cash flows	Non-cash Fair value	31 March 2018
Long-term borrowings	6,663.78	-	(31.92)	6,631.86
Short term borrowings	1,831.94	82.41	(5.50)	1,908.85
<b>Total liabilities from financing activities</b>	<b>8,495.72</b>	<b>82.41</b>	<b>(37.42)</b>	<b>8,540.71</b>

# Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

## 49. ADDITIONAL INFORMATION

### A) C.I.F value of imports:

Particulars	31 March 2019	31 March 2018
Capital Goods	17.81	-
Raw Material, Stores and Spares	108.69	0.21

### B) C.I.F value of imports:

Particulars	31 March 2019	31 March 2018
Foreign Travelling	0.04	0.35
Financial Charges	-	79.28
Others	-	11.49

### C) Earnings in Foreign currency:

Particulars	31 March 2019	31 March 2018
FOB value of exports	76.29	68.87

50. The figures for the corresponding previous years have been reclassified / regrouped wherever necessary to make them comparable.

In terms of our report of even date annexed  
For **APAS & Co.**  
Chartered Accountants  
FRN No. 000340C

**Rajeev Ranjan**  
Partner  
M.no 535395

Dated: 17<sup>th</sup> May 2019  
Place: Mumbai

For and on behalf of the Board

**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

# Independent Auditor's Report

## TO THE MEMBERS OF MONNET ISPAT AND ENERGY LIMITED

### Report on the Audit of Consolidated Financial Statements

#### OPINION

We have audited the accompanying consolidated financial statements of **MONNET ISPAT AND ENERGY LIMITED** (hereafter referred as the holding company) its subsidiaries (collectively referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2019, the consolidated statement of Profit and Loss, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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

consolidated state of affairs of the Company as at March 31<sup>st</sup> 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Financial impacts arising out of order under section 31 of the Insolvency and Bankruptcy Code, 2016 by NCLT dated July 24, 2018 regarding approval of resolution plan and other related events :</b></p> <ul style="list-style-type: none"> <li>As per the order, certain changes took place in the capital structure of the Company. These included extinguishment of equity and preference shares held by the erstwhile promoters, reduction in share capital of non-promoters and issue of fresh equity shares to financial creditors.</li> <li>Settlement of debts of financial creditors by payment in cash, issue of equity shares and issue of optionally convertible preference shares.</li> <li>Settlement of dues of operational creditors of the Company (other than employees and workmen) for a sum of ₹ 25 crores.</li> <li>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<sup>st</sup> August 2018)</li> <li>Merger with Milloret Steel Limited with effect from 31<sup>st</sup> August, 2018 and issue of equity and preference shares pursuant thereto</li> <li>Impairment of various assets and liabilities of the Company as on the effective date, based on report of a third party consultant.</li> </ul>	<p>Our audit work included, but was not restricted to, performing the following procedures:</p> <ul style="list-style-type: none"> <li>We reviewed the resolution plan submitted by the resolution applicant and the NCLT order passed. We noted the modifications made by NCLT with respect to the original resolution plan.</li> <li>We reviewed the accounting with respect to extinguishment, reduction and fresh issue of shares and other securities and settlement of financial and operational creditors as per the NCLT order. We also reviewed the appropriateness of presentation of these events in the financial statements.</li> <li>We reviewed and concluded that the accounting for merger with Milloret Steel Limited was in conformity with the prevailing accounting standards.</li> <li>We assessed the professional competence, objectivity and capabilities of the third party consultant, engaged by the management to carry out impairment assessment of various assets and liabilities. We assessed operating and capital costs included in the cash flow forecasts for consistency with current operating costs and forecast production. We also reviewed the valuation assumptions used relating to discount rates, risk premium, industry growth rates, etc., to assess their reasonability.</li> </ul>

# Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>Revenue is recognized to the extent that economic benefit will flow to the Company and the revenue can be reliably measured. It is measured at fair value consideration received or receivable, net of returns and allowances, discounts and rebates. The Company recognizes revenue when it satisfies its performance obligation by transferring the goods to the customers.</p> <p>Revenue is key driver of the business and judgement is involved in determining when contractual obligations have been performed and to the extent that the right to consideration has been earned.</p> <p>The management of the Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the risks and rewards have been transferred. We therefore identified Revenue Recognition as a significant risk and key audit matter.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• We understood business revenue recognition policy and how they are applied, including the relevant controls, and tested controls over revenue recognition.</li> <li>• Analytical review of the revenue recognized over the year.</li> <li>• Agreeing on a sample basis amounts of revenue to customer contracts and verifying the extent, timing and customer acceptance of goods, where relevant.</li> <li>• We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognised in the appropriate period.</li> <li>• We discussed key contractual arrangements with management and obtained relevant documentation, including in respect of rebate and returns arrangements.</li> </ul> <p>The Company's accounting policy on Revenue recognition is shown in note 2.4(i) to the financial statements and related disclosures are included in note 22.</p> <p>Based on our audit procedures we did not identify any evidence of material misstatement in the revenue recognized for the year ended 31<sup>st</sup> March 2019 in the standalone financial statements.</p>

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial

position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's Report

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## AUDITOR'S RESPONSIBILITY

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:

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 associates and jointly controlled 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 associates and jointly controlled entities to cease to continue as a going concern.

5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled 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 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.

We communicate with those charged with governance of the Holding Company 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.



# Independent Auditor's Report

## OTHER MATTERS

We did not audit the financial statements of 5 (five) subsidiaries whose financial statements reflect total assets of ₹ 35.60 crores as at 31<sup>st</sup> March, 2019, total revenues of ₹ Nil and net cash flows amounting to ₹ (27.33) crores 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<sup>st</sup> March, 2019, as considered in the consolidated financial statements, in respect of 4 (four) jointly controlled entities and 1 (one) associate, whose financial statements have not been audited by us. The financial statements of 2 (two) subsidiaries 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 sub-sections (3) and (11) 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.

The financial statements of 3 (three) subsidiaries and 4 (four) jointly controlled entities have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

The financial statements of one associate have not been furnished. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of this company under the provisions of the Insolvency and Bankruptcy Code, 2016. 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. In our opinion and according to the information and explanations given to us by the Management, non-receipt of these financial statements / financial information will have no impact on the consolidated financial statements of the Group.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable on Consolidated Financial Statements as referred in proviso to para 2 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure I.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our

# Independent Auditor's Report

opinion and to the best of our information and according to the explanations given to us: to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
- ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

For **APAS & CO.**  
Chartered Accountants  
Firm Regn No. 000340C

**(Rajeev Ranjan)**  
Partner  
M. No. 535395

Place : Mumbai  
Dated : 17<sup>th</sup> May 2019

# Annexure- I to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **MONNET ISPAT AND ENERGY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies (collectively referred to as "the Group"), its associates and jointly controlled entities, which are companies incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies and associates and jointly controlled entities, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the

"Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 was 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 judgment, 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 in terms of their reports referred to in the Other Matters paragraph below, 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

# Annexure - I to the Independent Auditor's Report

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;
- (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, the Holding Company, its subsidiary companies, associates and jointly controlled entities, 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 March 31, 2019, 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 issued by the Institute of Chartered Accountants of India.

For **APAS & CO.**  
Chartered Accountants  
Firm Regn No. 000340C

**(Rajeev Ranjan)**  
Partner  
M. No. 535395

Place : Mumbai  
Dated : May 17<sup>th</sup> 2019

# Consolidated Balance Sheet

As at 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,378.33	6,036.04
Capital work-in-progress		182.15	167.96
Goodwill	4	-	0.09
Other Intangible assets	4	-	158.21
Financial Assets			
Investments	5	0.99	572.34
Loans	6	-	24.44
Other financial assets	7	5.85	14.15
Other non-current assets	8	6.36	-
		<b>3,573.68</b>	<b>6,973.23</b>
<b>Current assets</b>			
Inventories	9	658.81	320.96
Financial assets			
Trade receivables	10	45.71	60.71
Cash and cash equivalents	11 a	165.47	91.68
Bank balance other than 'b' above	11 b	48.12	11.78
Loans	12	18.78	620.16
Other financial assets	7	0.39	14.53
Current Tax Assets (Net)	13	2.13	58.18
Other current assets	8	162.81	157.73
Assets classified as held for sale	31	3.31	-
		<b>1,105.53</b>	<b>1,335.73</b>
<b>Total Assets</b>		<b>4,679.21</b>	<b>8,308.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	995.53	200.79
Other equity	15	698.48	(3,478.04)
<b>Equity attributable to equity holders of the parent</b>		<b>1,694.01</b>	<b>(3,277.25)</b>
Non-controlling interests		0.04	0.15
<b>Total Equity</b>		<b>1,694.05</b>	<b>(3,277.10)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	2,044.10	3,481.99
Provisions	17	3.23	3.40
Deferred tax liabilities (net)	18	-	-
Other non current liabilities	19	-	22.76
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16	154.21	1,908.85
Trade payables	20		
- total outstanding dues of micro and small enterprises;		3.36	5.57
- total outstanding dues of creditors other than micro and small enterprises		396.37	104.48
Other financial liabilities	21	353.10	6,038.86
Other current liabilities	19	30.48	20.15
Provisions	17	0.31	-
<b>Total liabilities</b>		<b>2,985.16</b>	<b>11,586.06</b>
<b>Total Equity and Liabilities</b>		<b>4,679.21</b>	<b>8,308.96</b>

## Significant accounting policies

1 & 2

The accompanying Notes 1 to 49 form an integral part of these financial statements  
In terms of our report of even date annexed

For **APAS & Co.**

Chartered Accountants  
FRN No. 000340C

**Rajeev Ranjan**

Partner  
M.no 535395

Dated: 17<sup>th</sup> May 2019

Place: Mumbai

For and on behalf of the Board

**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

# Statement of Consolidated Profit and Loss

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	31 March 2019	31 March 2018
<b>INCOME</b>			
Revenue From Operations	22	1,879.41	1,419.09
Other Income	23	27.00	13.14
<b>Total Income (I)</b>		<b>1,906.41</b>	<b>1,432.23</b>
<b>EXPENSES</b>			
Cost of material consumed		1,728.32	1,096.50
Purchase of stock-in-trade			
Changes in inventories of finished goods, stock in trade and work-in-progress	24	(250.32)	(24.19)
Excise duty on sale of goods		-	35.83
Employee benefits expense	25	90.35	84.97
Finance costs	26	445.27	1,193.26
Depreciation and amortisation expense	27	277.51	355.02
Other expenses	28	311.85	186.61
<b>Total Expenses (II)</b>		<b>2,602.98</b>	<b>2,928.00</b>
<b>Profit before tax from continuing operations before exceptional items (I-II)</b>		<b>(696.57)</b>	<b>(1,495.77)</b>
<b>Exceptional items (Net)</b>	29	2,855.67	263.52
<b>Profit before tax from continuing operations after exceptional items</b>		<b>(3,552.24)</b>	<b>(1,759.29)</b>
<b>Tax expense:</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit for the year from continuing operations</b>		<b>(3,552.24)</b>	<b>(1,759.29)</b>
<b>Profit from continuing operations for the period attributable to:</b>			
Owners of the Company		(3,552.11)	(1,758.33)
Non controlling interests		(0.13)	(0.96)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Re-measurement gains (losses) on defined benefit plans		1.01	(7.31)
Equity instruments through other comprehensive income		(34.07)	(23.53)
<b>Items that will be reclassified to profit or loss in subsequent periods</b>			
Exchange differences in translating the financial statements of foreign operations		9.98	(0.69)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(23.08)</b>	<b>(31.53)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(3,575.32)</b>	<b>(1,790.82)</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		(3,575.19)	(1,789.86)
Non controlling interests		(0.13)	(0.96)
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic	30	(96.92)	(87.63)
(2) Diluted		(96.92)	(87.63)
<b>Significant accounting policies</b>	<b>1 &amp; 2</b>		

The accompanying Notes 1 to 49 form an integral part of these financial statements  
In terms of our report of even date annexed

For **APAS & Co.**  
Chartered Accountants  
FRN No. 000340C

For and on behalf of the Board

**Rajeev Ranjan**  
Partner  
M.no 535395

**Ravichandar Moorthy Dhakshana**  
Whole-time Director  
DIN: 03298700

**Nikhil Gahrotra**  
Director  
DIN: 01277756

Dated: 17<sup>th</sup> May 2019  
Place: Mumbai

**J. Nagarajan**  
Chief Financial Officer

**Ajay Kadhao**  
Company Secretary  
M. No. ACS- 13444

# Statement of Consolidated Cash Flows

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(3,552.11)	(1,759.29)
<b>Adjusted for :</b>		
Depreciation	277.51	355.02
Interest Received	(14.09)	(5.72)
Interest Paid	445.27	1,193.26
Amortisation of deferred upfront fee	-	(1.28)
Profit on Sale of Fixed Assets	-	(0.01)
Adjustment for Ceasation of Control in Subsidiary	-	6.20
Exchange differences in translating the financial statements of foreign operations	6.85	(0.69)
Stock correction / spoilage in non operational divisions	0.00	19.33
Transferred on Amalgamation	(2.66)	-
Impairment / write off of Non Current Investments	537.32	-
Impairment / write off of Fixed Assets	2601.81	-
Provision for Impairment of Trade Recievables	16.17	-
Non Recoverable Advances Written off	238.12	-
Provision for Non Recoverable Advances	533.51	-
Financial Liability Written Back	(1008.32)	-
Operational Liability Written Back	(169.24)	-
Impairment of Inventory	79.30	-
Share in loss of Associate	-	12.04
Provision for impairment in non current investments	-	196.57
Dividend received	-	(0.02)
	3,541.56	1,774.70
Operating Profit before Working Capital Changes	<b>(10.55)</b>	<b>15.41</b>
Working capital adjustments:		
Increase in inventories	(417.15)	(62.57)
Increase in trade and other receivables	(117.22)	186.71
Increase in trade and other payables	352.50	(147.33)
Increase in provisions	0.14	(7.58)
Cash Generated from Operations	<b>(192.28)</b>	<b>(15.36)</b>
Direct Taxes Paid	(1.35)	(0.88)
<b>Net Cash from operating activities</b>	<b>(193.63)</b>	<b>(16.24)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / expenditure for CWIP	(77.77)	(17.04)
Cash and Cash Equivalents-acquired on merger	675.15	-
Plant Startup Expenses	-	-
Sale of Fixed Assets	0.27	3.34
Purchase of Investments	0.03	-
Sale of Investments	-	0.02
Interest Received	14.09	5.72
Dividend Received	-	0.02
<b>Net Cash used in Investing Activities</b>	<b>-</b>	<b>(7.94)</b>



# Statement of Consolidated Cash Flows

for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(118.29)	(9.72)
Proceeds/ (Repayment) of Long Term Borrowings (Net)	(69.78)	-
Proceeds / (Repayment) of Short Term Borrowings (Net)	(156.12)	57.18
<b>Net Cash flow from Financing Activities</b>	<b>(344.19)</b>	<b>47.46</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>73.79</b>	<b>23.28</b>
<b>Cash and Cash Equivalents as on 1.4.2018</b>	<b>91.68</b>	<b>78.68</b>
Adjustment for Cessation of Control in Subsidiary	-	(10.28)
<b>Cash and Cash Equivalents as on 31.03.2019</b>	<b>165.47</b>	<b>91.68</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.06	0.16
Balance in current account and deposits with banks	165.41	91.52
	<b>165.47</b>	<b>91.68</b>

- The cash flow statement is prepared using the "indirect method" set out in IND AS 7 - Statement of Cash Flows.
- Cash and cash equivalents presented in the cash flow statement consist of cash in hand and unencumbered, highly liquid bank balances and fixed deposits.

**Significant accounting policies**

**1&2**

The accompanying Notes 1 to 49 form an integral part of these financial statements

In terms of our report of even date annexed

For **APAS & Co.**

Chartered Accountants  
FRN No. 000340C

For and on behalf of the Board

**Rajeev Ranjan**

Partner  
M.no 535395

**Ravichandar Moorthy Dhakshana**

Whole-time Director  
DIN: 03298700

**Nikhil Gahotra**

Director  
DIN: 01277756

Dated: 17<sup>th</sup> May 2019

Place: Mumbai

**J. Nagarajan**

Chief Financial Officer

**Ajay Kadhao**

Company Secretary  
M. No. ACS- 13444

## A. EQUITY SHARE CAPITAL FOR ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE OF ₹ 10/- EACH

Particulars	Note	Amount
As at 1 <sup>st</sup> April 2017	14	200.79
Changes during the year		-
<b>As at 31 MARCH 2018</b>		<b>200.79</b>
As at 1 <sup>st</sup> April 2018	14	200.79
Changes during the year		794.74
<b>As at 31 MARCH 2019</b>		<b>995.53</b>

## B. OTHER EQUITY (REFER NOTE 15)

(Amount in Rupees crores, unless otherwise stated)

	Attributable to the equity holders of the parent										Total equity	Non-controlling interest	Total equity		
	Capital Reserve	Share premium	Debt Redemption Reserve	Capital Redemption Reserve	Capital Reserve	Reconstruction Reserve	Capital Reserve	Amalgamation Reserve	Equity contribution resulted on merger	General Reserve				Retained earnings	Foreign Exchange Translation Reserve (Net)
<b>As at 1 April 2017</b>	77.77	1,262.83	86.02	1.89	19.68	3.31			163.97	(3,339.41)	(23.26)	(44.68)	(10.58)	114.39	(1,688.07)
Net income / (loss) for the year	-	-	-	-	-	-	-	-	-	(1,758.33)	-	-	-	(0.96)	(1,759.29)
Transfer on Amalgamation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(23.53)	(7.31)	-	(30.84)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	(1,758.33)	-	-	(23.53)	(7.31)	(0.96)	(1,790.13)
Adjustment on cessation of control in subsidiary	-	(148.33)	-	-	-	-	-	-	-	-	-	-	-	-	(148.33)
Exchange translation adjustment	-	-	-	-	-	-	-	-	262.61	-	-	-	-	262.61	149.33
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	(0.69)	-	-	(0.69)	(0.69)
<b>As at 31 March 2018</b>	<b>77.77</b>	<b>1,114.50</b>	<b>86.02</b>	<b>1.89</b>	<b>19.68</b>	<b>3.31</b>	<b>163.97</b>	<b>(4,835.13)</b>	<b>(23.95)</b>	<b>(68.12)</b>	<b>(17.89)</b>	<b>(3,478.04)</b>	<b>0.15</b>	<b>(3,477.89)</b>	
<b>As at 1 April 2018</b>	77.77	1,114.50	86.02	1.89	19.68	3.31			163.97	(4,835.13)	(23.95)	(68.21)	(17.89)	0.15	(3,477.89)
Net income / (loss) for the year	-	-	-	-	-	-	-	-	-	(3,552.11)	-	-	-	(0.13)	(3,552.24)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(34.07)	1.01	-	(33.06)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	(3,552.11)	-	-	(34.07)	1.01	(0.13)	(3,585.30)
Implementation of resolution plan (Refer Note No. 46 and 47)	-	-	(86.02)	470.46	-	-	7,287.03	86.02	-	-	-	-	-	7,757.49	-
Transfer on Amalgamation	-	-	-	-	-	-	-	-	-	(2.66)	-	-	-	(2.66)	(2.66)
Adjustment on cessation of control in subsidiary	-	-	-	-	-	-	-	-	-	-	(3.12)	-	-	(3.12)	(3.10)
Exchange translation adjustment	-	-	-	-	-	-	-	-	-	-	9.98	-	-	9.98	9.98
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 MARCH 2019</b>	<b>77.77</b>	<b>1,114.50</b>	-	<b>472.35</b>	<b>19.68</b>	<b>3.31</b>	<b>7,287.03</b>	<b>249.99</b>	<b>(8,389.90)</b>	<b>(17.09)</b>	<b>(102.28)</b>	<b>(16.88)</b>	<b>0.04</b>	<b>698.52</b>	

### Significant accounting policies

The accompanying Notes 1 to 49 form an integral part of these financial statements

### 1 & 2

In terms of our report of even date annexed

For **APAS & Co.**  
Chartered Accountants  
FRN No. 000340C

**Rajeev Ranjan**  
Partner  
M.No. 535395

Dated: 17<sup>th</sup> May 2019  
Place: Mumbai

For and on behalf of the Board

**Ravichandrar 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 2019

## 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 and the National Stock Exchange. The registered office of the Company 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. MIEL is primary steel producer with steel plants at Raigarh and Raipur that has a production capacity of 1.5 MTPA to produce HR plates, rebars and structure profiles to cater to the rapidly growing infrastructure & construction industry.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

The Company has prepared these Consolidated Financial Statements, which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31st March 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated financial statements" or "financial statements"), 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 the financial statements.

The aforesaid Consolidated financial statements of the Company for the year ended 31st March 2019 were approved by the board of directors in the meeting held on 17th May, 2019.

### 2.2 Basis of preparation and presentation

The Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Consolidated financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

The Consolidated financial statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

### 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 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 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.

### 2.3 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

# Consolidated Financial Statements

for the year ended 31 March 2019

- 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.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

## **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. 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.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. 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.

# Consolidated Financial Statements

for the year ended 31 March 2019

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.

## 2.4 Significant accounting policies

### a. Property, plant and equipment

#### i) Tangible assets

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (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.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated 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.

Leasehold buildings and Leasehold Improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

# Consolidated Financial Statements

for the year ended 31 March 2019

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

## ii) Capital work in progress (CWIP)

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.

## b. 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.

## c. Borrowing Costs

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 Consolidated 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 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.

## d. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

## e. 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.

Cost of raw material, stores and spares, packing materials, trading and other products are determined on FIFO basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale

## f. 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.

## g. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based

# Consolidated Financial Statements

for the year ended 31 March 2019

on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (a) Financial assets

#### Classification

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 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.

#### Initial recognition and 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.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Derecognition

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. A financial asset is primarily derecognized when the rights to receive cash.

#### Investment in subsidiaries, joint ventures and associates



# Consolidated Financial Statements

for the year ended 31 March 2019

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

## Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

## Impairment

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 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 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 Group 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 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

## 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

### Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

### Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's

# Consolidated Financial Statements

for the year ended 31 March 2019

financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

## Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

## Derecognition

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 consolidated statement of profit or loss.

## (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently

enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## (d) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity foreign exchange options, forward contracts, interest rate swaps and cross currency swaps.

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 Consolidated 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 Consolidated Statement of Profit and Loss depends on the nature of the hedge item.

## i. Revenue Recognition

### 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.

### 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

# Consolidated Financial Statements

for the year ended 31 March 2019

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.

## **j. Foreign currency transactions**

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 Indian National Rupee (INR).

In preparing the financial statements of each individual group entity, 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
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised

exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## **k. Taxes on income**

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 period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income

### **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 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated

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with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 an 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.

## 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.

## I. Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

The Company operates a defined benefit gratuity plan with approved gratuity fund, and contributions are made to a separately administered approved gratuity fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to statement of profit & loss in subsequent periods.

Past service costs are recognised in statement of profit & loss in the period of plan amendment.

Compensated absences and other benefits like gratuity which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a non-current liability at the present value of the defined benefit obligation at the balance sheet date.

## m. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

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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.

## **n. 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **Contingent liability is disclosed in the case of:**

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **o. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

## **p. Changes in accounting policies and disclosures**

### **New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

### **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled.

### **When a Customer obtains Contract of the goods or services**

Determining the timing of the transfer of control at a point in time of the transfer of control at a point in time or one time requires judgment.

The Company received its revenue streams and contracts with customers using the five step analysis prescribed under Ind AS 115 and concluded that there were no materials changes to the amount or timing of revenue recognized.

The Company adopted Ind-AS 115 using the modified retrospective approach and was not required to recognize any transaction adjustments.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's consolidated financial statements.

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**q. Unless specifically stated to be otherwise, these policies are consistently followed.**

## 2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

### Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

### (b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet 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 considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### (d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation,



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based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 2.6 Recent accounting pronouncements

**Ind AS 116 Leases:** On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 116, Leases. IndAS 116 will replace the existing leases Standard, IndAS17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirement for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- a) It's carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is in process of evaluating the effect of these amendments on the financial statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

**Amendment to Ind AS 12 – Income taxes:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.



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The amendments require an entity:

-to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

-to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even

if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. There is no impact on the Company on account of this amendment.

## 3. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & Site Development	Leasehold Land	Leasehold Buildings	Other Buildings	Plant and equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
<b>As at March 31, 2017</b>	<b>48.55</b>	<b>66.65</b>	<b>1.74</b>	<b>802.05</b>	<b>6,998.48</b>	<b>13.47</b>	<b>48.50</b>	<b>78.05</b>	<b>8,057.49</b>
Additions	-	-	-	0.08	8.01	0.12	0.23	0.08	8.52
Disposals	2.30	29.80	1.74	5.26	7.65	1.23	1.44	2.09	51.51
<b>As at March 31, 2018</b>	<b>46.25</b>	<b>36.85</b>	<b>-</b>	<b>796.87</b>	<b>6,998.84</b>	<b>12.36</b>	<b>47.29</b>	<b>76.04</b>	<b>8,014.50</b>
Additions	-	-	-	0.17	1.26	0.26	0.03	3.03	4.75
Disposals	-	-	-	-	(0.02)	-	-	1.04	1.02
<b>As at March 31, 2019</b>	<b>46.25</b>	<b>36.85</b>	<b>-</b>	<b>797.04</b>	<b>7,000.12</b>	<b>12.62</b>	<b>47.32</b>	<b>78.03</b>	<b>8,018.23</b>
<b>Depreciation</b>									
<b>As at March 31, 2017</b>	<b>0.35</b>	<b>-</b>	<b>0.24</b>	<b>133.75</b>	<b>1,431.39</b>	<b>10.39</b>	<b>28.41</b>	<b>31.57</b>	<b>1,636.10</b>
Depreciation charge for the year	0.07	0.20	0.05	28.60	318.80	1.44	1.26	4.60	355.02
Disposals	-	0.26	0.29	4.33	3.97	1.24	1.02	1.55	12.66
<b>As at March 31, 2018</b>	<b>0.42</b>	<b>0.06</b>	<b>-</b>	<b>158.02</b>	<b>1,746.22</b>	<b>10.59</b>	<b>28.65</b>	<b>34.62</b>	<b>1,978.46</b>
Depreciation charge for the year	0.01	-	-	22.27	249.70	0.81	0.97	3.75	277.51
Provision for Impairment	2.84	24.96	-	250.94	2,085.94	0.41	1.14	18.45	2,384.68
Disposals	-	-	-	-	0.01	-	-	0.74	0.75
<b>As at March 31, 2019</b>	<b>3.27</b>	<b>24.90</b>	<b>-</b>	<b>431.23</b>	<b>4,081.85</b>	<b>11.81</b>	<b>30.76</b>	<b>56.08</b>	<b>4,639.90</b>
<b>Net book value :</b>									
As at March 31, 2019	42.98	11.95	-	365.81	2,918.27	0.81	16.56	21.95	3,378.33
As at March 31, 2018	45.83	36.91	-	638.85	5,252.62	1.77	18.64	41.42	6,036.04
As at March 31, 2017	48.20	66.65	1.50	668.30	5,567.09	3.08	20.09	46.48	6,421.39

### Notes:

#### I. Property, plant and equipment pledged as security

Refer to note 16 for information on property, plant and equipment pledged as security by the Company.

- II. During the year, the Company has recognized an impairment loss against property, plant and equipment ₹ 2,384.68 crores, intangible assets ₹ 158.21 crores and capital work in progress ₹ 32.03 crores. Further, capital work in progress amounting to ₹ 26.89 crores has been written off due to discontinuation of the underlying projects. (refer Note No. 44)

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## 4. INTANGIBLE ASSETS

	Software	Goodwill	Mining rights	Total
<b>Cost</b>				
<b>As at March 31, 2017</b>	<b>0.56</b>	<b>2.11</b>	<b>157.48</b>	<b>160.15</b>
Additions	-	-	0.73	0.73
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>0.56</b>	<b>2.11</b>	<b>158.21</b>	<b>160.88</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at March 31, 2019</b>	<b>0.56</b>	<b>2.11</b>	<b>158.21</b>	<b>160.88</b>
<b>Amortisation</b>				
<b>As at March 31, 2017</b>	<b>0.56</b>	<b>-</b>	<b>-</b>	<b>0.56</b>
Amortisation charge for the year	-	-	-	-
Disposals	-	2.02	-	2.02
<b>As at March 31, 2018</b>	<b>0.56</b>	<b>2.02</b>	<b>-</b>	<b>2.58</b>
Amortisation charge for the year	-	0.09	-	0.09
Provision for Impairment	-	-	158.21	158.21
Disposals	-	-	-	-
<b>As at March 31, 2019</b>	<b>0.56</b>	<b>2.11</b>	<b>158.21</b>	<b>160.88</b>
<b>Net book value :</b>				
As at March 31, 2019	-	-	-	-
As at March 31, 2018	-	0.09	158.21	158.30
As at March 31, 2017	-	2.11	157.48	159.59

## 5. INVESTMENTS Financial Assets

	31 March 2019	31 March 2018
<b>(a) Investments in equity shares</b>		
<b>Investments in Joint Ventures (unquoted)</b>		
Monnet Ecomaister Enviro Pvt Ltd (refer note III below) 1,42,11,363 (March 31, 2018 : 1,42,11,363) Equity shares of ₹ 10 each fully paid up	2.68	2.68
Mandakini Coal Company Ltd (refer note I below) 3,92,99,800 (March 31, 2018 : 3,92,99,800) Equity shares of ₹ 10 each fully paid up	23.56	23.56
MP Monnet Mining Company Ltd 9,80,000 (March 31, 2018 : 9,80,000) Equity shares of ₹ 10 each fully paid up	0.77	0.77
Urtan North Mining Company Ltd 57,51,347 (March 31, 2018 : 57,51,347) Equity shares of ₹ 10 each fully paid up	5.75	5.75
<b>Investments in Associate Companies (quoted)</b>		
Monnet Power Co Ltd (refer note II below) 22,01,01,460 (March 31, 2018 : 68,65,87,019) Equity shares of ₹ 10 each fully paid up	-	700.79
<b>Investments at fair value through OCI (unquoted)</b>		
Falcon Internal Forces and Fire Services Pvt Ltd 1,000 (March 31, 2018 : 1,000) Equity shares of ₹ 10 each fully paid up	-	-
Monnet Engineering & Infrastructure P Ltd 4,000 (March 31, 2018 : 4,000) Equity shares of ₹ 10 each fully paid up	-	0.07
Business India Publications Ltd 1,00,000 (March 31, 2018 : 1,00,000) Equity shares of ₹ 10 each fully paid up	-	-
Chattel Constructions Pvt Ltd Nil (March 31, 2018 : 9,999) Equity shares of ₹ 10 each fully paid up	-	-
<b>Investments at fair value through OCI (quoted)</b>		
IFSL 13,00,000 (March 31, 2018 : 13,00,000) Equity shares of Re.1 each fully paid up	-	-
Aditya Birla Capital Ltd 2,100 (March 31, 2018 : 2,100) Equity shares of ₹ 10 each fully paid up	0.02	0.03

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	31 March 2019	31 March 2018
Aditya Birla Fashion & Retail Ltd 5,200 (March 31, 2018 : 5,200) Equity shares of ₹ 10 each fully paid up	0.11	0.08
Grashim Industries Ltd 1,500 (March 31, 2018 : 1,500) Equity shares of ₹ 10 each fully paid up	0.13	0.16
XL Energy limited (formerly XL Telecom Ltd) 1,66,808 (March 31, 2018 : 1,66,808) Equity shares of ₹ 10 each fully paid up	0.01	0.03
Kamanwala Housing Construction Ltd 63,343 (March 31, 2018 : 63,343) Equity shares of ₹ 10 each fully paid up	0.07	0.06
Indiabulls Real Estate Ltd 25,000 (March 31, 2018 : 25,000) Equity shares of ₹ 10 each fully paid up	0.23	0.45
RattanIndia Infrastructure Limited 73,750 (March 31, 2018 : 73,750) Equity shares of ₹ 10 each fully paid up	0.02	0.04
Soril Holdings and Ventures Ltd (formerly Indiabulls Wholesale Services Ltd) 3,125 (March 31, 2018 : 3,125) Equity shares of ₹ 10 each fully paid up	0.10	0.06
Bellary Steel Ltd. 8,03,243 (March 31, 2018 : 8,03,243) Equity shares of Re.1 each fully paid up	-	-
Pioneer Investment Ltd. 23,392 (March 31, 2018 : 23,392) Equity shares of ₹ 10 each fully paid up	0.07	0.09
Orrisa Sponge Iron & Steel Ltd. 19,94,633 (March 31, 2018 : 19,94,633 ) Equity shares of ₹ 10 each fully paid up	-	33.71
Nu Tek India Ltd 4,80,000 (March 31, 2018 : 4,80,000) Equity shares of ₹ 5 each fully paid up	0.01	0.04
	<b>33.53</b>	<b>768.37</b>
<b>(b) Investment in Mutual Funds (quoted)</b>		
SBI MF Magnum Tax Gain 55,123 (March 31, 2018 : 55,123) units	0.22	0.21
<b>(c) Capital Contribution in Partnership Firm</b>		
Khasjamda Mining Company	0.33	0.33
<b>Total</b>	<b>34.08</b>	<b>768.91</b>
<b>Less: Aggregate value of provision for impairment of investment</b>	18.88	196.57
<b>Less: Investment reclassified as held for sale (Refer note II below)</b>	14.21	-
	<b>0.99</b>	<b>572.34</b>
<b>Aggregate book value of quoted investments</b>	0.99	34.96
<b>Aggregate market value of quoted investments</b>	0.99	34.96
<b>Aggregate value of unquoted investments</b>	-	537.38

Investment in Partnership firm	31 March 2019	31 March 2018
Monnet Ispat and Energy Ltd	(0.34)	0.33
Sanjay P Date	0.33	0.34
% in Profits		
Monnet Ispat and Energy Ltd	99%	99%
Sanjay P Date	1%	1%

Note:

- The Company had pledged 49,40,00,000 equity shares of its subsidiary Monnet Power Company Limited for avilment of credit facilities by the Company/ its subsidiary company. Lenders had invoked the pledge and accordingly on transfer of the pledged shares to the trustee's depository participant account, the number of shares held by the Company has been adjusted.

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- ii. The Company has 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 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 for held for sale.

## 6. LOANS (NON CURRENT) #

	31 March 2019	31 March 2018
<b>Loans</b>		
Unsecured, Considered Good	-	24.44
<b>Total</b>	<b>-</b>	<b>24.44</b>

### Notes:

# Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

## 7. OTHER FINANCIAL ASSETS

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Bank deposits (having maturity more than 12 months)*	0.68	8.68	-	-
Security Deposits (unsecured, considered good)	5.19	5.47	-	13.00
Interest accrued on deposits and loans	-	-	0.39	1.53
Less: Provision for Impairment	0.02	-	-	-
<b>Total</b>	<b>5.85</b>	<b>14.15</b>	<b>0.39</b>	<b>14.53</b>

\*Lien marked bank deposits

0.27 8.68

## 8. OTHER NON-FINANCIAL ASSETS

	Non Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Capital advances				
Unsecured, considered good	5.98	-	-	-
Other loans and advances (Unsecured, considered good)				
Advance to employees	-	-	0.43	-
Prepaid expenses	0.34	-	10.21	6.58
Advances to suppliers	-	-	134.60	122.69
Balance with statutory authorities:				
Balances with GST/ Excise Authorities	-	-	18.62	10.21
MAT Credit Entitlement	-	-	18.25	18.25
Advance to gratuity fund	0.04	-	-	-
	<b>6.36</b>	<b>-</b>	<b>182.11</b>	<b>157.73</b>
Less: Provision for Impairment	-	-	19.30	-
<b>Total</b>	<b>6.36</b>	<b>-</b>	<b>162.81</b>	<b>157.73</b>

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## 9. INVENTORIES

	31 MARCH 2019	31 MARCH 2018
Raw Materials	267.16	151.43
Work-in-progress	5.73	2.75
Finished Goods	350.40	103.06
Stock in trade	39.37	-
Stores and spares	75.45	63.72
	<b>738.11</b>	<b>320.96</b>
Less: Provision for Impairment of Inventory	(79.30)	-
<b>Total</b>	<b>658.81</b>	<b>320.96</b>

Note:

- For mode of valuation refer Accounting policy 2.2 (e)
- Inventory of finished goods includes inventory aggregating to ₹ 253.94 crores valued at net realisable value. Write down of inventories arising out of the above accounting to ₹ 50.04 crores has been recognised as an expense during the year.

## 10. TRADE RECEIVABLES

	31 March 2019	31 March 2018
Considered good	45.71	60.71
Considered doubtful	2.16	36.98
Less: Allowance for doubtful debts	(2.16)	(36.98)
<b>Total</b>	<b>45.71</b>	<b>60.71</b>
Considered good, secured	-	-
Considered good, unsecured	45.71	60.71
Which have significant increase in credit risk	0.63	0.63
Credit impaired	1.53	36.35
Dues from directors or companies where directors are interested	0.03	-

The Credit period on sale of goods ranges from 30 to 90 days generally without security.

### Ageing of receivables that are past due but not impaired

Particulars	31 March 2019	31 March 2018
60-90 days	-	0.37
90-180 days	1.99	8.56
> 180 days	14.28	15.17
<b>Total</b>	<b>16.27</b>	<b>24.10</b>

## 11. CASH AND BANK BALANCES

### 11 a. Cash and cash equivalents :

Particulars	31 March 2019	31 March 2018
<b>Balances with banks</b>		
On current accounts	23.21	37.89
On Bank deposits with upto three months maturity	142.20	53.63
Cash on hand	0.06	0.16
<b>Total</b>	<b>165.47</b>	<b>91.68</b>

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## 11 b. Bank balances other than above

	31 March 2019	31 March 2018
Earmarked bank balances	0.17	0.40
Other bank deposits	47.95	11.38
<b>Total</b>	<b>48.12</b>	<b>11.78</b>

Short-term deposits are made for periods of upto three months at varying rate of interest, depending on cash flow requirements of the Company.

### Notes:

Earmarked bank balances includes balance of ₹ 0.17 crores (31 March 2018: ₹ 0.40 crores) pertaining to unclaimed dividend.

Deposits with banks include deposits provided as collateral against credit facilities of ₹ 47.95 crores (31 March 2018: ₹ 11.38 crores).

## 12. LOANS (CURRENT)

	31 March 2019	31 March 2018
<b>Loans to related parties *</b>		
Unsecured	10.12	130.17
<b>Other loans and advances</b>		
Unsecured	437.90	489.99
Less: Provision for Impairment	429.24	-
<b>Total</b>	<b>18.78</b>	<b>620.16</b>
Considered good, secured	-	-
Considered good, unsecured	18.78	620.16
Which have significant increase in credit risk		
Credit impaired	429.24	-

\* disclosure with respect to related party transactions is given in note 36.

## 13. CURRENT TAX ASSETS (NET)

	31 March 2019	31 March 2018
Income tax paid (net of provision for tax)	59.53	58.18
Less: Provision for Impairment	57.40	-
<b>Total</b>	<b>2.13</b>	<b>58.18</b>
Break-up of the financial assets carried at amortised cost :		
Loans to related parties (current)	10.12	130.17
Loans (non current)	-	24.44
Trade receivables	45.71	60.71
Cash and cash equivalents	165.47	91.68
Other bank balances	48.12	11.78
Other loans	8.66	489.99
Other financial assets (current)	0.39	14.53
Other financial assets (non current)	5.85	14.15
<b>Total</b>	<b>284.32</b>	<b>837.45</b>

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(Amount in Rupees crores, unless otherwise stated)

## 14. EQUITY SHARE CAPITAL

### a) Equity share capital

	31 March 2019	31 March 2018
<b>Authorised:</b>		
1,00,00,00,000 (31 March 2018: 21,10,00,000) equity shares of ₹ 10 each	1,000.00	211.00
<b>Issued subscribed and paid up:</b>		
46,95,47,534 (31 March 2018: 20,07,68,242) equity shares of ₹ 10 each	469.55	200.77
Add: Shares forfeited	-	0.02
<b>Total</b>	<b>469.55</b>	<b>200.79</b>
<b>b) Financial Instruments entirely equity in nature</b>		
<b>Authorised:</b>		
<b>Preference Share capital</b>		
55,00,00,000 (31 March 2018: 17,500,000 shares of par value of ₹ 100/- each) Shares of ₹ 10/- each	550.00	175.00
<b>Issued subscribed and paid up:</b>		
<b>Preference Share capital</b>		
0.01% Compulsory Convertible Preference Shares (CCPS) 52,59,80,000 (31 March 2018: Nil) shares of par value of 10/- each	525.98	-
<b>Total</b>	<b>525.98</b>	<b>-</b>
<b>Total</b>	<b>995.53</b>	<b>200.79</b>

### 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 2019		31 March 2018	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	20.07	200.79	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	-	-
<b>Outstanding at the end of the year</b>	<b>46.95</b>	<b>469.55</b>	<b>20.07</b>	<b>200.79</b>

COMPULSORY CONVERTIBLE PREFERENCE SHARES	31 March 2019		31 March 2018	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	-	-	-	-
Issued on Merger	52.60	525.98	-	-
<b>Outstanding at the end of the year</b>	<b>52.60</b>	<b>525.98</b>	<b>-</b>	<b>-</b>

### 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.



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## 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 2019		31 March 2018	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Udhyam Merchandise Pvt Ltd	-	-	2.51	12.51%
Creixent Special Steels Ltd.(Holding Company)	22.59	48.12%	-	-
Umra Securities Limited	-	-	1.88	9.34%
JTPM Atsali Ltd	2.35	5.01%	-	-
State Bank of India	2.55	5.43%	3.25	16.18%
Aion Investments Pvt Ltd	9.95	21.18%	-	-

## 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 2019		31 March 2018	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
JTPM Atsali Ltd	18.55	35.27%	-	-
Creixent Special Steel Ltd.	34.05	64.73%	-	-

## F. Equity shares allotted as fully paid up (during 5 years preceding March 31, 2019) without payment being received in cash.

3,490,000 equity shares and 525,980,000 compulsorily convertible preference shares issued 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.

## 15. OTHER EQUITY

	Amount
<b>a) Capital Reserve</b>	
As at 31 March 2017	77.77
Changes during the year	-
<b>As at 31 March 2018</b>	<b>77.77</b>
Changes during the year	-
<b>As at 31 March 2019</b>	<b>77.77</b>
<b>b) Securities Premium</b>	
As at 31 March 2017	1,262.83
Changes during the year	(148.33)
<b>As at 31 March 2018</b>	<b>1,114.50</b>
Changes during the year	-
<b>As at 31 March 2019</b>	<b>1,114.50</b>
<b>c) Debenture Redemption Reserve</b>	
As at 31 March 2017	86.02
Changes during the period	-
<b>As at 31 March 2018</b>	<b>86.02</b>

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	Amount
Changes during the period	(86.02)
<b>As at 31 March 2019</b>	<b>-</b>
<b>d) Capital Redemption Reserve</b>	
<b>As at 31 March 2017</b>	<b>1.89</b>
Changes during the period	-
<b>As at 31 March 2018</b>	<b>1.89</b>
Changes during the period	470.46
<b>As at 31 March 2019</b>	<b>472.35</b>
<b>e) Capital Reconstruction Reserve</b>	
<b>As at 31 March 2017</b>	<b>19.68</b>
Changes during the period	-
<b>As at 31 March 2018</b>	<b>19.68</b>
Changes during the period	-
<b>As at 31 March 2019</b>	<b>19.68</b>
<b>f) Amalgamation Reserve</b>	
<b>As at 31 March 2017</b>	<b>3.31</b>
Changes during the period	-
<b>As at 31 March 2018</b>	<b>3.31</b>
Changes during the period	-
<b>As at 31 March 2019</b>	<b>3.31</b>
<b>g) General Reserve</b>	
<b>As at 31 March 2017</b>	<b>163.97</b>
Changes during the period	-
<b>As at 31 March 2018</b>	<b>163.97</b>
Changes during the period	86.02
<b>As at 31 March 2019</b>	<b>249.99</b>
<b>h) Equity instruments through OCI</b>	
<b>As at 31 March 2017</b>	<b>(44.68)</b>
Other comprehensive income for the year 2017-18	(23.53)
<b>As at 31 March 2018</b>	<b>(68.21)</b>
Other comprehensive income for the year 2018-19	(34.07)
<b>As at 31 March 2019</b>	<b>(102.28)</b>
<b>i) Re-measurement gains/ (losses) on defined benefit plans</b>	
<b>As at 31 March 2017</b>	<b>(10.58)</b>
Other comprehensive income for the year 2017-18	(7.31)
<b>As at 31 March 2018</b>	<b>(17.89)</b>
Other comprehensive income for the year 2018-19	1.01
<b>As at 31 March 2019</b>	<b>(16.88)</b>
<b>j) Foreign Exchange Translation Reserve (Net)</b>	
<b>As at 31 March 2017</b>	<b>(23.26)</b>
Changes during the period	(0.69)
<b>As at 31 March 2018</b>	<b>(23.95)</b>
Less: Changes due to disposal of subsidiary	(3.12)
Changes during the period	9.98
<b>As at 31 March 2019</b>	<b>(17.09)</b>
<b>k) Equity contribution resulted on merger</b>	
<b>As at 31 March 2017</b>	<b>-</b>
Changes during the year	-
<b>As at 31 MARCH 2018</b>	<b>-</b>
Changes during the year	7,287.03
<b>As at 31 MARCH 2019</b>	<b>7,287.03</b>
<b>k) Retained Earnings</b>	
<b>As at 31 March 2017</b>	<b>(3,339.41)</b>
Profit for the year 2017-18	(1,758.33)

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(Amount in Rupees crores, unless otherwise stated)

	Amount
Add: Adjustment on cessation of control in subsidiary & Associate	262.61
<b>As at 31 March 2018</b>	<b>(4,835.13)</b>
Profit for the year 2018-19	(3,552.11)
Add: Transferred on Amalgamation	(2.66)
<b>As at 31 March 2019</b>	<b>(8,389.90)</b>
Total other equity attributable to equity holders of the parent	
<b>As at 31 March 2019</b>	<b>698.48</b>
<b>As at 31 March 2018</b>	<b>(3,478.04)</b>
<b>As at 31 March 2017</b>	<b>(1,802.46)</b>
<b>Non-controlling interests</b>	
<b>As at 31 March 2019</b>	<b>0.04</b>
<b>As at 31 March 2018</b>	<b>0.15</b>
<b>As at 31 March 2017</b>	<b>114.39</b>

## 16. BORROWINGS

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Debentures</b>				
<b>Secured</b>				
Non-Convertible Redeemable Debentures redeemable at par	-	919.91	-	-
<b>Liability component of financial liabilities</b>				
6.5% Cumulative Non Convertible Redeemable Preference Shares	-	148.58	-	-
<b>Term Loan</b>				
<b>Secured</b>				
Foreign currency loans from Banks	-	1,617.98	-	-
Rupee loans from Banks	2,195.79	4,074.40	-	-
Term loan from NBFCs	-	131.53	-	-
Hire Purchase loans from Banks	-	-	-	-
Less: current maturities of long term debt ( refer note 21)	(276.69)	(3,410.41)	-	-
<b>Term loan</b>				
<b>Unsecured</b>				
-from banks	-	-	-	354.46
-from related parties	125.00	-	-	-
<b>Working capital facility</b>				
<b>Secured</b>				
From Banks	-	-	154.21	1,554.39
	<b>2,044.10</b>	<b>3,481.99</b>	<b>154.21</b>	<b>1,908.85</b>

Note : Refer note 46 & 47 regarding extinguishment of liabilities post implementation of resolution plan

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Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2019	As on 31st March 2018			
6.5% Cumulative Non Convertible Redeemable Preference Shares	-	148.58	6.5%	N.A.	Preference shares were issued on 30th March, 2013 for the period of 9 years with periodical put and call options.
Non-Convertible Debentures	-	919.91	Refer note 16(b)		Refer note 16(b)
Foreign currency loans from Banks	-	1,357.44	LIBOR plus 4.25 to 4.6%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 14-15 to FY 19-20
Foreign currency loans from Banks	-	260.55		Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in three equal yearly installments from FY 2017-18
Rupee loans from Banks	-	4,074.40	11% To 13%	"i. First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Company. ii. Corporate guarantee of Ultimate Parent Company and PT Sarwa Sembada Karya Bumi. iii. Assignment and charge over the Shareholder's loan extended by Company to PT Sarwa Sembada Karya Bumi. iv. Assignment and charge over the coal sale contract entered into between the Company and PT Sarwa Sembada Karya Bumi."	Repayable in installments from FY 2014-15 to FY 2026-27
Rupee loans from Banks	1,919.10	-	3 month MCLR + 10 bps	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement.
Term loan from NBFCs	-	131.53	12.25% to 12.50%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 2014-15 to FY 2026-27
Short term loans from banks (unsecured)	-	354.46	11.50% to 13%	N.A.	On demand
Short term loan from Companies (Unsecured)	125.00	-	SBI 1 year MCLR + 200 bps	N.A.	Repayable at the end of 7 years from date of disbursement with option to prepay after one year.
Working capital facility	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 company.	On demand
Working capital facility	-	1,554.39	10.95% to 12.75%	Secured by first charge on movable current assets and second charge on all immovable assets of the company. Some of the loans are guaranteed by Managing Director of the company.	On demand
Term Loan-Bank Loan	276.69	260.55	3 months LIBOR + 3.5%	1) First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Company. 2) First and exclusive pledge of all existing and future shares of Company held by its Ultimate Parent Company. 3) Corporate guarantee of Ultimate Parent Company and PT Sarwa Sembada Karya Bumi. 4) Assignment and charge over the shareholder's loan extended by Company to PT Sarwa Sembada Karya Bumi. 5) Assignment and charge over the coal sale contract entered into between the Company and PT Sarwa Sembada Karya Bumi.	On demand

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## 17. PROVISIONS

	Non-current		Current	
	31 March 2019	31 MARCH 2018	31 March 2019	31 MARCH 2018
<b>Provision for employee benefits</b>				
Provision for gratuity	-	0.49	-	-
Provision for compensated absences (Refer note 34 for Ind AS 19 disclosures)	3.23	2.91	0.31	-
	<b>3.23</b>	<b>3.40</b>	<b>0.31</b>	<b>-</b>

## 18. INCOME TAXES

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

	31 March 2019	31 March 2018
Accounting loss before tax from continuing operations	(3,552.24)	(1,759.29)
Enacted tax rate in India	34.94	30.90
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting loss before income tax</b>	<b>(3,552.24)</b>	<b>(1,759.29)</b>
At India's statutory income tax rate of 34.944% (31 March 2018: 30.90%)	(1,241.29)	(543.62)
Expenses not deductible in determining taxable profits	392.05	461.63
Income exempt from taxation	-	(0.01)
Tax holiday and similar concessions	-	-
Effect of different tax rates of subsidiaries in other jurisdictions	63.84	-
Adjustments in respect of current income tax of previous years	-	-
Deferred tax asset not recognised	785.40	82.00
<b>At the effective income tax rate of 0.00% (31 March 2018: 0.00%)</b>	<b>-</b>	<b>-</b>
Income tax expense reported in the statement of profit and loss	-	-
Income tax attributable to a discontinued operation	-	-
	<b>-</b>	<b>-</b>

The Company has not recognised MAT credit amounting to ₹ 18.25 crores (₹ 2.42 crores relating to AY 2010-11 and ₹ 15.83 crores relating to AY 2014-15) due to uncertainty regarding utilisation within the stipulated period of 15 years.

Deferred tax balance in relation to	As at 31-Mar-18	Acquired pursuant to business combination	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
Cashflow hedges / FCMITDA	-	-	-	-	-	-
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)
Finance lease obligations	-	-	-	-	-	-
Minimum alternate tax (MAT) credit	-	-	-	-	-	-
Others- IND AS adjustmnet	(34.71)	-	34.71	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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Deferred tax balance in relation to	As at 01-Apr-17	Acquired pursuant to business combination	For the year ended 31 March 2018			As at 31-Mar-18
			Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(282.08)	-	(791.35)	-	-	(1,073.43)
Carried forward business loss / unabsorbed depreciation	303.30	-	804.84	-	-	1,108.14
Cashflow hedges / FCMTDA	-	-	-	-	-	-
Provisions for Impairment of Inventory/Trade receivables	-	-	-	-	-	-
Provisions for employee benefit / loans and advances and guarantees	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
Minimum alternate tax (MAT) credit	-	-	-	-	-	-
Others- IND AS adjustmnet	(21.22)	-	(13.49)	-	-	(34.71)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

(₹ in Crores)

Expiry of Losses (as per local tax laws)	2019-20	2020-21	2021-22	2022-23	Beyond 5 Years	Indefinite	Total
Business Losses	-	-	-	580.96	1,605.15	-	2,186.11
Unabsorbed depreciation	-	-	-	-	-	4,131.30	4,131.30
Long term capital losses	-	-	3.20	-	294.28	-	297.48
Short term capital losses	2.60	-	-	-	-	-	2.60
<b>Total</b>	<b>2.60</b>	<b>-</b>	<b>3.20</b>	<b>580.96</b>	<b>1,899.43</b>	<b>4,131.30</b>	<b>6,617.49</b>

## 19. OTHER NON-FINANCIAL LIABILITIES

	Non-current		Current	
	31 March 2019	31 MARCH 2018	31 March 2019	31 MARCH 2018
Deferred upfront fee liability	-	22.76	-	-
Advance from customers	-	-	20.13	11.10
Statutory dues	-	-	10.35	9.05
<b>Total</b>	<b>-</b>	<b>22.76</b>	<b>30.48</b>	<b>20.15</b>

## 20. TRADE PAYABLES

	31 March 2019	31 March 2018
Acceptances	134.16	-
Other than acceptances		
- total outstanding dues of micro and small enterprises;	3.36	5.57
- total outstanding dues of creditors other than micro and small enterprises	237.21	104.48
- payable as Per NCLT Order (Refer Note 46)	25.00	-
<b>Total</b>	<b>399.73</b>	<b>110.05</b>

### Note:

Disclosure with respect to related party transactions is given in note 38.

### 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 40.

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## 21. OTHER FINANCIAL LIABILITIES

	Current	
	31 March 2019	31 March 2018
(at amortised cost):		
Current maturities of long term debt	276.69	3,410.41
Interest payable:		
Interest accrued but not due on borrowings		
Interest accrued and due on borrowings	48.02	101.24
Unclaimed dividends	-	2,382.24
Security deposits and retention money	0.17	0.40
Payable for capital expenditures	1.51	21.13
Outstanding liabilities	19.14	51.12
Others	-	49.32
	7.57	23.00
	<b>353.10</b>	<b>6,038.86</b>
<b>Break-up of financial liabilities carried at amortised cost</b>		
Trade Payables	399.73	110.05
Other financial liabilities (current)	353.10	6,038.86
Borrowings (current)	154.21	1,908.85
Borrowings (non current)	2,044.10	3,481.99
	<b>2,951.14</b>	<b>11,539.75</b>

## 22. REVENUE FROM OPERATIONS

	31 March 2019	31 March 2018
Sale of Products *	1,877.00	1,403.01
Sale of services	-	11.51
Less: Rebate and Discounts	(4.65)	(3.59)
	<b>1,872.35</b>	<b>1,410.93</b>
Other operating revenues		
Sale of scrap	6.22	2.46
Export Incentives	0.84	5.70
<b>Total</b>	<b>1,879.41</b>	<b>1,419.09</b>

\* Includes Export Sales ₹ 76.29 crores (March 31 2018 ₹ 68.87 crores)

Post implementation of GST w.e.f. 1 July 2017, Revenue from operation is required to be presented net of GST. Accordingly, Revenue from operations for the year ended 31 March 2019 is not comparable with previous year's figures.

### 1. Implementation of Ind AS 115

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any impact on the Statement of Profit and Loss for the group.



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for the year ended 31 March 2019

(Amount in Rupees crores, unless otherwise stated)

The group has assessed and determined the following categories for disaggregation of revenue:

Particulars	For the year ended	
	31 March 2019	31 March 2018
Revenue from contracts with customer - Sale of products (including freight income)	1,872.35	1,410.93
Other operating revenue	7.06	8.16
<b>Total revenue from contracts with customers</b>	<b>1,879.41</b>	<b>1,419.09</b>
India	1,803.12	1,350.22
Outside India	76.29	68.87
<b>Total revenue from contracts with customers</b>	<b>1,879.41</b>	<b>1,419.09</b>
<b>Timing of revenue recognition</b>		
At a point in time	1,879.41	1,419.09
Over a period of time	-	-
<b>Total revenue from contracts with customers</b>	<b>1,879.41</b>	<b>1,419.09</b>

Product Wise	For the year ended	
	31 March 2019	31 March 2018
Sponge Iron	1,160.40	794.60
Billets	85.96	92.76
Ferro Alloys	172.34	171.95
Pellets	49.71	-
Structure/ TMT	365.11	323.95
Pig Iron	21.39	4.34
Others	24.50	31.49
<b>Total</b>	<b>1,879.41</b>	<b>1,419.09</b>

Sale of goods includes excise duty collected from customers of ₹ Nil (31 March 2018: ₹ 35.83 crores). Revenue from operations for previous periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations year ended 31 March 2019 is not comparable 31 March 2018.

## Contract Balances

Particulars	For the year ended	
	31 March 2019	31 March 2018
Trade Receivables	45.71	60.71
Contract liabilities (Advance from customers)	20.13	11.10

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In March 2019, ₹ 2.16 crores (March 2018: ₹ 36.98 crores) was recognised as provision for expected credit losses on trade receivables.

Contract liabilities include short term advances received for sale of goods. The outstanding balances of these accounts increased in 2018-19 due to the increase in the Group's customer base.

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 upon delivery of the goods and payment is generally due within 30 to 90 days from delivery. There is no warranty clause for goods sold by the Group.

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## 23. OTHER INCOME

	31 March 2019	31 March 2018
<b>Interest Income</b>		
From Bank Deposits	10.05	3.54
Others	4.04	0.10
Unwinding of discount on financial assets	-	2.08
<b>Dividend</b>		
Non Current Investments	-	0.02
Amortisation of deferred upfront fee	-	1.28
Rent Received	1.57	1.45
Insurance Claim Received	6.80	0.02
Foreign Exchange fluctuation	3.63	0.12
Profit on Sale of Fixed Assets	-	0.01
Other Miscellaneous Income	0.91	4.52
<b>Total</b>	<b>27.00</b>	<b>13.14</b>

## 24. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

	31 March 2019	31 March 2018
<b>Inventories at the beginning of the year</b>		
Finished Goods	103.06	139.66
Work-in-process	2.75	11.59
<b>Total Inventories at the beginning of the year</b>	<b>105.81</b>	<b>151.25</b>
<b>Previous year provision for impairment adjusted against opening inventory</b>	<b>-</b>	<b>54.59</b>
	<b>105.81</b>	<b>96.66</b>
<b>Finished Goods used for Fixed Assets</b>	<b>-</b>	<b>15.04</b>
<b>Inventories at the end of the year</b>		
Finished Goods	350.40	103.06
Work-in-process	5.73	2.75
<b>Total Inventories at the end of the year</b>	<b>356.13</b>	<b>105.81</b>
<b>Total</b>	<b>(250.32)</b>	<b>(24.19)</b>

## 25. EMPLOYEE BENEFITS EXPENSE

	31 March 2019	31 March 2018
Salaries, wages and amenities	82.54	76.27
Contribution to provident fund and other funds	5.27	6.64
Staff welfare expenses	2.54	2.06
<b>Total</b>	<b>90.35</b>	<b>84.97</b>

## 26. FINANCE COSTS

	31 March 2019	31 March 2018
Interest on debt and borrowings	443.31	1,186.23
Other ancillary borrowing costs	0.48	1.07
Unwinding of discount on financial liabilities	1.48	5.96
<b>Total</b>	<b>445.27</b>	<b>1,193.26</b>

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## 27. DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2019	31 March 2018
Depreciation of property, plant and equipments (refer note 3)	277.51	355.02
	<b>277.51</b>	<b>355.02</b>

## 28. OTHER EXPENSES

	31 March 2019	31 March 2018
Stores and Spares Consumed	34.64	28.66
Power and Fuel	147.85	54.31
Water Charges	6.77	3.69
Excise duty on stocks	-	(10.42)
Other Manufacturing Expenses	34.47	23.87
Printing and Stationery	0.37	0.39
Rent	0.40	0.39
Rates & Taxes	0.66	1.62
Vehicle Expenses	10.20	4.52
Communication Expenses	0.73	0.86
Travelling & Conveyance	1.84	3.62
Insurance Charges	4.93	5.78
Legal & Professional Charges	17.43	18.03
Directors Sitting Fees	0.13	0.10
Auditors' Remuneration		
- As Audit Fees	0.35	0.35
- For Limited Review	0.03	0.03
- For Tax Matters	-	0.02
- For Certification & Other Matters	0.04	0.02
- Reimbursement of Expenses	-	0.01
Miscellaneous Expenses	4.22	4.43
CSR Expenses	-	0.01
Lease Rent & Hire Charges	0.61	0.43
Share Transfer Expenses	0.02	0.02
Internal Audit Fees & Expenses	0.17	0.26
Loss from Partnership Firm	0.34	0.01
Bank Charges	2.43	1.39
Security Service Charges	7.96	1.11
Provision For Doubtful Debts	0.20	1.82
Distribution & Marketing Expenses	15.23	23.18
Share in loss of Associate	-	12.09
Repairs & Maintenance		
- Machinery	16.53	4.71
- Building	2.39	0.28
- Others	0.87	1.02
	<b>311.85</b>	<b>186.61</b>

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## 29. EXCEPTIONAL ITEMS (NET)

		31 March 2019	31 March 2018
Provision for impairment of Property, Plant and Equipment and Capital Work in Progress	2,574.92		-
Capital Work in Progress written off	26.89	2,601.81	
Non Current Investments written off	700.79		
Provision for Impairment of Non Current Investments	18.89		196.57
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	537.32	-
Provision for Impairment of Loans and Advances	533.51		-
Non Recoverable Advances Written off	238.12	771.63	47.62
Impairment of Inventory	-		19.33
Provision for Impairment of Inventory	79.30	79.30	-
Trade receivables written off	50.72		
Provision for doubtful trade receivables reversed	(34.55)	16.17	-
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)	-
		<b>2,855.67</b>	<b>263.52</b>

### Exceptional items for the year ended 31 March 2019 comprise of:

- Impairment of property plant and equipment/CWIP written off amounting to ₹ 2,601.81 crores, which has been recognized based on the recoverable value of these assets.
- Impairment / write off of investments, inventories, receivables, current and non-current assets aggregating to ₹ 1,404.42 crores (previous year ₹ 263.52 crores) considered not realizable.
- Current and non-current liabilities, aggregating to ₹ (1,177.56) crores (Refer note 46 for details)
- Plant Startup Expenses of ₹ 27.00 crores which comprise of various revenue expenses incurred to restart and make operational facilities at Raigarh plant of the Company.

## 30. EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2019	31 March 2018
Profit for the year as per Statement of Profit & Loss	(3,552.24)	(1,759.29)
<b>Profit attributable to equityholders of the Company for basic earnings</b>	<b>(3,552.24)</b>	<b>(1,759.29)</b>
	No. in crores	No. in crores
Weighted average number of equity shares in calculating basic EPS	36.65	20.07
Effect of dilution:	-	-
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>36.65</b>	<b>20.07</b>
<b>Earnings per equity share in ₹</b>		
<b>Basic</b>	(96.92)	(87.63)
<b>Diluted</b>	(96.92)	(87.63)
<b>Face Value of each equity share</b>	10	10

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## 31. ASSETS HELD FOR SALE

S. No.	Particulars	As At	As At
		31 March 2019	31 March 2018
1	Preference shares in Orissa Sponge Iron & Steel Ltd	2.92	-
2	Loan to Orissa Sponge Iron & Steel Ltd	0.39	-
3	Investment in equity shares of Monnet Ecomaister Enviro Pvt Ltd	0.001	-
		<b>3.31</b>	<b>-</b>

- i. The Company has entered into an agreement for sale of its investment in preference shares and loan given to Orissa Sponge Iron and Steel Ltd at 15% of the original amount paid. Accordingly, these amounts have been reclassified as held for sale and the difference has been recognised in the profit & loss account for the year.
- ii. The Company has entered into an MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having a initial carrying value of ₹ 14.21 crores for a total consideration of ₹ 10000 (Rupees Ten Thousand). Accordingly, the Company has measured the said the investment at lower of its carrying amount and fair value less costs to sell and has been classified it as held for sale.

## 32. DISCLOSURE OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES:

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat and Energy Limited (%)	
			As at	As at
			31 March 2019	31 March 2018
1	Monnet Global Ltd	U.A.E.	100%	100%
2	Monnet Enterprises Pte. Ltd.	SINGAPORE	Entity dissolved	100%
3	Monnet Cement Ltd.	INDIA	99.97%	99.97%
4	Chomal Exports Pvt Ltd	INDIA	51.00%	51.00%
5	Monnet Sports Foundation	INDIA	64.16%	94.16%

### Information regarding non-controlling interest

	As At	As At
	31 March 2019	31 March 2018
Accumulated balances of material non-controlling interest:		
Monnet Global Ltd	0.04	-
Monnet Enterprises Pte. Ltd.	-	-
Monnet Cement Ltd.	-	-
Chomal Exports Pvt Ltd	-	0.15
Monnet Sports Foundation	-	-
Profit/(loss) allocated to material non-controlling interest:		
Monnet Global Ltd	-	-
Monnet Enterprises Pte. Ltd.	-	-
Monnet Cement Ltd.	-	-
Chomal Exports Pvt Ltd	(0.13)	-
Monnet Sports Foundation	-	-

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

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## Summarised statement of profit and loss for the year ended 31 March 2019:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Sports Foundation	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Revenue	-	-	-	-	-
Cost of raw material and components consumed	-	-	-	-	-
Other expenses	3.18	0.04	-	-	0.26
Finance costs	-	-	-	-	-
<b>Profit before tax</b>	(3.18)	(0.04)	-	-	(0.26)
Income tax	-	-	-	-	-
<b>Profit for the year from continuing operations</b>	(3.18)	(0.04)	-	-	(0.26)
<b>Total comprehensive income</b>	(3.18)	(0.04)	-	-	(0.26)
Attributable to non-controlling interests	-	-	-	-	(0.13)
Dividends paid to non-controlling interests	-	-	-	-	-

## Summarised statement of profit and loss for the year ended 31 March 2018:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Sports Foundation	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Revenue	0.36	-	-	-	-
Cost of raw material and components consumed	-	-	-	-	-
Other expenses	4.61	0.05	-	-	-
Finance costs	10.78	-	-	-	-
<b>Profit before tax</b>	(15.03)	(0.05)	-	-	-
Income tax	-	-	-	-	-
<b>Profit for the year from continuing operations</b>	(15.03)	(0.05)	-	-	-
<b>Total comprehensive income</b>	(15.03)	(0.05)	-	-	-
Attributable to non-controlling interests	-	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-

## Summarised balance sheet as at 31 March 2019:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Sports Foundation	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Inventories and cash and cash equivalents and other current assets (current)	1.26	-	-	0.06	-
Property, plant and equipment and other non-current assets (non-current)	34.09	-	-	0.16	-
Trade and other payable (current)	375.20	-	0.01	-	0.07
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	-	-	-	-	-
<b>Total equity</b>	(339.85)	-	(0.01)	0.22	(0.07)
<b>Attributable to:</b>					
Equity holders of parent	(339.89)	-	(0.01)	0.22	(0.11)
Non-controlling interest	0.04	-	-	-	-

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## Summarised balance sheet as at 31 March 2018:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Sports Foundation	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Inventories and cash and cash equivalents and other current assets (current)	8.64	17.65	-	0.07	0.30
Property, plant and equipment and other non-current assets (non-current)	178.64	-	-	0.16	-
Trade and other payable (current)	267.64	0.14	0.01	-	-
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	86.85	-	-	-	-
<b>Total equity</b>	(167.21)	17.51	(0.01)	0.23	0.30
<b>Attributable to:</b>					
Equity holders of parent	(167.21)	17.51	(0.01)	0.23	0.15
Non-controlling interest	-	-	-	-	0.15

## Summarised cash flow information as at 31 March 2019

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Sports Foundation	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Operating	11.03	(17.65)	-	-	(0.05)
Investing	3.34	-	-	-	0.04
Financing	(24.04)	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(9.67)	(17.65)	-	-	(0.01)

## 33. 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 and Energy Limited (%)	
			As on 31.03.19	As on 31.03.18
1	Mandakini Coal Company Ltd	India	33.33%	33.33%
2	Urtan North Mining Company Ltd	India	33.33%	33.33%
3	MP Monnet Mining Company Ltd	India	49.00%	49.00%
4	Monnet Ecomaister Enviro Pvt Ltd	India	50.00%	50.00%

### 2) Disclosure of investment in the following associates :

S. No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat and Energy Limited (%)	
			As on 31.03.19	As on 31.03.18
1	Monnet Power Company Ltd	India	28.31%	88.31%

3) The group has no material joint ventures, associates or non controlling interests. Hence, the financial information of such joint ventures, associates or subsidiaries that have non controlling interests has not been disclosed.



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## 34. 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. The Company's contribution to the provident fund is ₹ 4.10 crores (31 March 2018 ₹ 4.96 crores)

### 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 deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to the insurer. 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.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

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

	31 March 2019	31 March 2018
<b>Defined benefit obligation at the beginning of the year</b>	13.75	10.99
Current service cost	1.23	1.05
Interest cost	1.07	0.79
Benefits paid	(1.88)	(6.12)
Actuarial (gain)/ loss on obligations - OCI	(1.04)	7.04
<b>Defined benefit obligation at the end of the year</b>	<b>13.13</b>	<b>13.75</b>

Changes in the fair value of plan assets are, as follows:

	31 March 2019	31 March 2018
<b>Fair value of plan assets at the beginning of the year</b>	13.26	17.75
Contribution by employer	0.48	-
Benefits paid	(1.57)	(5.50)
Expected Interest Income on plan assets	1.04	1.28
Actuarial gain/(loss) on plan asset	(0.04)	(0.27)
<b>Fair value of plan assets at the end of the year</b>	<b>13.17</b>	<b>13.26</b>

Reconciliation of fair value of plan assets and defined benefit obligation:

	31 March 2019	31 March 2018
Fair value of plan assets	13.17	13.26
Defined benefit obligation	13.13	13.75
<b>Amount recognised in the Balance Sheet</b>	<b>(0.04)</b>	<b>0.49</b>

Amount recognised in Statement of Profit and Loss:

	31 March 2019	31 March 2018
Current service cost	1.23	1.05
Interest expense	1.07	0.79
Expected return on plan asset	(1.04)	(1.28)
<b>Amount recognised in Statement of Profit and Loss</b>	<b>1.27</b>	<b>0.56</b>

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## Amount recognised in Other Comprehensive Income:

	31 March 2019	31 March 2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	1.05	(1.82)
Return on plan assets (excluding amounts included in net interest expense)	(0.04)	(0.27)
Experience adjustments	-	(5.22)
<b>Amount recognised in Other Comprehensive Income</b>	<b>1.01</b>	<b>(7.31)</b>

## The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity	31 March 2019	31 March 2018
<b>Investment Details</b>	Funded	Funded
Investment with Insurance fund	100%	100%

## The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31 March 2019	31 March 2018
Discount rate	7.79%	7.78%
Future salary increases	7.00%	7.00%
Attrition Rate	2.00%	2.00%
Retirement age	60 years	60 years

## A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Assumptions</b>				
Discount rate	+ 0.25%	+ 0.25%	(0.32)	(0.34)
	- 0.25%	- 0.25%	0.33	0.35
Future salary increases	+ 0.25%	+ 0.25%	0.34	0.36
	- 0.25%	- 0.25%	(0.32)	(0.34)
Withdrawal rate	+ 0.25%	+ 0.25%	0.02	0.02
	- 0.25%	- 0.25%	(0.02)	(0.02)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

Sensitivities due to mortality are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 is Nil

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The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

	31 March 2019	31 March 2018
Within the next 12 months (next annual reporting year)	0.80	0.98
Between 2 and 5 years	2.65	2.29
Beyond 5 years	30.65	6.17
<b>Total expected payments</b>	<b>34.10</b>	<b>9.44</b>

The average duration of the defined benefit plan obligation at the end of the reporting year is 12 years (31 March 2018: 12 years).

	31 March 2019	31 March 2018
<b>Compensated Absences</b>		
Present value of unfunded obligation (₹ in crores)	3.54	2.91
Expenses recognised in Statement of profit and loss (₹ in crores)	0.99	(0.55)
Discount rate (p.a.)	7.79%	7.40%
Salary escalation rate (p.a.)	7.00%	5.00%

## 35. COMMITMENTS AND CONTINGENCIES

### (a) Leases

#### Operating Lease commitments - Company as lessee

The company has obtained some office premises on operating lease.

Lease payments of ₹ 0.78 crores (March 31, 2018 – ₹ 0.35 crores) have been recognized as an expense in the statement of profit and loss during the year.

	31 March 2019	31 March 2018
Not later than one year	0.57	-
Later than one year and not later than five years	2.41	-
Later than five years	-	-
<b>Total</b>	<b>2.98</b>	<b>-</b>

### (b) Commitments

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) of ₹ 144.42 crores (March 31, 2018 - ₹ NIL)
- Rupee equivalent of export obligation to be completed by 23<sup>rd</sup> December, 2021 under EPCG Scheme ₹ NIL crores (March 31, 2018 - ₹ 152.13 crores)

### (c) Contingent Liabilities

	31 March 2019	31 March 2018
Counter guarantees issued in respect of guarantees issued by Company's bankers	69.95	73.41
Guarantees provided on behalf of subsidiaries and joint ventures	-	1050.25
Excise/ service tax demands	-	12.13
VAT demands	-	1.38
Entry tax demands	-	30.67
Income tax demands	-	238.80
Demands raised by CSPDCL for cross subsidy and other matters	-	144.84
Cess on power generation	-	35.09
Risk purchase claim of customers	-	38.11
Other claims against the Company not acknowledged as debt	-	195.32
DMF & NMET liability for raw material purchased	-	5.87
(The above are basic amounts excluding interest, if any)		

Note: Refer note 46(f) regarding extinguishment of contingent liabilities and commitments pursuant to the NCLT orders dated 24<sup>th</sup> July, 2018.

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## 36. RELATED PARTY DISCLOSURES

### A. List of related parties

<b>(a) Joint Ventures</b>	1	MP Monnet Mining Company Ltd
	2	Mandakini Coal Company Ltd
	3	Urtan North Mining Company Ltd
	4	Monnet Ecomaister Enviro Pvt Ltd.
<b>(b) Associates</b>		Monnet Power Company Ltd
<b>(c) Partnership Firm</b>		Khasjamda Mining Company
<b>(d) Enterprise owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:-</b>	1	Tirumala Balaji Alloys Pvt. Ltd. (Till 24.07.2018)
	2	M. K. Jajodia & Sons HUF (Till 24.07.2018)
	3	Monnet Project Developer Ltd. (Till 24.07.2018)
	4	Excello Fin Lea Ltd. (Till 24.07.2018)
	5	JSW Steel Coated Products Ltd. (from 31.08.2018)
<b>(e) Holding Company</b>		Creixent Special Steel Ltd. (w.e.f. 31.08.2018)
<b>(f) Joint Venturer of holding company</b>		JSW Steel Ltd. (w.e.f. 31.08.2018)
<b>(g) Subsidiary of Joint Venturer of holding company</b>		JSW Steel Coated Products Ltd. (w.e.f. 31.08.2018)
<b>(h) Key Management Personnel:-</b>	1	Mr. Sandeep Kumar Jajodia - Chairman & Managing Director (upto 17.7.2017)
	2	Mr.J.P.Lath - Independent director (upto 17.7.2017)
	3	SBI Observer (upto 17.7.2017)
	4	Suman Jyoti Khaitan - Independent director (upto 17.7.2017)
	5	IDBI Representative (upto 17.7.2017)
	6	Kunal Sharma - Independent director (upto 17.7.2017)
	7	Ankita Wadhwan - Independent director (upto 17.7.2017)
	8	Mr. Sanjay Garodia (CFO upto 20.01.2019)
	9	Mr. Hardeep Singh (Company Secretary upto 20.01.2019)
	10	Sumit Binani (Interim resolution professional / resolution professional/ director) (From 18.7.2017 to 31.8.18)
	11	Mr. D Ravichandar (w.e.f. 31.08.2018)
	12	Ms.Anuradha Ambar Bajpai (w.e.f. 30.07.2018)
	13	Ms. Sutapa Banerjee (w.e.f. 27.09.2018)
	14	Mr. Jyotin Mehta (w.e.f. 30.07.2018)
	15	Mr. Kalpesh Kikani (w.e.f. 31.08.2018)
	16	Mr. Nikhil Gahrotra (w.e.f. 31.08.2018)
	17	Mr. Sanjay Kumar (w.e.f. 31.08.2018)
	18	Mr. Seshagiri Rao (w.e.f. 31.08.2018)
	19	Mr. J. Nagarajan ( CFO w.e.f. 21.01.2019)
	20	Mr. Ajay Kadhao (Company Secretary w.e.f. 21.01.2019)

### B. Details relating to remuneration of Key Managerial Personnel

Name of KMP	31 March 2019		31 March 2018	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr.J.P.Lath	-	-	-	0.01
SBI Observer	-	-	-	0.01
Ms. Suman Jyoti Khaitan	-	-	-	0.02
Mr. Kunal Sharma	-	-	-	0.02
Ms. Ankita Wadhwan	-	-	-	0.02
Ms.Anuradha Ambar Bajpai	-	0.05	-	-
Ms. Sutapa Banerjee	-	0.02	-	-
Mr. Jyotin Mehta	-	0.05	-	-
Mr. Hardeep Singh (Company Secretary upto 20.01.2019)	0.24	-	0.31	-
Mr. Sanjay Garodia (CFO upto 20.01.2019)	0.83	-	0.60	-
Mr. J Nagarajan (CFO 21.01.2019 to 31.03.2019)	0.15	-	-	-
Mr. Ajay Kadhao (Company Secretary 21.01.2019 to 31.03.2019)	0.10	-	-	-
Mr. D Ravichandar (Director 31.08.2018 to 31.03.2019)	1.04	-	-	-

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## C. The following transactions were carried out with related parties in the ordinary course of business:-

Related Party Transactions		Joint Venturer of Holding Co.	Relatives of Key Managerial Personnel	Joint Ventures	Subsidiary of Joint Venturer of Holding Co.	Associate	Enterprises over which KMP or their relatives are able to exercise significant influence
<b>Sales of goods</b>							
Monnet Project Developer Ltd.	31 <sup>st</sup> March 2019						-
	31 <sup>st</sup> March 2018						0.42
JSW Steel Ltd.	31 <sup>st</sup> March 2019	9.53					
	31 <sup>st</sup> March 2018	-					
<b>Loan Taken</b>							
JSW Steel Ltd.	31 <sup>st</sup> March 2019	125.00					
	31 <sup>st</sup> March 2018	-					
<b>Loan Given</b>							
Monnet Power Company Ltd.	31 <sup>st</sup> March 2019					-	
	31 <sup>st</sup> March 2018					3.53	
<b>Loan Repaid</b>							
JSW Steel Ltd.	31 <sup>st</sup> March 2019	9.12					
	31 <sup>st</sup> March 2018	-					
Creixent Steel Limited	31 <sup>st</sup> March 2019	2.55					
	31 <sup>st</sup> March 2018	-					
<b>Interest Paid on Loan</b>							
JSW Steel Ltd.	31 <sup>st</sup> March 2019	7.52					
	31 <sup>st</sup> March 2018	-					
<b>Rent Paid</b>							
M.K.Jajodia & Sons HUF	31 <sup>st</sup> March 2019		-				
	31 <sup>st</sup> March 2018		0.03				
<b>Purchase of Raw Material / stores / fixed assets</b>							
JSW Steel Ltd.	31 <sup>st</sup> March 2019	67.38					
	31 <sup>st</sup> March 2018	-					
Jsw Steel Coated Products Ltd.	31 <sup>st</sup> March 2019				0.42		
	31 <sup>st</sup> March 2018				-		
<b>Reimbursement of Expenses Payable</b>							
JSW Steel Ltd.	31 <sup>st</sup> March 2019	9.73					
	31 <sup>st</sup> March 2018	-					
<b>Guarantees issued on behalf of other Body Corporates</b>							
Monnet Power Company Ltd.	31 <sup>st</sup> March 2019					-	
	31 <sup>st</sup> March 2018					635.27	
Mandakini Coal Co. Ltd.	31 <sup>st</sup> March 2019			-			
	31 <sup>st</sup> March 2018			89.71			
Urtan North Mining Co. Ltd.	31 <sup>st</sup> March 2019			-			
	31 <sup>st</sup> March 2018			3.67			
Monnet Ecomaister Enviro Pvt .Ltd.	31 <sup>st</sup> March 2019			-			
	31 <sup>st</sup> March 2018			24.30			
<b>Net outstanding balances:</b>							
Monnet Power Company Ltd.	31 <sup>st</sup> March 2019					117.55	
	31 <sup>st</sup> March 2018					117.55	
MP Monnet Mining Company Ltd	31 <sup>st</sup> March 2019			0.21			
	31 <sup>st</sup> March 2018			0.21			
Mandakini Coal Company Ltd	31 <sup>st</sup> March 2019			3.09			
	31 <sup>st</sup> March 2018			3.09			

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Related Party Transactions		Joint Venturer of Holding Co.	Relatives of Key Managerial Personnel	Joint Ventures	Subsidiary of Joint Venturer of Holding Co.	Associate	Enterprises over which KMP or their relatives are able to exercise significant influence
Urtan North Mining Company Ltd.	31 <sup>st</sup> March 2019			-			
	31 <sup>st</sup> March 2018			(0.83)			
Monnet Ecomaister Enviro Pvt. Ltd.	31 <sup>st</sup> March 2019			6.76			
	31 <sup>st</sup> March 2018			6.76			
JSW Steel Ltd - Loan	31 <sup>st</sup> March 2019	(125.00)					
	31 <sup>st</sup> March 2018	-					
JSW Steel Ltd - Trade Payable	31 <sup>st</sup> March 2019	(77.58)					
	31 <sup>st</sup> March 2018	-					
JSW Steel Ltd - Trade Receivable	31 <sup>st</sup> March 2019	0.03					
	31 <sup>st</sup> March 2018	-					
Khasjamda Mining Company	31 <sup>st</sup> March 2019						(0.34)
	31 <sup>st</sup> March 2018						0.33
Jsw Steel Coated Products Ltd.	31 <sup>st</sup> March 2019				0.08		
	31 <sup>st</sup> March 2018				-		
<b>Balances Written Off:</b>							
Urtan North Mining Company Ltd.	31 <sup>st</sup> March 2019			(0.83)			
	31 <sup>st</sup> March 2018			-			

## 37. 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.

Customer contributing to more than 10% of Revenue : the Company has only one such customer having sales of ₹275.05 crores (14.69% of the turnover).

## 38. DUES TO MICRO AND SMALL ENTERPRISES

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent information available with the company is given below:

	31 March 2019	31 March 2018
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	3.36	5.57
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	-	-

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## 39. FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

### Categories of financial instruments

As at 31 March 2019

Particulars	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
<b>Financial assets</b>					
Investment	-	0.99	-	0.99	0.99
Trade receivable	45.71	-	-	45.71	45.71
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	18.78	-	-	18.78	18.78
Other financial assets	6.24	-	-	6.24	6.24
<b>Total</b>	<b>284.32</b>	<b>0.99</b>	<b>-</b>	<b>285.31</b>	<b>285.31</b>
<b>Financial Liabilities</b>					
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
<b>Total</b>	<b>2,951.14</b>	<b>-</b>	<b>-</b>	<b>2,951.14</b>	<b>2,951.14</b>

As at 31 March 2018

	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
<b>Financial assets</b>					
Investment	537.38	34.96	-	572.34	572.34
Trade Receivable	60.71	-	-	60.71	60.71
Cash and cash equivalents	91.68	-	-	91.68	91.68
Bank balances other than cash and cash equivalents	11.78	-	-	11.78	11.78
Loans	620.16	-	24.44	644.60	644.60
Other financial assets	28.68	-	-	28.68	28.68
<b>Total</b>	<b>1,350.39</b>	<b>34.96</b>	<b>24.44</b>	<b>1,409.79</b>	<b>1,409.79</b>
<b>Financial Liabilities</b>					
Long Term Borrowings	3,333.41	-	148.58	3,481.99	3,481.99
Short term borrowings	1,908.85	-	-	1,908.85	1,908.85
Trade payables	110.05	-	-	110.05	110.05
Other financial liabilities	6,038.86	-	-	6,038.86	6,038.86
<b>Total</b>	<b>11,391.17</b>	<b>-</b>	<b>148.58</b>	<b>11,539.75</b>	<b>11,539.75</b>

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, 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.



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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.

## I. 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 analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The analyses 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 37.

The following assumptions have been made in calculating the sensitivity analyses:

- 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 2019 and 31 March 2018.

### 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.

The following table provides a breakup of the Company's fixed and floating rate borrowings:

Particulars	31 March 2019	31 March 2018
Fixed rate borrowings	-	1,068.49
Floating rate borrowings	2,475.00	7,732.76
<b>Total borrowings</b>	<b>2,475.00</b>	<b>8,801.25</b>
Total net borrowings	2,475.00	8,801.25
Add: Upfront fees	20.90	14.26
<b>Total borrowings</b>	<b>2,495.90</b>	<b>8,815.51</b>

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
		₹ crores
<b>31-Mar-19</b>		
₹	+50	(12.38)
₹	-50	12.38
<b>31-Mar-18</b>		
₹	+50	(29.12)
₹	-50	29.12

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly lower volatility than in prior years due to decrease in the overall borrowings.

### 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 Rupees (₹). The Company 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/ CAD/ 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, in particular interest rates remain constant.

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## Exposure to currency risk

The carrying amounts of the Company's monetary assets and liabilities at the end of the reporting period are:

### Currency Exposure as at 31 March 2019

Particulars	USD	EURO	CAD	AED	₹	Total
<b>Financial assets</b>						
Trade Receivable	14.76	-	-	-	30.95	45.71
Non current investment	-	-	-	-	0.99	0.99
Loans	-	1.27	-	0.24	17.27	18.78
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	-	-	-	4.86	6.24
<b>Total financial assets</b>	<b>16.25</b>	<b>1.27</b>	<b>-</b>	<b>0.24</b>	<b>267.55</b>	<b>285.31</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	2198.31	2,198.31
Trade payables	130.10	-	-	-	269.63	399.73
Other financial liabilities	318.88	-	-	-	34.22	353.10
<b>Total financial liabilities</b>	<b>448.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,502.16</b>	<b>2,951.14</b>

### Currency Exposure as at 31 March 2018

Particulars	USD	EURO	CAD	AED	₹	Total
<b>Financial assets</b>						
Trade Receivable	-	-	-	-	60.71	60.71
Non current investment	-	-	-	-	572.34	572.34
Loans	0.23	-	-	0.14	644.23	644.60
Cash and cash equivalents	-	-	-	-	91.68	91.68
Bank balances other than cash and cash equivalents	-	-	-	-	11.78	11.78
Other financial assets	-	-	-	-	28.68	28.68
<b>Total financial assets</b>	<b>0.23</b>	<b>-</b>	<b>-</b>	<b>0.14</b>	<b>1,409.42</b>	<b>1,409.79</b>
<b>Financial Liabilities</b>						
Borrowings	1,580.39	-	-	-	3,810.45	5,390.84
Trade payables	8.17	6.46	0.04	-	95.38	110.05
Other financial liabilities	-	-	-	-	6,038.86	6,038.86
<b>Total financial liabilities</b>	<b>1,588.56</b>	<b>6.46</b>	<b>0.04</b>	<b>-</b>	<b>9,944.69</b>	<b>11,539.75</b>

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax
		₹ in crores
<b>31-Mar-19</b>	+5%	(17.55)
	-5%	17.55
<b>31-Mar-18</b>	+5%	(83.18)
	-5%	83.18

	Change in EURO rate	Effect on profit before tax
		₹ in crores
<b>31-Mar-19</b>	+5%	(0.06)
	-5%	0.06
<b>31-Mar-18</b>	+5%	(0.31)
	-5%	0.31

	Change in AED rate	Effect on profit before tax
		₹ in crores
<b>31-Mar-19</b>	+5%	0.01
	-5%	(0.01)
<b>31-Mar-18</b>	+5%	0.01
	-5%	(0.01)

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

## II. Credit risk

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

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risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

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-assess the Company's policy and update 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.

## A. Trade receivables

Customer credit risk is managed by each business unit subject to 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 10.

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, as its customers are located in several jurisdictions and operate in largely independent markets. 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 and financial institutions 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 extraordinary 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.

### Maturity pattern of financial assets and liabilities:

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

## As at 31 March 2019

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Non current investment	-	-	0.99	0.99
Trade Receivable	45.71	-	-	45.71
Loans	18.78	-	-	18.78
Cash and cash equivalents	165.47	-	-	165.47
Bank balances other than cash and cash equivalents	-	-	48.12	48.12
Other financial assets	0.39	0.68	5.17	6.24
<b>Total financial assets</b>	<b>230.35</b>	<b>0.68</b>	<b>54.28</b>	<b>285.31</b>
<b>Financial liabilities</b>				
Long term borrowings	-	281.30	1,783.70	2,065.00
Short term borrowings	154.21	-	-	154.21
Trade payables	399.73	-	-	399.73
Other financial liabilities	353.10	-	-	353.10
<b>Total financial liabilities</b>	<b>907.04</b>	<b>281.30</b>	<b>1,783.70</b>	<b>2,972.04</b>

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## As at 31 March 2018

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Non current investment	-	-	572.34	572.34
Trade receivable	60.71	-	-	60.71
Loans	620.16	24.44	-	644.60
Cash and cash equivalents	91.68	-	-	91.68
Bank balances other than cash and cash equivalents	11.78	-	-	11.78
Other financial assets	14.53	8.68	5.47	28.68
<b>Total financial assets</b>	<b>798.86</b>	<b>33.12</b>	<b>577.81</b>	<b>1,409.79</b>
<b>Financial liabilities</b>				
Long term borrowings	-	2,507.62	974.37	3,481.99
Short term borrowings	1,908.85	-	-	1,908.85
Trade payables	110.05	-	-	110.05
Other financial liabilities	6,038.86	-	-	6,038.86
<b>Total financial liabilities</b>	<b>8,057.76</b>	<b>2,507.62</b>	<b>974.37</b>	<b>11,539.75</b>

## 41 .CAPITAL MANAGEMENT

The Company, being 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, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

Particulars	31 March 2019	31 March 2018
Long term borrowings	2,044.10	3,481.99
Short term borrowings	154.21	1,908.85
Current maturities	276.69	3,410.41
<b>Total borrowings</b>	<b>2,475.00</b>	<b>8,801.25</b>
Less: Cash and cash equivalents	165.47	91.68
Bank balances other than cash and cash equivalents	48.12	11.78
Net debts	2,261.41	8,697.79
<b>Total equity</b>	<b>1,694.05</b>	<b>(3,277.10)</b>
<b>Gearing ratio (%)</b>	<b>133.49%</b>	<b>(265.41%)</b>

(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.

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## 42. UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

	31 March 2019		31 March 2018	
	Foreign Currency	Amount (₹ crores)	Foreign Currency	Amount (₹ crores)
<b>Foreign trade payables</b>				
USD in crores	0.67	48.43	0.13	8.17
EURO in crores	-	-	0.08	6.46
CAD in crores	-	-	-	0.04
<b>Foreign other payables</b>				
USD in crores	0.61	42.19	-	-
Borrowings				
USD in crores	4.00	276.69	24.26	1,580.39
<b>Foreign advances recoverable</b>				
EURO in crores	0.02	1.27	-	0.23
USD in crores	-	-	-	-
AED in crores	0.01	0.24	0.01	0.14
<b>Foreign term deposits receipts</b>				
USD in crores	-	0.02	-	-
<b>Foreign Cash &amp; Cash Equivalents</b>				
USD in crores	-	0.09	-	-
<b>Foreign Other Receivables</b>				
USD in crores	0.02	1.38	-	-
<b>Foreign trade receivables</b>				
USD in crores	0.21	14.76	-	-

## 43 DISCLOSURE OF MOVEMENT IN PROVISIONS DURING THE YEAR AS PER IND AS- 37, 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS':

(₹ In crores)

Particulars	Balance As on 1.4.2018	Provided during the year	Paid/Adjusted During the year	Balance As on 31.3.2019
Gratuity	0.49	(0.22)	0.31	(0.04)
Accumulated leaves	2.91	0.99	0.36	3.54
<b>Total</b>	<b>3.40</b>	<b>0.77</b>	<b>0.67</b>	<b>3.50</b>

## 44. IMPAIRMENT OF CURRENT AND NON CURRENT ASSETS

Following IBC Proceedings, third party consultant was appointed to assess the recoverable amount of the CGU on the effective date of the order i.e. 31<sup>st</sup> August 2018.

The carrying amount of the CGU was determined to be higher than its recoverable amount and an impairment loss of ₹ 4,040.30 crores was recognized as on the effective date of the order. Out of the same ₹ 4,006.23 crores was recognised as 'exceptional items' in the statement of profit or loss and ₹ 34.07 crores was recognised under equity instruments through other comprehensive income.

The recoverable amount of the CGU (each plant as a CGU) was based on its value in use and was determined with the assistance of independent appraisers. Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU by using a post-tax discount rate of 11.75%.

The discount rate calculation is based on the specific circumstances of MIEL and is derived from its weighted average cost of capital (WACC). WACC represents the returns required by the investors of both debt and equity weighed for their relative funding in the entity. The returns expected depend on the perceived level of risk associated with the business of the company and the industry in which the company operates.

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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
<b>Assets</b>		
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	-
<b>Total</b>	<b>4,006.23</b>	<b>34.07</b>

Following the impairment loss recognised in the CGU, the recoverable amount was equal to the carrying amount.

- 45** 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 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 hereinabove:

(₹ In crores)

Particulars	Expenditure on capital work in progress	Investment in Shares	Other Current & Non-current assets / (liabilities)	Total
<b>Coal Blocks allotted to the Company</b>				
Utkal – B2	44.07	-	-	44.07
Rajgamar	13.96	-	-	13.96
<b>Coal Block through JVs</b>				
Mandakini Coal Company Ltd	-	39.30	3.09	42.39
Urtan North Mining Company Ltd	-	5.75	(0.82)	4.93
MP Monnet Mining Company Ltd	-	0.98	2.71	3.69
	58.03	46.03	4.98	109.04
Less: Provision for Impairment	46.03	46.03	2.48	94.54
<b>Net Carrying Value</b>	<b>12.00</b>	<b>-</b>	<b>2.50</b>	<b>14.50</b>

- 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:

- 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.
- 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.
- Settlement of debts of financial creditors amounting to ₹ 10,247.86 crores, partly by issue of 200,056,892 equity shares of ₹ 10 each, partly by cash payment of ₹ 2,457.00 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).
- 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.
- Settlement of operational creditors, (other than employees and workmen), for a sum of ₹ 25 crores

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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 ₹ 7,287.03 crores has been recognized as equity contribution resulted on merger in other equity.

## Details of the share capital issued and net assets acquired are as follows:

Assets/ (Liabilities)	(₹ crores)
<b>Assets</b>	
<b>Current Assets</b>	
Financial Assets	
Cash and cash equivalents	675.15
Others	209.14
Other Current Assets	9.51
Fees for authorized share capital	2.55
<b>Total</b>	<b>896.35</b>
<b>Liabilities</b>	
Other Equity	(0.04)
Borrowings	9.12
Other Financial liabilities	9.87
Other current liabilities	2.40
<b>Total</b>	<b>21.35</b>
<b>Net consideration settled by issue of equity / Compulsory Convertible preference shares</b>	<b>875.00</b>



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## 48 DISCLOSURE UNDER IND AS 7 'STATEMENT OF CASH FLOWS'

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

	31 March 2018	Cash flows	Non-cash changes Fair value changes	31 March 2019
Long-term borrowings	6,892.40	(69.78)	(4,501.83)	2,320.79
Short term borrowings	1,908.85	(156.12)	(1598.52)	154.21
<b>Total liabilities from financing activities</b>	<b>8,801.25</b>	<b>(225.90)</b>	<b>(6,100.35)</b>	<b>2,475.00</b>

	31 March 2017	Cash flows	Non-cash changes Fair value changes	31 March 2018
Long-term borrowings	10,344.09	-	(3,451.69)	6,892.40
Short term borrowings	1,918.39	57.18	(66.72)	1,908.85
<b>Total liabilities from financing activities</b>	<b>12,262.48</b>	<b>57.18</b>	<b>(3,518.41)</b>	<b>8,801.25</b>

49 The figures for the corresponding previous periods have been restated / regrouped wherever necessary to make them comparable.

In terms of our report of even date annexed

For **APAS & Co.**

Chartered Accountants

FRN No. 000340C

For and on behalf of the Board

**Rajeev Ranjan**

Partner

M.no 535395

Dated: 17<sup>th</sup> May 2019

Place: Mumbai

**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



## **MONNET ISPAT AND ENERGY LIMITED**

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