

**Better  
today.**



**Stronger  
tomorrow.**

**JSW Ispat Special  
Products Limited**

(Formerly known as  
Monnet Ispat and Energy Limited)

**Better Everyday**

# Index

1-8

## Company overview

- 1 Better everyday
- 2 Corporate identity
- 4 Key markets
- 6 Milestones
- 7 Chairman's message
- 8 Corporate information

9-74

## Statutory reports

- 9 Directors' report
- 30 Management discussion and analysis
- 38 Business responsibility report
- 51 Corporate governance report

75-191

## Financial statements

- 75 Standalone financial statements
- 130 Consolidated financial statements



Snapshot of FY 2020-21 performance

**₹4,187.74 crore**  
Revenue

**₹398.26 crore**  
EBITDA

**9.5%**  
EBITDA margin



# Better today. Stronger tomorrow.

FY 2020-21 will be remembered as an inflection point in modern history. On the one hand, it upended 'normal life' and 'business as usual' as we know it. On the other, it spotlighted the resilience of human spirit, the ability of scientific rigour to address challenges with speed, and the ubiquity of digital in modern society. In many ways, the year brought to life the need for collaborative thinking and courage while striving for better.

At JISPL, we addressed the year with the learnings of the past, and continued our turnaround story. Facing uncertainties and challenges is not new to us, and this time again, we proved our resilience with a will to do better. In fact, during the year, we remained nimble by catering to special alloy markets, and stabilised our blast furnace and upgraded our oxygen plant.

These initiatives and our drive for continuous improvement resulted in us turning EBITDA positive for the first time post the takeover by AION and JSW Steel.

Our strength, prospects and a commitment to value-creation was emphasised more than ever in FY 2020-21. We are further strategically building our capabilities to deliver more value to our stakeholders, and to grow consistently with a nimble-footed, responsible and smart strategy.

**#BetterEveryday**

# Growing as a special steel producer

JSW Ispat Special Products Limited (JISPL) is a manufacturer of Pellets, Sponge Iron, Ferro Alloys, Billets, Structural Steels and TMT bars. The Company has upgraded its production process from commodity steel to special steel products catering to the needs of seamless pipe industries, automobile and high-speed rail steel.



## JISPL in a snapshot

**2**

Manufacturing units  
 - Raigarh  
 - Raipur

**0.95 MTPA**

Integrated operational steel plant at Raigarh

**0.3 MTPA**

Sponge iron capacity at Raipur

**0.25 MTPA**

Steel melting capacity at Raipur

**0.044 MTPA**

Ferro alloy capacity

**234 MW**

Captive power generation capacity

**1**

Value-added product  
 - Special steel

**6**

Product verticals

- Sponge iron
- Pellets
- Pig Iron
- Billets
- TMT/Structural Steel
- Ferro Alloys

**2,104**

Team strength



## About AION Investments Private II Limited (AION)

AION is an affiliate entity to Apollo Global Management (Apollo) – a leading global alternative investment manager with expertise in credit, private equity and real assets. Apollo has \$461 billion total assets under management (as of May 2021).

## JSW Steel

JSW Steel is part of JSW Group which is a \$12 billion Indian conglomerate with strong presence in the Steel, Energy, Cement and Infrastructure segments. Ranked among India's top business houses, the Group's innovative and sustainable ideas continue to drive its growth. The Group continues to strive for excellence with its strength, differentiated product mix, state-of-the-art technology, excellence in execution, and focus on sustainability.

### Leveraging synergies within JSW Steel

#### Raw material security

JSW Steel enjoys raw material security with 13 fully operational mines in Karnataka and Odisha. These captive mines together provide an aggregate iron ore reserves of ~1.2 billion tonnes. We acquire quality iron ore as our raw material from the mines located in Odisha.

#### Knowledge building

We stand to benefit from knowledge transfer from established entities such as JSW Salem Works, that are pioneers in value-added products and globally recognised for operational excellence.

#### Intra JSW Steel shipment

We are set to deliver our first shipment of special steel products to JSW Steel Italy Piombino S.P.A. – a subsidiary of JSW Steel in Italy.

### Operational excellence

During the year, we focused on reducing our cost of coke – a key raw material in our operations, by entering into conversion agreements with coke manufacturers in Odisha. This cost optimisation technique allowed us to acquire coking coal and convert it to coke instead of buying the entire finished product from the market. Overall, this helped us to bring down our manufacturing cost.

## Key markets

# Catering to markets of potential

With our expansive product suite, we cater to the mass markets of northern, western and eastern India. Moreover, we see potential to grow significantly in the domestic seamless pipe industry and are working towards catering to manufacturers' requirements in this sector.

Besides, we will be focusing on manufacturing and exporting special cast products to be used in railways and other applications for JSW Steel Italy Piombino S.P.A.

Going forward, we will concentrate on the production and exports of special steel, apart from further collaborations with Original Equipment Manufacturers (OEMs). The exports primarily will comprise products like pig iron, sponge iron, pellets, alloy steel billets and blooms.

## Industries served:



# Business model

## Inputs

### JSW Steel synergies

Access to ~1.2 billion tonnes of iron ore reserves

### People

Total employees  
2,104

## Business processes

### Main functions

Raw materials  
Inbound logistics  
Manufacturing  
Processing  
Outbound logistics  
Recycling

### Key features of manufacturing

Integrated facilities  
Upgraded technologies  
Moving towards full capacity utilisation and resource optimisation

### Support functions

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

## Outputs

### Product mix

Steel and ferro alloys  
Special steel  
Sponge iron  
Billets and pellets

# Transformational journey to become a special steel manufacturer



## 2018

- + **AION and JSW Steel Ltd. (Consortium) completed the acquisition of the distressed Monnet Ispat & Energy Ltd. (MIEL) and restarted operations in Raigarh, which was shut for over four years**



## 2020

- + **Successfully restarted steelmaking operations while navigating through the COVID-19 crisis**
- + **Achieved highest quarterly EBITDA in Q4 FY2021 post takeover by the Consortium through operational excellence**



## 2019

- + **Restarted TMT operations**
- + **Introduced JSW Neosteel brand under licensing arrangement**
- + **Implemented an expansion project of pellet plant to 2.2 MTPA**
- + **Refurbished blast furnace, SMS and oxygen plant to bolster operations**
- + **Embarked on transforming the Raigarh unit to focus on special grades of alloy steel catering to auto and export markets**



## Outlook

- + **Ramp up special steel operations at Raigarh unit**



## Chairman's message

# Turnaround of business. Testimony of strength.

### Dear Stakeholders,

I wish you all good health in these challenging times. It is said that tough times do not last but tough companies do. At JSW Ispat, your Company is ready to prove this adage, as despite a challenging FY 2020-21, it delivered an improved performance. This was achieved on the back of our quality offerings, focus on operational excellence, synergies with the JSW Group, cost optimisation and overall business sustainability.

### An unprecedented year

FY 2020-21 began with muted commercial activity, owing to a lockdown imposed across the nation in the wake of the COVID-19 pandemic. The government, in tandem with the Reserve Bank of India, undertook several measures to halt this economic downswing. Along with a clarion call for a self-reliant India, the government provided relief and stimulus packages with an objective to propel economic growth. The government also announced its emphasis on mega infrastructure projects, especially in healthcare, logistics, railways, and agriculture industries.

Amidst this economic turmoil, the steel sector, during the first half of the fiscal year under review, witnessed industry-specific challenges such as muted demand and oversupply that created a loop leading to suppressed prices, along with manpower unavailability. The drop in domestic demand during the aforesaid period was primarily due to the halt in activity in end-use industries such as infrastructure, construction and real estate coupled with drop in discretionary spending among retail consumers in the automobile, white goods and capital goods sectors. As the year progressed, the demand for appliances improved due to the large-scale shift towards work-from-home, and construction activity picked up with government expenditure. Globally as well, the scenario was not too different, as liquidity was pumped into the economy together with a flurry of infrastructure project announcements. Nevertheless, as the year progressed, the economy started to gradually open up and the pent-up demand started to materialise, which augured well for the steel segment.

### Our performance

During the year under review, your Company stabilised the blast furnace and upgraded the oxygen plant at Raigarh unit to ensure continuity of operations and enhancement of capacity utilisation. The Company also progressed on converting our melt shop and rolling mill to cater to the special steel alloy market.

I am glad to announce that the aforesaid actions resulted in our turnaround, posting positive earnings before interest, tax and depreciation and amortisation, for the first time post takeover by the consortium of AION and JSW Steel. The plants were operated with strict adherence to statutory guidelines on COVID-19 appropriate behaviours and safety measures.

### Export-ready offerings

In the upcoming financial year, your Company is ready to deliver its first consignment of special steel products to JSW Italy, marking the foray of its special steel into international markets.

Due to a large-scale decarbonisation drive announced by China, we expect Chinese steel exports to be curtailed, starting FY 2021-22. This offers India a great opportunity to leverage the supply gap, and cater to international and domestic demand. With expanded production capacities, your Company is geared to capitalise on this market possibility. Going forward, the Company will seek further opportunities to export its products even beyond the JSW universe.

### Transforming into a special steel producer

The journey of special steel starts with cultural change, from a commodity mind-set to special product expertise. I'm happy to state that this has already begun. Your Company started benchmarking globally, and marching forward by continuously upgrading technologies and infrastructure to compete in the International market on par with other steel alloy producers in the world. The Company has started supplying Cast Round Blooms to the Seamless tube industries – which are used in high temperature boiler tubes and energy pipelines. The Cast Squares have already made a niche in the HT (Power structure) producers, Export markets and Automotive spring manufacturers. The Special Steel Rolled Rounds and Flats are slowly and firmly making its mark in the Automotive industry.

### Outlook

With India's economy witnessing a gradual and steady recovery and the International Monetary Fund forecasting a 11.5% growth for FY 2021-22, your Company is ready to capitalise on the upcoming market opportunities.

Before I conclude, I wish to express my gratitude to each and every member of the JSW Ispat team for their relentless efforts in enabling your Company navigate through these unprecedented times. I would also like to thank the lenders, customers, suppliers, and government authorities, who continue to support your Company's turnaround journey. As your Company continues to deliver on its ambitions, I solicit your continued patronage.

Regards

**Jyotin Mehta**

Chairman

# Corporate information

## BOARD OF DIRECTORS

### Mr. Jyotin Mehta

Chairman

Independent Non-Executive Director

### Mr. Seshagiri Rao MVS

Non-Independent Non-Executive Director

### Mr. Kalpesh Kikani

Non-Independent Non-Executive Director  
(till 07 January 2021)

### Mr. Nikhil Gahrotra

Non-Independent Non-Executive Director

### Mr. Sanjay Kumar

Non-Independent Non-Executive Director

### Mr. Kaushik Subramaniam

Non-Independent Non-Executive Director  
(w.e.f. 19 January 2021)

### Mr. T. Mohan Babu

Whole-time Director (w.e.f. 01 June 2021)

### Mrs. Anuradha Bajpai

Independent Non-Executive Director

### Mrs. Sutapa Banerjee

Independent Non-Executive Director (till 18 May 2021)

### Mr. Krishna Deshika

Independent Non-Executive Director  
(w.e.f. 20 July 2021)

### Mr. Ravichandar Moorthy Dhakshana

Whole-time Director (till 31 May 2021)

## CHIEF FINANCIAL OFFICER

### Mr. J. Nagarajan

## COMPANY SECRETARY

### Mr. Ajay Kadhao

## INVESTOR SERVICE GRIEVANCE

### Mr. Ajay Kadhao (Compliance Officer)

Corp. Off: JSW Centre Bandra Kurla Complex,  
Bandra (East), Mumbai-400051

Phone: +91 22 4286 1000

E-mail: isc\_jjspl@aionjsw.in

## CORPORATE WEBSITE

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

## BANKERS

IndusInd Bank Limited

Union Bank of India

Indian Bank

## AUDITORS

### Statutory Auditor

Deloitte Haskins & Sells LLP

Chartered Accountants

### Cost Auditor

Shome & Banerjee, Cost Accountants

### Secretarial Auditor

S. Srinivasan & Co., Company Secretaries

## RAIPUR WORKS

Monnet Marg, Mandir Hasaud,

Raipur-492101 (Chhattisgarh)

## RAIGARH WORKS

Village Naharpali, Tehsil Kharsia, Distt.

Raigarh-496661 (Chhattisgarh)

## REGISTERED & CORPORATE OFFICE

JSW Centre Bandra Kurla Complex,

Bandra (East), Mumbai-400051

## 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,

**JSW Ispat Special Products Limited**

(Formerly known as Monnet Ispat and Energy Limited)

The Board of Directors present the 31<sup>st</sup> Annual Report of the Company along with the financial statements for the financial year ended 31<sup>st</sup> March 2021.

## 1. COMPANY PERFORMANCE

		(₹ in Crore, except per share data)			
S. No.	Particulars	Standalone		Consolidated	
		Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
<b>1</b>	<b>Income from operations</b>				
	(a) Sales	4150.14	2607.76	4150.14	2607.76
	(b) Other operating income	37.60	30.40	37.60	30.40
	<b>Total income from operations</b>	<b>4187.74</b>	<b>2638.16</b>	<b>4187.74</b>	<b>2638.16</b>
	Other Income	12.99	25.97	15.73	26.28
	<b>Total income</b>	<b>4200.73</b>	<b>2664.13</b>	<b>4203.47</b>	<b>2664.44</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	2965.57	1977.84	2965.57	1977.84
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4.41	(34.48)	4.41	(34.48)
	(c) Employee benefits expense	115.58	116.46	115.58	117.00
	(d) Finance costs	275.78	253.32	275.85	253.32
	(e) Depreciation and amortization expense	227.47	216.99	228.46	218.76
	(f) Power and fuel	267.07	287.28	267.07	287.28
	(g) Other expenses	449.84	334.88	451.54	336.72
	<b>Total expenses</b>	<b>4305.72</b>	<b>3152.29</b>	<b>4308.48</b>	<b>3156.44</b>
<b>3</b>	<b>Loss before exceptional items and tax (1-2)</b>	(104.99)	(488.16)	(105.01)	(492.00)
<b>4</b>	<b>Exceptional items</b>	-	-	314.53	-
<b>5</b>	<b>(Loss) / Profit before tax (3-4)</b>	<b>(104.99)</b>	<b>(488.16)</b>	<b>209.52</b>	<b>(492.00)</b>
<b>6</b>	<b>Tax expense:</b>				
	(i) Current tax	-	-	-	-
	(ii) Deferred tax	-	-	-	-
<b>7</b>	<b>(Loss) / Profit after tax for the year (5 + 6)</b>	<b>(104.99)</b>	<b>(488.16)</b>	<b>209.52</b>	<b>(492.00)</b>
<b>8</b>	<b>Other comprehensive income / loss (after tax)</b>				
	A. (i) Items that will not be reclassified to profit or loss	2.51	(3.65)	2.51	(3.64)
	(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	-	-	7.25	(25.69)
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-
<b>9</b>	<b>Total comprehensive (loss) / income for the year (7+8)</b>	<b>(102.48)</b>	<b>(491.81)</b>	<b>219.28</b>	<b>(521.33)</b>
	<b>Total comprehensive income / (loss) for the year attributable to:</b>				
	Owner of the company	-	-	220.33	(521.21)
	Non-controlling interests	-	-	(1.05)	(0.12)
	<b>Total profit / (loss) for the year attributable to:</b>				
	Owner of the company	-	-	210.57	(491.88)
	Non-controlling interests	-	-	(1.05)	(0.12)
	<b>Other comprehensive income (loss) for the year attributable to:</b>				
	Owner of the company	-	-	9.76	(29.33)
	Non-controlling interests	-	-	-	-

## Directors' Report

### 2. OPERATIONAL PERFORMANCE

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

In view of nationwide lockdown advisory announced by the Government of India and other authorities to contain the spread of COVID-19 in March 2020, the Company had temporarily suspended all the manufacturing operations of its plants situated at Raipur and Raigarh with effect from 25<sup>th</sup> March 2020. With easing of some restrictions, the Company restarted the integrated steel manufacturing operations at the Raigarh plant of the Company with effect from 2<sup>nd</sup> May 2020 and the manufacturing operations at Raipur plant were restarted with effect from 15<sup>th</sup> May 2020.

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

Due to COVID-19 pandemic, the domestic demand and prices of steel and related products witnessed sharp drop in the first quarter of the financial year 2021. The plant production, during said first quarter, was gradually scaled up post restart of the plant operations in May 2020. Due to aforesaid factors coupled with disruption in supply chain network, the performance of the Company was affected in the first quarter. During the said quarter, the Company focused on liquidating its inventory of finished products which was built up in

the previous quarter on account of lock down, in order to generate cash flow to sustain its operations.

Though, the demand for steel products from infrastructure, construction, automobile and real estate sectors remained subdued in second quarter of the financial year under review, this quarter witnessed improvement in production, demand and prices for the products of the Company as compared to first quarter. The economic stimulus announced by the government earlier in May 2020 helped the economy on various fronts including propping up of the domestic demand. With various initiatives taken by the management, the second quarter of FY2021 registered improvement in performance and operations of the Company.

During the financial year under review the Company enhanced its pellet capacity from 2.00 MTPA to 2.20 MTPA. The Company has upgraded cast steel product profile at Raigarh plant and commenced its operation in special steel segment from quarter ended 31<sup>st</sup> December 2020. The Company is in process to increase the production levels for special steel products and focusing on export of special steel products.

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 2021, is as under;

#### Production (MT)-

Particulars	FY'2021	FY'2020	Increase / (Decrease) (+)/(-) Variance
Sponge Iron	776,639	829,228	-52,589
Billets	377,757	212,266	165,491
Structural Steel/TMT	218,448	134,561	83,887
Ferro Alloys	22,529	24,722	-2,193
Pellets	1,825,681	1,661,150	164,531
Pig Iron	155,201	221,141	-65,940

#### Sales Data (MT)-

Particulars	FY'2021	FY'2020	Increase / (Decrease) (+)/(-) Variance
Sponge Iron	635,156	699,354	-64,198
Billets	127,557	76,580	50,977
Structural Steel / TMT	212,779	126,318	86,461
Ferro Alloys	21,106	22,813	-1,707
Pellets	1,026,580	774,078	252,502
Pig Iron	176,340	34,431	141,909

During the year under review, the Company's revenue from operations was ₹4,187.74 crores as against ₹2638.16 crores in the previous year. The Company's Earnings before interest, tax, depreciation and amortisation was ₹398.26 crores in the financial year ended 31<sup>st</sup> March 2021 as opposed to loss before depreciation, interest and tax of ₹17.85 crores in the immediate preceding year.

Taking into account depreciation and interest costs, loss before tax (LBT) stood at ₹104.99 crores as against LBT of ₹488.16 crores in the previous year and total comprehensive loss for the year was ₹102.48 crores as against total comprehensive loss of ₹491.81 crores in the previous financial year.

During the year under review, exports of the Company were ₹292.54 as compared to ₹246.47 registered in the year ended on 31<sup>st</sup> March 2020.

#### **CONSOLIDATED:**

During the year under review, the Company's consolidated revenue from operations was ₹4,187.74 crores as against ₹2638.16 crores in the previous year. Further, in the financial year ended 31<sup>st</sup> March 2021, the Company on consolidated basis made a profit before tax of ₹209.52 crore as compared to loss before tax of ₹492 crores in the previous year. During the year the Company on consolidated basis had an exceptional gain on settlement of liabilities, forfeiture of advance and reassessment of realizable value of it's overseas subsidiaries total amounting to ₹314.53 crores as mentioned below as compared to nil in the previous year;

- (i) gain of ₹318.50 Crore (NIL for the quarter ended 31<sup>st</sup> March 2021) on settlement of loan outstanding of ₹294.29 Crore and interest due thereon of ₹42.60 Crore at ₹18.39 Crore, pursuant to a settlement agreement entered into with its lender.
- (ii) loss of ₹22.58 Crore (₹9.22 Crore for the quarter ended 31<sup>st</sup> March 2021) towards reassessment of realizable value of assets held for sale.
- (iii) gain of ₹18.61 Crore (₹18.61 Crore for the quarter ended 31<sup>st</sup> March 2021) on forfeiture of advance received from buyer pursuant to cancellation of agreement entered into for sale of a subsidiary.

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

### **3. CHANGE IN NAME OF THE COMPANY**

The members of the Company at the 30<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> July 2020 had approved the Special Resolution for change in name of the Company from "Monnet Ispat and Energy Limited" to "JSW Ispat Special Products Limited." Pursuant to the same, an application was made to the Office of the Registrar of

Companies ("ROC"), Chhattisgarh for issue of a fresh Certificate of Incorporation for change of name of the Company. The ROC, has issued a fresh Certificate of Incorporation on 23<sup>rd</sup> September 2020 approving the change in name of the Company from "Monnet Ispat and Energy Limited" to "JSW Ispat Special Products Limited".

Pursuant to the above, the Memorandum and Articles of Association ('MoA and AoA') of the Company stands amended to that effect.

### **4. CHANGE OF THE REGISTERED OFFICE**

The members at the 30<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> July 2020 approved the shifting of the registered office of the Company from state of Chhattisgarh to the state of Maharashtra. The Company had filed necessary applications with the Regional Director, North Western Region, Ahmedabad ("RD"). The RD, by order dated 19<sup>th</sup> March 2021, has approved the application of the Company. The Company is in the process of completing the necessary filings in this regard.

### **5. 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.

### **6. IMPACT OF COVID-19**

The outbreak of COVID-19 pandemic in the financial year 2020 continued in the financial year under review. The said pandemic has not been fully contained. On the contrary pandemic brought the world to a standstill, as most nations imposed lockdowns with varying degrees of stringency to contain the spread. The second wave of COVID-19 pandemic in India, which emerged near to closure of the financial year under review, appears more severe, harsh and contagious.

The management based on internal and external sources of information has assessed effect, if any, of COVID-19 pandemic and after exercising reasonable estimates and judgements, determined that there are no other material changes and commitments affecting the financial position of the Company .

### **7. DIVIDEND AND RESERVES**

The Board of Directors of the Company have not recommended any dividend for the financial year under review. As per the standalone financial statements the Company has incurred losses during the year and hence no amount has been transferred to Reserves.

## Directors' Report

### 8. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on 31<sup>st</sup> March 2021, the Company has four subsidiaries (including 2 step-down subsidiaries) and four joint ventures.

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

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 annual financial statements of the subsidiary companies are open for inspection by any shareholder at the Company's Registered Office and the Company will make available these documents and the related detailed information upon request by any shareholder of the Company or any shareholder of its subsidiaries, joint ventures companies who may be interested in obtaining the same. Also, the standalone financial statements, consolidated financial statements and financial statements of subsidiaries are available on the website of the Company viz. [www.aionjsw.in](http://www.aionjsw.in).

### 9. SHARE CAPITAL

As on 31<sup>st</sup> March 2021, the authorized capital of the Company was ₹15,50,00,00,000/- (Rupees one thousand five hundred and fifty crores only) and the paid up capital stands at ₹9,95,52,75,340/- (Rupees nine hundred and ninety-five crores fifty-two lakhs seventy-five thousand three hundred and forty only) consisting of 46,95,47,534 equity shares of ₹10 (Rupees ten) each and 52,59,80,000 Compulsory Convertible Preference Shares of ₹10 (Rupees ten) each.

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

### 10. DEBENTURES

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

### 11. BANK FACILITIES AND CREDIT RATING

During the year under review CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited) in the month of March 2021 revised and upgraded the credit ratings with respect to banking facilities of the Company to "A-" (Single A Minus; Outlook: Stable) for Long Term bank facilities and for Long Term / Short Term Bank Facilities "A- Stable/A2+" (Single A Minus; Outlook: Stable / A Two Plus).

### 12. PUBLIC DEPOSITS

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

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

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

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

### 14. INTERNAL CONTROLS, AUDIT AND INTERNAL FINANCIAL CONTROLS

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

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

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

#### Internal Audit plan and execution

The Internal Audit function prepares audit plan which is approved by the Audit Committee. The frequency of the audit is decided by risk ratings of areas/ functions. The audit plan is carried out by the internal-audit team and reviewed periodically to include areas that have assumed significant importance in line with the emerging industry trend and the 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 along with Action Taken Report are reported to the Audit Committee every quarter.

### Internal financial controls

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

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

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

As on 31<sup>st</sup> March 2021, the Board of Directors of the Company consists 1 Whole-time Director (Executive), 3 Independent Directors and 4 Non- Executive Directors, the details of which are given in the Corporate Governance Report which forms part of this Annual Report.

### During the year under review following changes took place in the Board of Directors

- a) The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee (NRC) at the meeting held on 21<sup>st</sup> July 2020 re-appointed Mr. Ravichandar Moorthy Dhakshana (Mr. D Ravichandar) (DIN: 03298700) as the Whole-time Director designated as "Director (Corporate - in Charge)" of the Company, for a period of 9 (Nine) months w.e.f. 31<sup>st</sup> August 2020 to 31<sup>st</sup> May 2021, subject to the approval of shareholders at the 31<sup>st</sup> Annual General Meeting of the Company.
- b) Mr. Kalpesh Kikani (DIN: 03534772) resigned from the Board of Directors of the Company as the (Non-Executive Non-Independent) Director with effect from 7<sup>th</sup> January 2021 owing to his other professional commitments.
- c) The Board of Directors upon the recommendation of the Nomination and Remuneration Committee (NRC) at the meeting held on 19 January

2021 appointed Mr. Kaushik Subramaniam (DIN: 08190548) as an Additional Director (Non-Executive Non-Independent) on the Board of Directors of the Company with effect from 19<sup>th</sup> January 2021.

Subsequent to the closure of the financial year 2020-21, pursuant to recommendation of Nomination and Remuneration Committee ("NRC") Mr. Thirukkoteeswaran Mohan Babu (Mr. T. Mohan Babu) (DIN: 09169018) was appointed as an Additional Director of the Company, by the Board of Directors of the Company with effect from 1<sup>st</sup> June 2021, who shall hold office up to the ensuing 31<sup>st</sup> Annual General Meeting of the Company. The Board of Directors of the Company on the recommendation of NRC, at its meeting held on 12<sup>th</sup> May 2021, also approved the appointment of Mr. T Mohan Babu as the Whole-time Director of the Company, for a period of 2 (two) years w.e.f. 1<sup>st</sup> June 2021 subject to approval of the shareholders. The Board recommends to the shareholders the appointment of Mr. T. Mohan Babu as the Director and the Whole-time Director of the Company.

In terms of Section 161 of the Companies Act, 2013 Mr. Kaushik Subramaniam and Mr. T. Mohan Babu will hold their office until the date of the ensuing Annual General Meeting and they are eligible to be appointed as Directors of the Company. The Company has received a notice under Section 160 of the Companies Act, 2013 from member, proposing their candidatures for appointment as Directors of the Company. Further Mr. T. Mohan Babu and Mr. Kaushik Subramaniam are not disqualified from being appointed as the Directors of the Company by virtue of the provisions of Section 164 of the Companies Act, 2013.

In accordance with the provisions of section 152 of the Companies Act 2013 and Articles of Association of the Company, Mr. Seshagiri Rao MVS and Mr. Sanjay Kumar, Directors, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offered themselves for re-appointment. The Board recommends their re-appointment to the shareholders.

The details of profile, experience, other directorships, etc, in respect of Mr. D Ravichandar, Mr. Seshagiri Rao MVS, Mr. Sanjay Kumar, Mr. Kaushik Subramaniam and Mr. T. Mohan Babu who are seeking appointment/ re-appointment as Directors of the Company, as required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard -2 issued by ICSI, are annexed to the Notice of the forthcoming 31<sup>st</sup> Annual General Meeting of the Company.

There were no changes in the Key Managerial Personnel of the Company during the financial year under review other than re-appointment of Mr. D Ravichandar as the Whole-time Director of the Company.

## Directors' Report

### 16. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134, sub-section 3(c) and sub-section (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2021, 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 selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a 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 2021 and of the loss of the Company for the year on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the financial year ended 31<sup>st</sup> March 2021 have been prepared on a going concern basis;
- (e) internal financial controls were laid down to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (f) proper systems were devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### 17. ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

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

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

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

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

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

### 19. COMMITTEES OF THE BOARD

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

At present following are the Committees of the Board;

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee
- d. Corporate Social Responsibility Committee
- e. Finance Committee
- f. Business Responsibility Reporting (BRR) and International Trade Practice Committee

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

### 20. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

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

- a) he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made there under and Regulation 25 of SEBI Listing Regulations, 2015 and
- b) he/she registered themselves with the Independent Directors' Databank as per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

### 21. NOMINATION AND REMUNERATION POLICY

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

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



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

## 22. 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>.

## 23. 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. During the year under review, the Company has entered into material related party transactions with JSW Steel Limited and in terms of Section 134 details of the same are stated in Form AOC-2 in **Annexure- 2** of this report. The material related party transactions are entered by the Company are within the limits and in terms of the approval accorded by the Shareholders at previous Annual General Meeting. All related party transactions are mentioned in the notes to the accounts. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

The "Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions" ('the Policy'), as approved 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 RPT that are repetitive nature and / or entered in the ordinary course of business and are at arm's length, in compliance with applicable provisions. The statement giving details of all RPT are placed before the Audit Committee / the Board for review and approval on a quarterly basis.

## 24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## 25. 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 Directors 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 viz <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 CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, have been annexed as **ANNEXURE-3** and forms integral part of this Report. During the year, the Company has undertaken some voluntary CSR activities as stated in the Annexure-3 of this Report.

## 26. AUDITORS

### a) Statutory Auditor

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

The Auditors have audited standalone and consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2021 and no fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on 18<sup>th</sup> May 2020 has appointed M/s S. Srinivasan & Co., a Company Secretaries firm to conduct a secretarial audit of the Company for the financial year 2020-21. The Report of the Secretarial Audit carried out for the financial year 2020-21 is annexed herewith as **Annexure -4**.

## Directors' 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.

The Board, at its meeting held on 12<sup>th</sup> May 2021 has re-appointed M/s S. Srinivasan & Co., a Company Secretaries Firm, as Secretarial Auditor, for conducting Secretarial Audit of the Company for the financial year 2021-22.

### c) Cost Auditor

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

Accordingly, the Board, at its meeting held on 12<sup>th</sup> May 2021, on the recommendation of the Audit Committee, had 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 2021-2022 on a remuneration of ₹ 3,50,000/- 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 Cost Audit Report of the Company for the financial year ended 31<sup>st</sup> March 2020 was filed in XBRL mode on 19<sup>th</sup> August 2020.

## 27. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS

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

## 28. RISK MANAGEMENT

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

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

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

The Board oversees the Enterprise Risk Management framework to ensure –

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

## 29. 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 -5** hereto and forms an integral part of this Report.

## 30. 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(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this report as **Annexure -6**.

The details of employee information as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in the annexure to this Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013, the Report is being sent to the members excluding the aforesaid annexure and any shareholder interested in obtaining the copy of the same may write to the Company at [isc\\_jispl@aionjsw.in](mailto:isc_jispl@aionjsw.in) and the said annexure is also available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

## 31. ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013 and amendment thereto, the Annual Return of the Company is placed on the website of the Company and is accessible at the website of the Company viz. <https://www.aionjsw.in/investors/>.

## 32. 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 is annexed as **Annexure-7**.

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.

### 33. BUSINESS RESPONSIBILITY REPORTING

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

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

BRR for the financial year 2020-21 forms part of this Annual Report as **Annexure-8**.

### 34. CORPORATE GOVERNANCE REPORT

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

A report on the Corporate Governance practices followed by the Company, together with a certificate(s) regarding compliance is given as **Annexure-9** to this report.

### 35. 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 2020-21.

### 36. OTHER DISCLOSURES / REPORTING

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

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

### 37. THE DETAILS OF APPLICATIONS MADE OR ANY PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THERE STATUS AS AT THE END OF THE FINANCIAL YEAR - Not Applicable.

### 38. THE DETAILS OF THE DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THERE OF - Not Applicable

### 39. ACKNOWLEDGEMENT

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

By order of the Board  
For JSW Ispat Special Products Limited  
(Formerly known as Monnet Ispat and Energy Limited)

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

**Jyotin Mehta**  
Chairman  
DIN: 00033518

# 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

Sl. No.	(Amount in ₹)		
	1	2	
Name of the subsidiary	Monnet Cement Limited	Monnet Global Limited	
Date since when subsidiary was acquired	29 November 2007	17 September 2005	
Reporting period for the subsidiary concerned	Same	Same	
Reporting Currency and exchange rate as on last date of the financial year in case of foreign subsidiaries	Rupees	Rupees	US Dollar
Share capital	21,900,000	205,382,257	5,007,797
Reserves and surplus	(20,662,355)	(671,535,776)	(12,967,709)
Total assets	2,745,123	92,214,240	1,254,535
Total liabilities	1,507,478	558,367,759	9,214,448
Investments	-	-	-
Turnover	-	-	-
Profit before taxation	(444,116)	3,145,460,346	42,759,031
Provision for taxation	-	-	-
Profit after taxation	(444,116)	3,145,460,346	42,759,031
Proposed Dividend	-	-	-
% of shareholding	100.00%	100.00%	

#### Additional Disclosure

Subsidiaries yet to commence operations	Monnet Cement Limited Monnet Global Limited
Subsidiaries liquidated or sold during the year	Not applicable Not applicable

#### 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	(Amount in ₹)			
	MP Monnet Mining Company Limited	Mandakini Coal Company Limited	Urtan North Mining Company Limited	Monnet Ecomaister Enviro Private Limited
1. Latest audited Balance Sheet Date	31 Mar 2020	31 Mar 2020	31 Mar 2020	31 Mar 2020
2. Date on which the Associate or Joint Venture was associated or acquired	20 Jun 2009	14 Mar 2008	4 Mar 2010	29 Mar 2011
3. Shares of Associate/Joint Ventures held by the company on the year end				
a) No.	980000	39,299,800	5751347	14211363
b) Amount of Investment in Associates/Joint Venture	9,800,000	392,998,000	57,513,470	142,113,630
c) Extend of Holding %	49.00%	33.33%	33.33%	50.00%
4. Description of how there is significant influence	% of shareholding	% of shareholding	% of shareholding	% of shareholding
5. Reason why the associate/joint venture is not Consolidated	N.A.	N.A.	N.A.	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	5,349,026	677,078,722	163,563,595	(294,830,037)
7. Profit / Loss for the year				
i. Considered in Consolidation	(21,469)	(496,714)	176,932	(53,284,762)
ii. Not Considered in Consolidation	(22,345)	(993,576)	353,918	(53,284,761)
<b>Total</b>	<b>(43,814)</b>	<b>(1,490,290)</b>	<b>530,850</b>	<b>(106,569,523)</b>

**Additional Disclosure**

Associates/Joint ventures ( yet to commence Operations)	MP Monnet Mining Company Limited
	Mandakini Coal Company Limited
	Urtan North Mining Company Limited
Associates/Joint ventures liquidated or sold during the Year	Not applicable

For and on behalf of the Board  
For **JSW Ispat Special Products Limited**  
(Formerly known as Monnet Ispat and Energy Limited)

	<b>J. Nagarajan</b>	<b>Ajay Kadhao</b>	<b>Nikhil Gahotra</b>	<b>Ravichandar Moorthy Dhakshana</b>
Place: Mumbai	Chief Financial Officer	Company Secretary	Director	Whole-Time Director
Date: 12 <sup>th</sup> May 2021			DIN: 01277756	DIN: 03298700

# Annexure-2

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

### Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

#### 1) Details of contracts or arrangements or transactions not at arm's length basis

Not applicable, all contracts or arrangements or transactions with related parties are at arm's length basis.

#### 2) Details of material contracts or arrangement or transactions at arm's length basis

a) Name(s) of the related party and nature of relationship	JSW Steel Limited
b) Nature of contracts/arrangements/transactions	For purchase and sale of materials including availing license for use of brand and shared services.
c) Duration of the contracts/arrangements/transactions	April 2020 to March 2021
d) Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions with JSW Steel Limited amounted to ₹701.89 crores during FY 2020-21
e) Date(s) of approval by the Board, if any:	The Board of Directors approved transactions with JSW Steel Limited on 16 June 2020, and shareholders also approved these transactions in Annual General Meeting held on 22 July 2020
f) Amount paid as advances, if any:	₹ 51 crores

For and on behalf of the Board  
For **JSW Ispat Special Products Limited**  
(Formerly known as Monnet Ispat and Energy Limited)

Place: Mumbai	<b>J. Nagarajan</b> Chief Financial Officer	<b>Ajay Kadhao</b> Company Secretary	<b>Nikhil Gahrotra</b> Director DIN: 01277756	<b>Ravichandar Moorthy Dhakshana</b> Whole-Time Director DIN: 03298700
Date: 12 <sup>th</sup> May 2021				

# Annexure-3

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

(As per annexure II under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

### 1. A brief outline of the Company's CSR policy-

The Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013. The Company is focusing 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;

Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, the Company is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. The average net profits of the Company for preceding three financial years was ₹ (905.00) Crores. Therefore, it is not mandatory for the Company to incur CSR expenses as per the provisions of the Companies Act 2013. However, the Company has undertaken some voluntary CSR activities during the financial year 2020-21 as under;

- Distribution of Computer, LCD Projectors and interactive Board provided to Jawahar Navodaya Vidyalaya and schools located in 10 adopted villages block - in Raigarh, Chhattisgarh.
- Expenditure incurred to contain Covid-19 including distribution of food packets, PPE Kits distribution. providing ambulance facilities and other medical kits to District administration, occupational health care services, dental checkup camps, improvement in hospital infrastructures.
- Initiative for clean water, local road repairs, help to flood affected areas, funding to local CSR Cell, sponsoring sports tournaments.
- Training in sewing for women and conducting examination.

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

As at 31<sup>st</sup> March 2021, the composition of CSR Committee as under:

Sr. No.	Name of Members	DIN	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Nikhil Gahrotra – Chairman	01277756	Non-Executive Director	1	1
2	Jyotin Mehta - Member	00033518	Non-Executive Independent Director	1	1
3	Sutapa Banerjee - Member	02844650	Non-Executive Independent Director	1	1
4	Ravichandar Moorthy Dhakshana-Member	03298700	Whole-time Director	1	1

## Annexure-3 Directors' Report

3.	the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	<a href="https://www.aionjsw.in/investors">https://www.aionjsw.in/investors</a> In view of the losses made during 3 preceding financial years, the Company has no CSR projects approved by the Board of Directors.																										
4.	the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not applicable																										
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Financial Year</th> <th>Amount available for set-off from preceding financial years (in ₹)</th> <th>Amount required to be set-off for the financial year, if any (in ₹)</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">Not applicable</td> </tr> </tbody> </table>	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)	Not applicable																					
Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)																									
Not applicable																												
6.	Average net profit of the Company as per Section 198 of the Companies Act 2013 for the last three financial years-	₹ (905.00) Crores																										
7.	a) Two percent of average net profit of the company as per section 135(5) b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. c) Amount required to be set off for the financial year, if any d) Total CSR obligation for the financial year (7a+7b-7c).	Not applicable																										
8.	<b>a) CSR amount spent or unspent for the financial year:</b>	<table border="1"> <thead> <tr> <th rowspan="3">Total Amount Spent for the Financial Year. (in ₹)</th> <th colspan="5">Amount Unspent (in ₹)</th> </tr> <tr> <th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</th> <th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th> </tr> <tr> <th>Amount.</th> <th>Date of transfer</th> <th>Name of the Fund</th> <th>Amount</th> <th>Date of transfer</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">Not applicable</td> </tr> </tbody> </table>	Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)					Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer	Not applicable									
Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)																											
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)																								
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer																							
Not applicable																												
<b>b) Details of CSR amount spent against ongoing projects for the financial year:</b>																												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)																		
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name Registration number.																		
1																												
2										Not applicable																		
3																												
<b>Total</b>																												
<b>c) Details of CSR amount spent against other than ongoing projects for the financial year:</b>																												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)																		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project. State. District.	Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name.	Mode of implementation - Through implementing agency. Name.	Mode of implementation - Through implementing agency. Name.	Mode of implementation - Through implementing agency. Name.																		
1																												
2										Not applicable																		
3																												
<b>Total</b>																												
d)	<b>Amount spent in Administrative Overheads</b>	Not applicable																										
e)	<b>Amount spent on Impact Assessment, if applicable</b>	Not applicable																										
f)	<b>Total amount spent for the Financial Year (8b+8c+8d+8e)</b>	Not applicable																										
g)	<b>Excess amount for set off, if any</b>	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Particular</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Two percent of average net profit of the company as per section 135(5)</td> <td>Nil</td> </tr> <tr> <td>(ii)</td> <td>Total amount spent for the Financial Year</td> <td>Nil</td> </tr> <tr> <td>(iii)</td> <td>Excess amount spent for the financial year [(ii)-(i)]</td> <td>Nil</td> </tr> <tr> <td>(iv)</td> <td>Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any</td> <td>Nil</td> </tr> <tr> <td>(v)</td> <td>Amount available for set off in succeeding financial years [(iii)-(iv)]</td> <td>Nil</td> </tr> </tbody> </table>									Sl. No.	Particular	Amount (in ₹)	(i)	Two percent of average net profit of the company as per section 135(5)	Nil	(ii)	Total amount spent for the Financial Year	Nil	(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil
Sl. No.	Particular	Amount (in ₹)																										
(i)	Two percent of average net profit of the company as per section 135(5)	Nil																										
(ii)	Total amount spent for the Financial Year	Nil																										
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil																										
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil																										
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil																										



9. a) Details of Unspent CSR amount for the preceding three financial years:									
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)		
				Name of the Fund	Amount (in ₹).	Date of transfer.			
1				Not applicable					
<b>Total</b>									
b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.	
1									
2					Not applicable				
3									
<b>Total</b>									
10. a) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year									
b) Date of creation or acquisition of the capital asset(s).									
c) Amount of CSR spent for creation or acquisition of capital asset. <span style="float: right;">Not applicable</span>									
d) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.									
e) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).									
12. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). <span style="float: right;">Not applicable</span>									

By Order of the Board  
For JSW Ispat Special Products Limited  
(Formerly known as Monnet Ispat and Energy Limited)

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

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

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

# Annexure-4

## Form No. MR- 3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

[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,  
**JSW ISPAT SPECIAL PRODUCTS LIMITED**  
(formerly known as Monnet Ispat & Energy Limited)  
JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai,  
Maharashtra- 400 051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW ISPAT SPECIAL PRODUCTS 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 2021 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:

The continuing uncertainties and restrictions on opening of offices and in the movement of people across the country arising out of COVID-19 has resulted in limiting our access to physical records of the companies. We have, therefore, examined, in the best possible manner through the virtual platform the books, papers, minutes books, forms and returns filed and other records maintained by the company for the financial year ended 31<sup>st</sup> March 2021 according to the provisions of:

- i. The Companies Act, 2013, (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956, ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996, and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999, and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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, 2018; The provisions of the said regulations are not applicable to the Company during the year under review;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; The provisions of the said regulations are not applicable to the Company during the year under review;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; The provisions of the said regulations are not applicable to the Company during the year under review;
- 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 during the year under review;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; The provisions of the said regulations are not applicable to the Company during the year under review;
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- j. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Redeemable Preference Shares) Regulation, 2013. The provisions of the said regulations are not applicable to the Company 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. The

examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, 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.
- Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 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 year 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, there are no specific events/ actions occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards etc.

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

**S. Srinivasan**

Practicing Company Secretary  
FCS: 2286 | CP. No.: 748  
UDIN: F002286C000227621

Place: Chennai  
Date: 3<sup>rd</sup> May 2021

# Annexure-A

To,  
The Members,  
**JSW ISPAT SPECIAL PRODUCTS LIMITED**  
(formerly known as Monnet Ispat & Energy Limited)  
JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai,  
Maharashtra- 400 051

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is limited to virtual examination based on inputs provided by the management in soft copies. Any material deviation or non-compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an addendum to this report to that extent.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**S. Srinivasan**  
Practicing Company Secretary  
FCS: 2286 | CP. No.: 748  
UDIN: F002286C000227621

Place: Chennai  
Date: 3<sup>rd</sup> May 2021

# Annexure-5

## 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 2021 is given below and forms part of the Directors' Report.)

### A. CONSERVATION OF ENERGY

During the financial year, in view of nationwide lockdown advisory announced by the Government of India and other authorities to contain the spread of Corona Virus disease (COVID-19), and with an objective to ensure the safety and health of the employees and their families, at all its offices and manufacturing locations the Company temporarily suspended all the manufacturing operations of its plants situated at Raipur and Raigarh both located in the State of Chhattisgarh with effect from 25 March 2020. The Company restarted the integrated steel manufacturing operations at the Raigarh plant of the Company with effect from 02 May, 2020 and the manufacturing operations at Raipur plant were restarted with effect from 15 May 2020.

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

Alternative source of energy: The Company also uses the alternative source of energy at its plant depending upon its availability. The Company at Raigarh location commissioned the Blast Booster for efficient use of Blast furnace gas in Pellet Plant, Sinter Plant and Bar Mill Plant and reduced the fuel quantity. The Company also used waste generated in the form of Dolochar from DRI plant as an alternative source of fuel in captive power plant. About 84 % of generation of dolochar used in Captive Power Plant. Further the Company is also exploring the possibility of use of solar power.

Capital investment on energy conservation equipment's: Post implementation of approved resolution plan marginal investment has been made to adopt more efficient LED lighting system in place of conventional lighting system. At Raipur plant about 55 to 60 % of lighting has already been replaced by efficient LED lighting system. Similarly, at Raigarh location use of LED lighting system increased from 45% to 60%. Going forward the Company is expected to make necessary investment in this regard, as may be required.

### B. TECHNOLOGY ABSORPTION

Efforts are being made in technology absorption.	At Raipur plant - Initiative has been taken to reduce the energy consumption of major equipment's by adopting more efficient technologies like anti friction Coating of Cooling Water Pump casing and impeller, this has given significant saving in terms of its power consumption. Similar coating has been planned for other pumps to further reduce the Auxiliary Power Consumption. At Raigarh plant - Implementation of Variable Frequency Drive (VFD) is planned. The Company has commissioned the Blast Booster for efficient use of Blast furnace gas.
Benefits derived as a result of the above efforts	At Raipur plant - With the above measures the Energy consumption of the Cooling Water pump was reduced in the FY 2020-2021 in range of 10 to 13 %. At Raigarh plant - The above measures will provide saving of power consumption and fuel consumption.
Information relating to imported Technology - The details of technology imported - The year of import - whether the technology been fully absorbed - if not fully absorbed, areas where absorption has not taken place, the reasons thereof	No import of technology during the last three years.
Expenditure incurred on Research and Development.	N.A

## Annexure-5 Directors' Report

### 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 2020-2021 are as follow: -

	(in ₹ crores)	
Total Foreign Exchange used and earned	2020-2021	2019-2020
- Used	421.40	320.82
- Earned	292.54	246.47

By Order of the Board  
For **JSW Ispat Special Products Limited**  
(Formerly known as Monnet Ispat and Energy Limited)

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

**Jyotin Mehta**  
Chairman  
DIN: 00033518

# Annexure-6

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

The ratio of the remuneration of each director to the median remuneration of the employees of the Company	Name	Designation	The ratio of the remuneration of each director to the median remuneration of employees
	@Jyotin Mehta	Non-Executive Independent Director	1.43
	@Anuradha Ambar Bajpai	Non-Executive Independent Director	1.43
	*Kalpesh Pankaj Kikani (upto 7 <sup>th</sup> January 2021)	Non-Executive & Non-Independent Director	NA
	*Kaushik Subramaniam (w.e.f. 19 <sup>th</sup> January 2021)	Non-Executive & Non-Independent Director	NA
	*Nikhil Omprakash Gahrotra	Non-Executive & Non-Independent Director	NA
	Ravichandar Moorthy Dhakshana	Whole-time (Executive) Director	63.28
	*Sanjay Kumar	Non-Executive & Non-Independent Director	NA
	*Seshagiri Rao MVS	Non-Executive & Non-Independent Director	NA
	@Sutapa Banerjee	Non-Executive Independent	1.00
	*Non-Executive & Non-Independent Directors neither received any remuneration from the Company nor were paid any sitting fees for attending the meetings.		
	@Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and Committees.		
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name	Designation	Percentage increase/(Decline) in remuneration
	Ravichandar Moorthy Dhakshana	Whole-time Director	(9.79%)*
	Nagarajan Jambunathan	Chief Financial Officer	0
	Ajay Kadhao	Company Secretary	0
	* Figures in bracket indicate percentage decline in remuneration. The remuneration decreased due to transfer from one location to other location and corresponding variation in HRA component per the policy of the Company.		
	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.		
	No increase was made in median employee remuneration. For calculating median employee remuneration employees who were in employment for the whole of the financial year 2019-2020 are considered.		
The number of permanent employees on the rolls of Company	2104		
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the year, there was no increase in the remuneration of employees, except for average 2.67% increase in the remuneration of certain employees due to promotions but excluding managerial personnel. Whereas there was decline in remuneration by 9.79% in Managerial Personnel which includes Whole-time (Executive) Director.		
Affirmation that Remuneration paid by the company is as per the Remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.		

By Order of the Board  
For **JSW Ispat Special Products Limited**  
(Formerly known as Monnet Ispat and Energy Limited)

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

**Jyotin Mehta**  
Chairman  
DIN: 00033518

# Management Discussion and Analysis

JSW Ispat Special Products Limited ("JSW Ispat" or "the Company") is a primary steel producer that manufactures and sells steel, pig iron, ferro alloys, along with sponge iron and pellets. The Company has an integrated steel plant at Raigarh in Chhattisgarh, India with a capacity of ~1 MTPA. The Company also has another unit for steel production at Raipur with 0.25 MTPA capacity.

## Global economic review:

The year 2020 began with a sense of optimism as lingering US-China trade disputes and Brexit-related uncertainties appeared to be waning. However, the outbreak of the COVID-19 pandemic brought the world to a standstill, as most nations imposed lockdowns with varying degrees of stringency to contain the spread. It is projected that the pandemic-induced disruptions caused global GDP to contract by 3.3%, according to the International Monetary Fund (IMF). Most G-20 member countries announced relief and stimulus measures to stabilise the system and minimise the damage. Bolstered by policy support and accelerated vaccination programme, the global economy is estimated to grow by 6% in 2021 and 4.4% in 2022. However, there remains an uncertainty, with many countries experiencing repeated waves and new variants of the virus. Hence global economic outlook depends on the recovery path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage.

(Source: IMF's World Economic Outlook (WEO) – April 2021)

## Indian economic review: Vaccination-driven recovery underway

The Indian economy entered the lockdown phase after experiencing a period of structural slowdown, when annual growth moderated to a six-year low. As the pandemic hit India in the last few days of March 2020, the Government of India rightly prioritised life over anything else, which brought economic activities, barring essential ones, to a near halt in the first two months of FY 2020-21. India's economy contracted by 23.4% in the first quarter of FY2020-21. However, proactive measures undertaken by the government, with the Reserve Bank of India (RBI) acting in sync, stemmed the downward spiral and set foundations for a V-shaped recovery. The cumulative relief and stimulus package amounted to ₹20 lakh crore—equivalent to 10% of India's GDP—and put in India on a path towards self-reliance. It was followed up with a mega infrastructure development push in the Union Budget 2021-22.

India is undertaking one of the world's largest vaccination drives against the pandemic. This combined with the country's favourable policy set up and large consumption demand is likely to bring the economic growth back on track.

As per the IMF, Indian economy contracted by 7.3% during FY2020-21 and IMF has further projected Indian economy to expand by 6.9% during FY2022.

The country is witnessing, fresh waves of COVID-19 infection notably from mid of February 2021 (also referred to as second wave) which emerged in various states. By April the pace of second wave became more severe leading to major health and health infra crisis. The second wave also led to imposition of regional lockdowns (night curfews and weekend lockdowns to full lockdowns) across many of the states depending on the severity and positivity rates. In view of aforesaid factors, there are risks to the above GDP growth estimates and the recovery is highly dependent on the pace of vaccination and the impact of the pandemic in general and on the economy in specific, in the coming months.

## Global steel industry review

According to Worldsteel, global crude steel production reached 1,878 million tonnes for CY2020, up by 0.5% compared to CY2019, while finished steel demand remained stable at 1,772 million tonnes, marginally down by 0.2%. China recorded historic high production of 1,065- million tonnes up by 7.0% alongwith finished steel demand up by 9.1% to 995 million tonnes. World outside China recorded a sharp decline by 61 million tonnes or 7% coupled with demand for finished steel down by 86 million tonnes or 10% contraction YOY.

Indian steel production of 103.043 million tonnes during 2020-21 contracted by 5.6% during 2020-21 alongwith demand of 94.139 million tonnes down by 6%.

The primary reason for the drop in steel demand and output was the pandemic-induced lockdowns which impacted both production and use. Post lockdowns, pent-up demand initiated a strong rebound, suggesting a V-shaped recovery, which was not sufficient to counterbalance the plunge earlier during the year.

## World crude steel production

Region	Crude steel production (million tonnes)		
	2019	2020	Change (%)
World	1,869	1,878	0.5%
China	995	1065	7.0%
World (-) China	874	813	-7.0%
US	88	73	-17.2%
EU-28 incl. UK	157	139	-11.6%
Japan	99.3	83.2	-16.2%
South Korea	71.4	67.1	-6.1%
Russia	71.7	71.6	-0.1%
India**	109.137	103.043	-5.9%

(\*\*) Based on Financial Year ended Mar'20 – as announced by Joint Plant Committee (JPC)



## World finished steel demand

Region	Finished steel demand			(million tonnes)	
	2019	2020	2021-Proj.	% -Variance	
				2020 vs 2019	2021 vs 2020
World	1775	1772	1,874	-0.2%	5.8%
China	912	995	1025	9.1%	3.0%
World (-) China	863	777	849	-10%	9.3%
US	98	80	87	-18%	8.1%
EU-28 incl. UK	158.6	140.6	154.9	-11.4%	10.2%
Japan	63.2	52.6	56	-16.8%	6.5%
South Korea	53.2	48.9	51.5	-8%	5.2%
Russia	43.6	42.5	43.8	-2.3%	3.0%
India**	100.171	94.139	112.78	-6.0%	19.8%

(\*\*) Based on Financial Year ended Mar'21 – as announced by Joint Plant Committee (JPC)

### Steel: The material for the future

Climate change and environmental impacts have become a stark reality that is shaping societies, businesses and economies. Globally, there is a mainstream movement towards decarbonisation. In order to achieve the 1.5oC temperature reduction target as per the Paris Agreement, the world must reduce its carbon emissions by half in the next ten years. Metals and mining industries will play a heavy role in helping achieve this, with prospects of reducing their carbon footprint and building better with steel as an infinitely recyclable material.

The role metals and mining companies play in determining the shape of the collective future is not small, as their natural capital derived from raw materials and their energy needs, power their growth. Thus effective resource utilisation, a circular approach to business and leaving a greener footprint have become imperatives for steelmakers. Environmental, Social and Governance (ESG) aspects find more relevance today than ever before, and their application to the steel industry is getting increasingly more pronounced.

### Outlook

The outlook for CY2021 is bullish as governments across the US, Europe, Japan, Korea, Russia and China are providing strong support to bring the domestic economy engine roaring back to action. A significant part of this support comes in the form of stimulus with increased infrastructure spend, and liquidity injections, which could help to revive and boost steel demand.

As a result, global finished steel demand is expected to recover in CY2021 to 1,874 million tonnes, an increase of 5.8% over CY2020 (Source: Worldsteel April 2021 SR0).

Chinese curbs on carbon emissions and discouragement to exports is likely to contain steel production and support reverse trade phenomenon with imports remaining elevated alongwith moderate exports

In the developed economies, manufacturing is showing some early signs of recovery and if the second wave of infections can be brought under control progressively, business activities can be expected to stabilise. Evolution of the virus, progress of vaccinations, withdrawal of supportive fiscal and monetary policies and geopolitics pose broad risks to the outlook.

### Demand outlook for consumption sectors

#### Construction and infrastructure

By 2024, the global construction industry is expected to record a CAGR of 9.2%, to reach US\$11,093.7 billion (Source: Global Construction Industry Report 2020 by Research and Markets). In the short term, one can expect that over the next five to six quarters, the residential and commercial construction centres will return to a stable growth path. Public spending will focus on utility-led infrastructure building, which will boost the steel demand.

#### Automotive

In CY2021, the auto market is expected to grow by 9% to 83.4 million in volume terms, and a further 5% to 89.7 million in CY2022 (Source: IHS Markit). The increased focus on electric vehicles is likely to lead to a shift towards more specialised grades, helping the players who have the capacity and technology for producing value-added products.

#### Capital machinery

The global metal working machinery industry, a key consumer of the steel industry, is expected to grow at a CAGR of 8% to touch US\$ 357.7 billion in 2025. In the near term, the industry is expected to grow to US\$262.77 billion in 2021, as the economies recover.

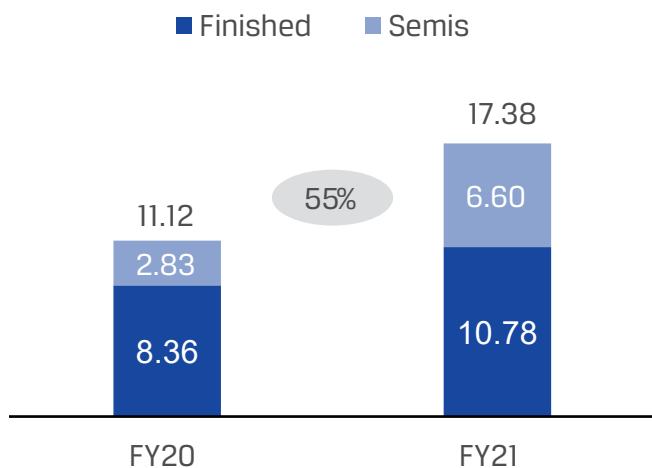
#### Indian Steel industry

The steel industry in India contributes to around 2% of the country's GDP, employing 5,00,000 people directly along with total employment in steel and allied supply value-chain at 25,00,000 people.

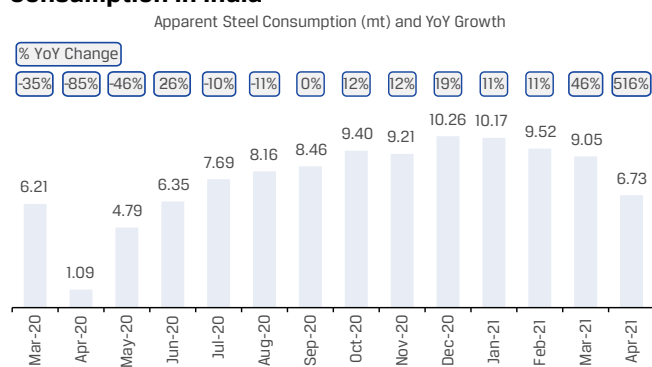
India is the second largest crude steel producer in the world. with a total output of 103 million tonnes in FY 2020-21, which fell by 5.6% vis-à-vis FY 2019-20 . The country cumulatively produced 95.1 million tonnes of finished steel during the same period which reduced by 7.3% as compared to FY 2019-20. During the year under review, India exported 17.4 million tonnes of total steel including 10.8 million tonnes of finished steel (29.1% higher than previous year) and 6.60 million tonnes of semis. India imported 5.04 million tonnes total steel including 4.8 million tonnes of finished steel (29.8% lower than FY 2019-20) of it.

## Annexure-7 Management Discussion and Analysis

### Steel Exports (mt)



### Consumption in India



From a consumption standpoint, India's apparent steel consumption reduced by 6.1% y-o-y to touch 94.14 million tonnes in FY 2020-21.

At the start of the year, India's apparent steel consumption was about 1.09 MnT per month, an 85% reduction from a year-ago levels, following the pandemic impact. However, through the year, the trend picked up, with pent up savings getting released, demand doubling up and infrastructure projects back in the swing.

Second wave of COVID proved extremely critical for the urban as well as rural India and far intense - demanding a large quantity of oxygen for health and medical requirement. Indian steel industry, one of the major producer of oxygen whole heartedly supported the national cause of medical emergency - at the cost of their production.

#### Outlook

The visible future of the Indian steel industry appears encouraging. Indian steel consumption is expected to be around 93 MnT at the end of FY 2020-21, down 7% y-o-y. In FY 2021-22, however, one can expect demand to touch 110 MnT, with incremental demand in the range of 16 MnT over that of last year.

Indian crude steel production in 2021-22 is projected to grow by approximately 15-20-MnT YOY to 120-MnT(+/-) 5-MnT - subject to no further pandemic impact. Simultaneously, Indian domestic steel demand is projected to grow by

approx. 19.8% (Ref. worldsteel) to exceed 110-MnT - driven by a strong infrastructure spending and growing focus on manufacturing including MSME sector.

The revival and expected growth will be a function of public expenditure on infrastructure, which majorly drives incremental demand. In addition, end-user industries such as automobiles, engineering, piping and packaging are also seeing an uptick. Demand for commercial vehicles is also slated to go up. Together, they will enable the industry to pick up where they left off before COVID-19 struck.

The Union Budget 2021-22 has given a strong focus on infrastructure development giving significant impetus to steel as an industry. The Budget also announced several initiatives such as affordable housing, expansion of road and railway networks, development of domestic shipbuilding industry and opening up of the defence sector for private participation, all of which are expected to create significant demand for steel in the country.

The Finance Minister of India, in her budget proposal, also mentioned the reduction of customs duty uniformly to 7.5% on semis, flat, and long products of non-alloy, alloy, and stainless steel. To provide relief to metal recyclers, which are mostly MSMEs, duty on steel scrap is exempted until March 31, 2022.

On this backdrop the Company is very well positioned to take advantage of the robust fundamentals of Indian economy. Further initiatives and focused approach to produce and sell speciality long steel products should structurally aid enhanced margins.

The production and sales guidance of the Company for financial year 2021-2022 is as below;

Particulars	FY'2022 (Estimated)
Crude Steel Production (million tonnes)	0.64
Saleable Steel (million tonnes)	0.63

#### Strengths:

- Proximity to iron ore mines
- Integration includes pellets, sponge iron, billets, Alloy Steel and Ferro Alloys. Integration ensures better synergies, economies of scale and more effective control of operations.
- Its manufacturing capacity also allows cross selling of intermediate products apart from captive consumption

#### Opportunities:

- Enhancing the sales mix of company's products by shifting from sale of commodity grade steel to speciality grade steel
- Increase in sales volume of finished steel/semis as compared to sale of low margin products like pig iron and sponge iron.
- The Company is geared to meet the requirements of the seamless pipe manufacturers in the domestic market and also export its special cast products.

### Threats:

- COVID-19 disruptions in national and international markets
- Continuous environmental pressures leading to process/equipment related changes
- Divergent global market environment

(Source: IBEF Steel January 2021 report)

### Operational Review

The operations of the Company's plants located at Raipur and Raigarh, like other steel companies in India, were also impacted during the nationwide lockdown in first quarter of the financial year under review.

With easing of some restrictions, the Company restarted the integrated steel making operations at the Raigarh plant with effect from 2 May 2020 and at Raipur plant from 15 May 2020. The production was curtailed to some extent in view of transportation/logistics restrictions for availability of raw materials and distribution of finished products, shortage of manpower, anticipated lower demand and risk of increase in inventory.

By second quarter of FY2021, the steel market started showing some signs of recovery with demand revival in the rural economy and exports.

### Special steels production

During the financial year FY2021, the Company also undertook modification of plant and machinery for manufacturing special steel products apart from general maintenance. This was done by upgrading equipments and providing higher levels of automation.

- Following addition of cast product sizes and rolled products were completed during FY 2021
  - 280x370 mm for heavy forgings and rail applications
  - 220 mm sq. for various grades like low, medium carbon and micro alloy forgings
  - 220 mm and 310 mm diameter for seamless pipe industry
  - 140 mm sq with extra lengths up to 14 meter for cast products of cold heading, free cutting and high carbon steels & wire rods
  - Special Rolled Round of forging grade
- Focus in FY'22 is to ramp up special grade steel production and sales subsequent to approvals as required by commissioning second Vacuum Degasser. All necessary trial orders, analysis and documentation will be completed to offer for IATF (International Automotive Task Force) Certification for ISO / TS – 16949 for auto industries.
- The Company also plans to modify its Slab Caster and commence production of slabs to cater to the plate market;
- In Rolling mills, the Company plans addition of stands to handle large range of all special steel rounds from 20 dia to 60 dia and all flats from 60 series to 100 series.

### Quality

The quality assurance department has been provided with a wide range of testing equipment and inspection facilities. Quality systems are being set in place to meet the customer expectations on quality for special grade steel products. The focus is on zero defect and after sales support to the end / OEM customer.

Quality is a priority at JSW Ispat. The Company's Raigarh facility has ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), ISO 45000:2018 (Occupational Health and Safety (OH&S) management system) certification.

During the financial year under review, the Raigarh plant received IS 2062 :2011 under BIS.

### Key markets, industries and customers

Capitalising on its strategic central location in India, the Company primarily caters to the mass markets of northern and eastern India. It caters to the following industries:

- Automotive
- Infrastructure
- Construction
- Equipment and machinery manufacturing
- Other transport (ships and railways)
- Electrical equipment

### Synergies – delivering raw material and offtake security

The Company enjoys synergies with JSW Steel that provides it raw material and offtake security. During the year, JSW Steel won iron ore mines for captive use and merchant sales in State of Odisha. At JSW Ispat, it means raw material security in the long term.

Besides, the Company is gearing up to supply its special steel cast products to JSW Italy. These offerings will cater to the railways segment. The Company is also planning to enter into coke conversion agreement with Bhushan Power and Steel Limited.

### Transforming to a special steel producer

Special steel products such as carbon-, alloy- and tool-die steels in cast, forged, rolled, heat treated and ring forged products, including blooms, billets and bars find applications across various industries such as automobile, bearing, boilers, general engineering, oil and gas, mining, power grid and railways.

At JSW Ispat, we have embarked on a journey of becoming an alloy special steel producer. We expect this segment to contribute significantly during FY2022. We will also export our special steel products, with our first consignment to JSW Steel Italy Piombino, a JSW steel subsidiary based in Italy, expected to be completed in first quarter of FY2022. The Company also proposes to produce slabs to be supplied for manufacturing of plates.

Going forward, we plan to collaborate with vehicle OEMs and machinery manufacturers for our special steel products.

Besides Automobile Industries (Auto Component players and OEMs), alloy steel demand also comes from (a) Railways (b) Defence (c) Component Export (d) Non-auto segment like electrodes, shafting, cathode bar, etc.

## Annexure-7 Management Discussion and Analysis

### Cost optimization measures:

- Installation of Gas Booster for Pellet plant wherein usage of Blast Furnace gas in the furnace will bring down the furnace oil consumption.
- Coke conversion agreements (Coking coal to Coke) – reducing the cost of coke

Currently the Company does not have a coke oven plant and thus had to buy coke from the market. As a part of its cost optimization measure, the Company has entered into coke conversion arrangements with coke manufacturers in Odisha.

To take full advantage of growing demand of alloy steel the Company is gradually ramping up and stabilizing the operations of its Steel Melting Shop and Rolling Mills.

### Financial review

Particulars	(₹ in crores)		
	FY 2020-21	FY 2019-20	Variation
Total revenue from operations	4,187.74	2,638.16	1,549.58
Profit / (Loss) before depreciation, interest, tax and exceptional items (EBITDA)	398.26	17.85	416.11
Interest and finance charges	275.78	253.32	22.46
Depreciation	227.47	216.99	10.48
Loss before tax	(104.99)	(488.16)	383.17
Other comprehensive income / (loss) OCI / (OCL)	2.51	(3.65)	6.16
Total comprehensive loss for the year	(102.48)	(491.81)	389.33

The Company recorded a loss before tax of ₹ 104.99 crores during the year, as against a loss before tax of ₹ 488.16 crores in FY 2019-20. This was significantly lower as the Company restarted its steel making operations and enhanced its capacity utilization at Raigarh plant during FY 2021. The Company also delivered a significantly optimised performance with EBITDA increasing to ₹ 398.26 crores vis-à-vis a negative EBITDA of ₹ 17.85 crores in the previous financial year.

The Company ended the financial year with a net total comprehensive loss of ₹ 102.48 crores in FY 2020-21 as against a loss of ₹ 491.81 crores in FY2020.

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

#### a) Net sales and operating income

Particulars	(₹ in crores)			
	FY 2020-21	FY 2019-20	Change (₹)	Change %
Domestic Turnover	3,857.60	2,361.29	1,496.31	63.37
Export Turnover	292.54	246.47	46.07	18.69
<b>Total Turnover</b>	<b>4,150.14</b>	<b>2,607.76</b>	<b>1,542.38</b>	<b>59.15</b>
Other Operating Revenues	37.60	30.40	7.20	23.68
<b>Revenue from operations</b>	<b>4,187.74</b>	<b>2,638.16</b>	<b>1,549.58</b>	<b>58.74</b>
Other Income	12.99	25.97	(12.98)	(49.98)
<b>Total income</b>	<b>4,200.73</b>	<b>2664.13</b>	<b>1,536.60</b>	<b>57.68</b>

During the year, revenue from operations increased by 58.73 % as compared to the previous year as the Company dispatched higher volumes and could garner better prices for its products mainly Pellets, DRI and TMT during Q4 FY 2021.

#### b) Materials

Particulars	(₹ in crores)			
	FY 2020-21	FY 2019-20	Change (₹)	Change %
Cost of materials consumed (including changes in inventory)	2,969.98	1,943.36	1,026.62	52.83

During FY 2021, the Cost of Materials consumed increased by 52.83 % as compared to the previous year. In line with the increase in sales volumes coupled with an increase in costs of key raw materials, there is an increase in cost of materials consumed .

#### c) Employee benefits expense

Particulars	(₹ in crores)			
	FY 2020-21	FY 2019-20	Change (₹)	Change %
Employees Remuneration and Benefits	115.58	116.46	(0.88)	(0.76)

There is no major increase or decrease in manpower cost.

#### d) Depreciation and amortisation expense

(₹ in crores)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Depreciation and amortization expenses	227.47	216.99	10.48	4.83

Depreciation has increased by 4.83% mainly on account of capitalisation of assets in the financial year under review.

#### e) Other expenses

(₹ in crores)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Other Expenses	449.84	334.88	114.96	34.33

##### Other expenses include,

Cost of stores and spares consumed, which have increased from ₹ 124.09 to ₹ 172.27 crores, primarily due to an increase in production.

Distribution expenses have increased from ₹ 79.50 crores to ₹ 104.79 crores due to increase in volumes and on account of increase in exports from ₹ 246.47 crores in FY2020 to ₹ 292.54 crores in FY2021.

Increase in repairs and maintenance expenses by ₹ 8.73 crores, hedging expenses of ₹ 9.89 crores and impairment losses of ₹ 12.15 crores also contributed an increase to other expenses

#### f) Finance costs

(₹ in crores)				
Particulars	FY 2020-21	FY 2019-20	Change	Change %
Finance Costs	275.78	253.32	22.46	8.87

During the year the Company has further drawn term loan from banks to finance capital expenditure which led to an increase in finance cost by 8.87 % as compared to the previous year.

#### g) Property, Plant and Equipment

(₹ in crores)				
Particulars	FY 2020-21	FY 19-20	Change (₹)	Change %
Tangible assets	3,124.57	3,219.68	(95.11)	(2.95)
Capital work-in-progress	175.14	237.63	(62.49)	(26.30)
Right of use assets	43.84	29.58	14.26	48.21
<b>Total</b>	<b>3342.55</b>	<b>3486.89</b>	<b>(143.34)</b>	<b>(4.11)</b>

During the year the net block of the Company has reduced by ₹ 143.34 crores. Though the Company added ₹ 103.96 crores (net of transfer from capital work in process) in the gross block of tangible assets, it was offset by depreciation for the year and reclassification of some of its assets to Assets Held for Sale.

#### h) Investments

(₹ in crores)				
Particulars	FY 2020-21	FY 19-20	Change (₹)	Change %
Investments	1.17	0.75	0.42	56.00
<b>Total</b>	<b>1.17</b>	<b>0.75</b>	<b>0.42</b>	<b>56.00</b>

The increase in investments is due to the change in the market value of the investments.

#### i) Inventories

(₹ in crores)				
Particulars	FY 2020-21	FY 2019-20	Change (₹)	Change %
Raw Materials	440.92	336.40	104.52	31.07
Work-in-Progress	5.98	4.95	1.03	20.81
Finished Goods	364.53	369.97	-5.44	-1.47
Stock in trade	113.60	146.17	-32.57	-22.28
<b>Total</b>	<b>925.03</b>	<b>857.49</b>	<b>67.54</b>	<b>7.88</b>

The Company carries optimum level of inventories to avoid any shortages and opportunity losses. The increase in raw material and work-in-progress inventory is in line with the increase in production of Pellets and steel operations.

## Annexure-7 Management Discussion and Analysis

### j) Trade receivables

(₹ in crores)				
Particulars	FY 2020-21	FY 2019-20	Change (₹)	Change %
Total Debtors	190.88	54.00	136.88	253.48
Less: Provision for Doubtful debts	(2.20)	(2.23)	0.03	-1.35
Trade Receivables	188.68	51.77	136.91	264.46

Trade receivables have increased with increase in export turnover and increase in sale of steel.

### k) 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;

Key Ratios	FY 2020-21	FY 2019-20	Change in %
(i) Debtors Turnover (days)	10.48	5.86	78.83
(ii) Inventory Turnover (days)	113.68	120.27	-5.48
(iii) Interest Coverage Ratio	1.46	(0.12)	1316.67
(iv) Current Ratio	1.23	1.26	-2.38
(v) Debt Equity Ratio	1.84	1.76	4.55
(vi) Operating Profit Margin (%)	9.20	(1.66)	654.22
(vii) Net Profit Margin (%)	(2.51)	(18.50)	86.43

#### Reason for change in key ratios:

[i] The debtors Turnover has increased up mainly due to increase in exports and increase in sale of rolled products.

[iii, vi & vii] Interest coverage ratio, the operating profit margin and net profit margin improved on account of turnaround of operation and due to generation of positive earnings before interest, tax and depreciation

#### People

People are the backbone of JSW Ispat and the key differentiator for our business. The Company has meritocratic culture and provides a conducive workplace for all. With all modern safety practices, it ensures occupational health and safety of both its permanent and contractual workforce.

Continuous learning and professional development is a core part of the Company. Multiple on-the-job, classroom and other forms of trainings, learning opportunities and structured programmes are offered to our people, in order to help build world-class competencies, regularly reskill and upskill and provide an environment of continuous improvement.

#### Future Fit Leaders

In order to create leaders who will helm the future phases of the Company's growth, 'Future Fit Leaders' programme was launched. The objective is to identify potential Future Fit Leaders (FFLs), nurture their talent and make a positive impact on their career progress. The programme involves a comprehensive leadership capability development journey that includes a structured framework to impart training and development. The FFL identification was anchored on the 3A construct which comprising three distinct elements of - Agility, Ability and Aspiration. This unique lens will help the Company to view and groom talent holistically.

The Company has strong people policies 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 and employees (permanent, contractual, temporary, apprenticeship) are covered under these policies.

# 2104

Team strength on payroll  
(as on 31<sup>st</sup> March 2021)

## Risk management

The management understands that mitigating emerging risks helps the Company to protect its stakeholders' interests, achieve its business goals and enable sustainable growth. The Company has thus strengthened its risk management process with a robust framework to identify, evaluate and manage the upcoming risks and opportunities.

### Key risks and their mitigation methodology

Risks	Understanding the risk	Mitigation technique
Unfavourable demand-supply dynamics	Demand and supply dynamics have an impact on the Company's ability to reach different domestic and international markets and cater to a varied customer base	The Company is growing its presence in various Markets, domestically and internationally and also catering to a wide industrial segment to manage this risk. It has also begun production of value-added offerings that will enable it to create a niche for itself in the industry
Cyclical nature of the steel industry	The easiest way to navigate the cyclical nature of the steel industry is by developing footholds in various markets with different cyclical patterns and reducing cost.	The Company uses this concept to leverage market opportunities, catering to the needs of domestic markets of northern and eastern India simultaneously preparing to meet the demands of global markets, starting with exports of special grade steel to JSW Steel Italy Piombino S.P.A. The Company has already initiated cost reduction measures.
Disruption of business activities	Risks are an integral part of any business and businesses must learn to mitigate them for a sustainable journey	The Company employs a proactive risk management approach that enables it to manage its upcoming risks and find opportunities

### 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 provides reasonable assurance that all assets are safeguarded; transactions are authorized, recorded and reported properly. The internal controls framework has been strengthened with an objective to have a best-in-class internal control framework commensurate with the size, scale and nature of business.

### Cautionary Statement

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

## Annexure-8

# Business Responsibility Report

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

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L02710CT1990PLC009826 (as on date of report)	
Name of the Company	JSW Ispat Special Products Limited (Formerly known as Monnet Ispat and Energy Limited)	
Registered address	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	
Website	www.aionjsw.in	
E-mail id	isc_jispl@aionjsw.in	
Financial Year reported	2020-2021	
Sector(s) that the Company is engaged in (industrial activity code-wise)	<b>S. No.</b>	<b>NIC Code of the Product/service</b>
	1	Steel
	2	Metal
List three key products/services that the Company manufactures/ provides (as in balance sheet)	a) DRI/Sponge Iron b) Pellets c) Structural Steel/TMT	
Total number of locations where business activity is undertaken by the Company	Detailed hereunder:	
(a) Number of International Locations (Provide details of major 5)	0	
(b) Number of National Locations	2 manufacturing locations	
Markets served by the Company – Local/State/National/International	All	

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	Equity Share Capital ₹ 469.55 crores
Total Turnover (INR)	₹4,150.14 crores
Total profit / (Loss) after taxes (INR)	₹ (104.99) Crores
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during 2020-2021.  The Company has however voluntarily incurred expenses of ₹ 0.75 Crores on certain social initiatives.
List of activities in which expenditure in above has been incurred:-	The Company's efforts have focused on following areas: a) Education b) Health and medical facilities c) Women empowerment/ Skill Enhancement d) Rural development

### SECTION C: OTHER DETAILS

- 1. Does the Company have any Subsidiary Company/ Companies?**  
Yes, has two direct subsidiaries i.e., one Indian and one foreign subsidiary.
- 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
No. Both the subsidiaries are non-operational.
- 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**  
JSW Ispat Special Products Limited (Formerly known as Monnet Ispat and Energy Limited) (Hereinafter "JISPL" or "The Company") was under the Corporate Insolvency Resolution Process (CIRP) since the financial year 2017-18. The CIRP process was successfully resolved during the financial year 2018-19. During the financial year 2019-20, the new management had undertaken repairs, maintenance, upgradation and modernization of the integrated steel operations at its Raigarh plant. The outbreak of COVID-19 pandemic in the financial year 2020 continued in the financial year 2020-21. The second wave of COVID-19 pandemic in India, which emerged, appears more severe and lockdowns restrictions with varying degrees of stringency to contain the spread were imposed by governments. Hence, suppliers, distributors and the like who are associated with the Company have not yet participated in the BR initiatives of the Company.



## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

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

DIN	03298700
Name	Ravichandar Moorthy Dhakshana
Designation	Whole-Time Director

#### Details of the BR head

DIN (if applicable)	08325004
Name	P S Murthy
Designation	Head Operations
Telephone number	+91 7762 251000
e-mail id	ps.murthy@jsw.in

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

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

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

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

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	# Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.aionjsw.in/investors/policies">https://www.aionjsw.in/investors/policies</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	* Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	^ Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

#### Notes:

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

\* The Business Responsibility Head with the support of other functional head and internal / external experts ensures the implementation of the BR policies. The BRR & ITP Committee oversees the implementation of Business Responsibility policies.

^ Pursuant to the BR policy, the Company has established grievance redressal mechanism whereby stakeholders can approach the Company by writing email at [isc\\_jispl@aionjsw.in](mailto:isc_jispl@aionjsw.in) for the redressal of their grievances.

## Annexure-8 Business Responsibility Report

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

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

# The Company has formulated and approved the existing BR policies based on National Voluntary Guidelines and is in process of implementing the same.

### 3. Governance related to BR

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

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

The Company proposes to assess the BR performance of the Company on periodical basis aided by regular updates during the year on its implementation.

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

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

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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

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

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

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

During the year the Company has received 2 complaints/queries from shareholders of the Company and all of them were satisfactorily resolved. The Stakeholders Relationship Committee of the Company specifically looks into various aspects of interest of shareholders, and other security holders of the Company.

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

The Company has not received any other complaint(s) from other stakeholders.

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

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

The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfillment of compliance obligations that relate to its products, environmental aspects and occupational health and safety. During the year ended 31<sup>st</sup> March 2021, the Company was engaged in manufacturing of following main products;

- a) DRI/Sponge Iron
- b) Pellets
- c) Structural Steel/Bar

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

The manufacturing process of the Company in compliance with applicable laws, regulations and environment norms. All the process emission is being controlled through Air Pollution Control Devices i.e. ESPs, Bag Filters, cyclones, ventury scrubbers etc. Apart from the same, following measures have also been taken to protect environment and reduce emission;

1. All the conveyor belts and transfer points are covered and equipped with dust extraction/suppression system to prevent / minimize fugitive dust.



2. Transportation of raw material/product is being rail wagon. Raw material/Solid waste whatever transported through truck/road is covered properly to avoid any dust generation.



## Annexure-8 Business Responsibility Report

3. All internal roads are concreted and cleaned by motorized sweeping machine to control the fugitive emission.



4. Apart from above water sprinkler have been installed at road side to check fugitive dust generation through vehicle movement. Further water tanker is being utilized for water sprinkling at yards, parking area etc.



5. All the hazardous waste generated during the manufacturing is being stored and sold out/dispose-off as per standard practices.

The manufacturing process also identifies occupational disease, safety risks during the process. An onsite emergency plan has been developed against the identified potential risk hazards and circulated amongst the manufacturing as well as services division to take care-off safety aspects. To encounter injuries, accidents and occupational risk the Company has established 24x7 First Aid centre and occupation health clinic with efficient medical Practitioner and qualified staff.



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

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

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

The Company has increased sourcing of raw material through rail as compared to road transport. The sourcing of raw material through railways has been increased around 4.6 % of total procurement of raw material. This is major reduction in vehicular pollution/ traffic congestion.

The Company has also taken initiatives for conserving the usage of water in manufacturing processes like recycling / reuse of waste water which has resulted in saving of 10,000,383 cubic meter of water consumption during the period under review, this is around 27.5 % increment as compared to previous year big step towards the environment conservation measures.

The initiatives taken by the Company had enable it to reduce resource consumption during the year ended 31<sup>st</sup> March 2021.

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

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

The Company has reduced waste, conserved raw material, resources and energy through various initiatives, technological upgradation, in following manner;

1. Blast furnace waste gases is being utilized as a fuel in Rolling Mill and this year Pellet operations is also connected with utilization of waste gases from Blast Furnace, which shows a significant reduction in furnace oil consumptions.
2. Manufacturing process also reduces the raw water consumption by optimizing process

criteria and utilization of waste water as compared to previous Financial year 2019-2020.

3. ESP Dust, FES dust and Bag Filter dust generated from DRI, SMS is being utilized as raw material in sinter plant also reduces the raw material consumption by 17.5 % w.r.t. to FY: 2019-20.

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

The Company has a structured procedure for sourcing to ensure raw materials are sourced in an optimal sustainable manner. The Company procures key raw material like Iron-Ore from Odisha, Furnace oil from Raipur, fluxes from Rajasthan, Kutch, Chhattisgarh, Madhya Pradesh and LPG gases from local vicinity where the plant of the Company is located. The sourcing of raw materials like iron ore and coal were made through Rail wagons and Road Transportation. There has been increase of 4.6% of sourcing the raw material through Rail wagons.

During the year ended 31<sup>st</sup> March 2021 majority of inputs of the Company were sourced sustainably.

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

The Company believes in inclusive growth and encourages local direct or indirect sourcing wherever possible. The Company is promoting and encouraging surrounding areas; local small suppliers, civil, housekeeping, horticulture contractors and transporters which help them in securing work contracts. Land looser and worker grade are hired locally as per their qualification and experiences, similarly there are direct and indirect employment to the local residents.

Most of such local suppliers categorized under MSME (Micro, Small & Medium Enterprises) sector. To ensure improvement of capacity and capability of such local suppliers the Company ensures the timely payments against the respective services rendered by them. The Company do avail/employ people residing in vicinity of plants of the Company, whenever required, for the purpose of its manufacturing activities, and other related activities. The Company is providing technical and safety training, as required in Plant, which makes them more reliable and employable in safe ways.

These initiatives have resulted in local business contribution increasing by 21% during the financial year 2020-21. As on 31<sup>st</sup> March 2021, the Company has engaged 615 vendors in MSME category.

## Annexure-8 Business Responsibility Report

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

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

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

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

The total waste generated from ISP is around 691633 MT, waste generated from Blast Furnace (BF) is

slag, which was around 176288 MT in 2020-2021 it constitutes 25.5% of the total waste generation. Entire slag is sold to the Cement companies. Other solid waste products like metallurgical dust (BF & SMS), Mill scale is being 100% reused in the sinter plant. Dolochar (DRI) is being used in Power Plant as a replacement of fuel.

The Company is maintaining zero discharge, all the industrial liquid waste is around 2200 m3/day which is being 100% utilizing for locally dust suppression and gardening purpose. Domestic Waste water treated into the STP and is being reused/recycled for plantation and dust suppression after properly treatment, STP treatment capacity enhanced by more than double, thus utilization of waste water is also increases in FY: 2020-2021 as compared to the financial year ending, 2019-2020.

The total hazardous waste generated during 2020-21 is around 28.2 MT this was safely disposed-off to the CPCB authorized vendors.

The Company has common standard operating mechanism for all the solid, liquid, hazardous and non-hazardous wastes and its safe handling and disposal practice.

### Principle 3 -Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees:	2104
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis (MBC):	1982
3. Please indicate the Number of permanent women employees:	18
4. Please indicate the Number of permanent employees with disabilities:	1
5. Do you have an employee association that is recognized by management: Yes/NO	No
6. What percentage of your permanent employees is members of this recognized employee association?	Not Applicable

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

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

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

Sr. No.	Category of employees	% of training given at Raigarh location	% of training given at Raipur location
a)	Permanent Employees	100%	80%
b)	Permanent Women Employees	100%	0%
c)	Casual/Temporary/Contractual Employees	56%	100%
d)	Employees with Disabilities	100%	100%


**CSR ACTIVITIES**

**TRAINING/WORKSHOPS**

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

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

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

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

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

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

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

Yes, as a part of its social activities, the Company has identified 10 villages in proximity to its plants. The Company organizes Medical Health Check -up plans, free ambulance facilities catering to all adopted villages, maintenance of Street lights, vocational classes for women (Stitching classes) and improvements in school infrastructures/ arrangement of transportations through CSR.

## Annexure-8 Business Responsibility Report



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

See 2 above.

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

### Principle 5 - Businesses should respect and promote human rights

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

The Company strictly follows highest ethics including protection of human rights while conducting its business activities. The Company's stand on human rights, including non-discrimination, prohibition of child and enforced labour, freedom of association and the right to engage in collective bargaining. The Company's Human Rights Policy aims to cover all its businesses processes and is part of its commitment to ethical and socially responsible behavior across its value chain. Currently the Human Rights Policy is applicable to the Company.

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

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

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

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

The Company has not received any complaints pertaining to sexual harassment or principles related to human rights and there is no complaint pending to be resolved in this respect, during the year ended 31<sup>st</sup> March 2021.

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

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

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

The Company has adopted an integrated approach towards addressing biological diversity at various sites. Wastelands around the sites and open spaces within the premises are being converted into green belts, leading to reduced dust, improved micro-climate conditions, enhanced ambience for natural flora and fauna, reduction in evaporation losses of water, and so on. As on 31<sup>st</sup> March 2021 there are about 176000 trees/plants and out of which about 1000 nos. of trees were planted during the year at the Raigarh plant of the Company.





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

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

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

- i) Addressing environmental issues through efficient use of natural resources, promote use of renewable energy, minimization of wastes, water management, protecting the biodiversity, Rain water harvesting system and reducing carbon footprint.
- ii) Effective implementation of environmental management system to prevent, mitigate and control environmental damages.

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

- a) LED lighting system –Marginal investment has been made to adopt more efficient LED lighting system in place of conventional lighting system. At plant about 90 % of lighting has already been replaced by efficient LED lighting system, shortly it will be replaced 100%.
- b) Power generation from Sponge Iron unit –The waste heat generated during Sponge Iron production is utilized to generate steam and the same get converted into Power with the help of Waste heat recovery Boiler. During the year ended 31<sup>st</sup> March 2021 Raipur plant has generated about 90616181 units of power, similarly Raigarh plant has generated about 205783 MWh power during said period.
- c) Plantation of Trees- The Raigarh plant has planted maximum neem trees as a green belt within the plant premises and colony area helps to reduce CO2 emission generated from the plant. Whereas Raipur plant has planted 5000 nos. trees within the plant and colony premises.

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

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

1. The Company's has increased 4.6 % raw materials i.e. iron ore, coal, dolomite, lime, quartzite, Furnace oil etc. transportation by rail comparison to last year and now is total 56.6% transported through Rail, which helps to reduce the vehicular pollution and traffic congestion.
2. Regularly all internal concrete roads are cleaned by mechanized road sweeping machines, in some of the points water sprinkling system has installed to control the fugitive emission.
3. Environment department also suggested to install adequate bag filters, dry fog/dust suppression system at all the hoppers and transfer points in RMHS area.
4. Environment department is regularly monitoring all the process emission, ambient air quality and work place fugitive emission level to check actual air quality and suggest to the concern department to control.

## Annexure-8 Business Responsibility Report

5. All the solid waste and hazardous wastes are being properly handled, collected in identified place and safely reused where it is possible or disposed-off as per norms.
  6. Water treatment plant and STP are efficiently operated and maintain zero liquid discharge.
  7. IMS certification for ISO 9001:2015 (QMS), ISO14001:2015(EMS) and ISO 45001:2018 (Health & Safety) implemented in the year 2019. The annual surveillance audit for FY 2020-21 has been completed.
  8. Periodical medical check-up for all Employees and work man conducted.
  9. All the surface run-off is being collected to the ponds through surface drains. Collected water is being utilized for dust suppression in RMHS yards.
- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**  
The Company has not yet started any project in Clean Development Mechanism (CDM).
- 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**  
Yes, the following clean technology and energy efficiency practices is being adopted by the company at its Raigarh Plant;
1. Waste heat Recovery Boiler has been installed in DRI Kilns to use Kiln off gases. At present it generates about 35MWh.
  2. Blast Furnace gases is being used as a fuel in Sinter Plant, Rolling Mill and Pellet Plant operations.
- 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the period being reported?**  
Yes, the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.  
The Company is maintaining all the standards as per CPCB/SPCB norms.
- 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of end of financial year.**  
As on 31<sup>st</sup> March 2021, there was no pending show cause or legal notices received from CPCB or SPCB.

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

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**  
The Company is a member of Associated Chambers of Commerce and Industry of India (ASSOCHAM), PHD Chamber of Commerce & Industry, Pellet Manufacturers Association of India (PMAI) and Indian Steel Association.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
No.

### **Principle 8 - Businesses should support inclusive growth and equitable development**

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**  
The Company has voluntarily adopted a Corporate Social Responsibility (CSR) policy which governs the CSR activities in 10 nos. of surrounding villages. As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during period ended 31<sup>st</sup> March 2021. The Company has however voluntarily incurred ₹ 0.75 crores on various social initiatives as compared to the last year that was ₹ 1.48 Crores.



**2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Voluntary social initiatives as mentioned hereinabove have been undertaken through support of Company's employees and nearby communities.

**3. Have you done any impact assessment of your initiative?**

No.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during the year ended 31<sup>st</sup> March 2021.

Details of voluntary social initiatives for community development programs undertaken by the Company during the year ended 31<sup>st</sup> March 2021 are as under;

## Annexure-8 Business Responsibility Report

Sr. No.	Description of voluntary social initiatives	Nature of activity	Amount (in ₹ Crores)
1	Incurred towards the distribution of Computer, LCD Projectors and interactive Board provided to Jawahar Navodaya Vidyalaya and schools located in 10 Adopted villages Block - Kharsia, Dist- Raigarh (CG)	Education	0.06
2	Expenditure incurred to contain Covid-19 including food packets, PPE Kits distribution. Providing ambulance facilities and other medical Kits to District Administration, Occupational health care services, Dental checkup camps, improvement in hospital infrastructures.	Health	0.19
3	Initiative for clean water, local road repairs, help to flood affected areas, funding to local CSR Cell under collectors order, sponsoring sports tournaments	Community Development	0.18
4	Training in Sewing for women and conducting examination	Women empowerment	0.01
5	Amount deposited in the Dist. Administration fund account	Infrastructure development	0.31
<b>Total</b>			<b>0.75</b>

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Identification and prioritization of community initiatives is done through participatory exercise at village level which is further endorsed by Gram Panchayats. The Company regularly engages with nearby villagers to ensure community development programs adopted by the respective beneficiaries are achieved with maximum possible benefits to the community.

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

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year**

As on 31<sup>st</sup> March 2021, Raipur plant of the Company has received 36 quality-related complaints whereas Raigarh plant of the Company has received 29 complaints. All of the complaints were satisfactorily resolved.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

The Company displays product information on labels as mandated by law and supplemented by additional information per requirements of the customer. The company has product approval under BIS for its TMT, round bars and Billet segment, for all those products the company provides product label as per the BIS norms.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

None.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company proposes to examine the need to carry out consumer surveys basis the market segment and the products dealt in by the Company and act accordingly.

## Annexure-9

# Corporate Governance Report

### 1) COMPANY'S GOVERNANCE PHILOSOPHY

The Company believes that Corporate Governance is a set of guidelines to help the Company to fulfil its responsibilities towards 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 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 under the applicable regulations.

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

### 2) BOARD OF DIRECTORS

#### A. Composition and Category of Directors

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

As on 31<sup>st</sup> March 2021, the Board comprised of eight members, one of whom is an ED, four NED's and three ID's. Detailed profile of the Directors is available on website of the Company viz [www.aionjsw.in](http://www.aionjsw.in).

The details of each members of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31<sup>st</sup> March 2021 are as follows:

Name of Directors	Category	Designation	Date of Joining the Board	No. of Directorships in other Listed and unlisted Public companies (excluding JSW Ispat Special Products Limited)	No. of Committee Memberships and Chairmanship in other Companies		The names of other listed entities where the Directors have Directorship and their category of directorship in such listed entities:	Number of shares/ convertible instruments held by non-executive directors
					Chairperson	Member		
Jyotin Mehta DIN: 00033518	Chairman- Non-Executive Independent	Director	30 July 2018	7	4	4	1. Linde India Limited (Independent Director) 2. Suryoday Small Finance Bank Limited (Independent Director)	0
Anuradha Bajpai DIN: 07128141	Non-Executive Independent	Director	30 July 2018	7	3	3	-	0
Nikhil Gahotra DIN: 01277756	Non-Executive	Director	31 August 2018	3	0	2	-	0
Ravichandar Moorthy Dhakshana DIN: 03298700	Executive	Whole-time Director	31 August 2018	2	0	0	-	NA
Sanjay Kumar DIN: 07929953	Non-Executive	Director	31 August 2018	0	0	0	-	0
Seshagiri Rao MVS DIN: 00029136	Non-Executive	Director	31 August 2018	2	0	1	1. JSW Steel Limited (Joint Managing Director and Group CFO)	0

## Annexure-9 Corporate Governance Report

Name of Directors	Category	Designation	Date of Joining the Board	No. of Directorships in other Listed and unlisted Public companies (excluding JSW Ispat Special Products Limited)	No. of Committee Memberships and Chairmanship in other Companies		The names of other listed entities where the Directors have Directorship and their category of directorship in such listed entities:	Number of shares/ convertible instruments held by non-executive directors
					Chairperson	Member		
Sutapa Banerjee DIN: 02844650	Non-Executive Independent	Director	27 September 2018	7	2	6	1. Niyogin Fintech Limited (Independent Director) 2. JSW Holdings Limited (Independent Director) 3. Manappuram Finance Limited (Independent Director) 4. Camlin Fine Science Limited (Director) 5. Godrej Properties Limited (Director)	0
Kaushik Subramaniam DIN: 08190548	Non-Executive	Director	19 <sup>th</sup> January 2021	3	0	0	-	0

### Notes:

- Number of Directorships in other Listed Companies pertains to Company whose securities are listed on the stock exchanges.
- The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding JSW Ispat Special Products 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 2021.
- Directorship in other Companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.
- The names of other listed entities where the Directors have Directorship is pertaining to only those listed companies whose equity shares are listed on a stock exchange.
- 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 2021 have been made by the Director. Also, none of the Independent Directors serve as Independent Director in more than seven listed companies as per Regulation and 26 of SEBI Listing Regulation.
- 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 SEBI Listing Regulations read with Section 149(6) of 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, viz. [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	Jyotin Mehta	Seshagiri Rao M.V.S.	D Ravichandrar	Nikhil Gahrotra	Anuradha Bajpai	Mr. Kaushik Subramaniam	Sutapa Banerjee	Sanjay Kumar
Industry Knowledge	Knowledge of steel / metal sector and industry	√	√	√	√	√	√	-	√
	General Knowledge of public policy of steel sector	√	√	√	-	√	-	√	√
	General understanding of government legislation /legislative process with respect to governance of the Board affairs	√	√	√	√	√	-	√	√
Technical knowledge	Accounting and Finance management	√	√	√	√	√	√	√	√
	Operations of steel/ metal product manufacturing	-	-	√	-	√	-	-	√
	General understandings of Laws applicable to the Company and sector	√	√	√	-	√	√	-	√
	Marketing knowledge applicable to Company's product	-	√	√	-	√	-	-	√
	General understanding of Information technology	√	√	√	-	√	-	√	√
	Understanding of risk management systems and its implementation	√	√	√	-	√	-	√	√
	Strategy development and implementation	√	√	√	√	-	√	√	√
	Governance	Strategic thinking/ planning from governance aspect;	√	√	√	√	√	√	√
Compliance focus;		√	√	√	-	√	-	√	√
Executive performance management		√	√	√	√	√	√	√	√
Behavioural	Ability and willingness to challenge board issues/matters	√	√	√	√	√	√	√	√
	Integrity and high ethical standards;	√	√	√	√	√	√	√	√
	Understanding of effective decision making;	√	√	√	√	√	√	√	√
	Willingness and ability to devote time and energy;	√	√	√	√	√	√	√	√
	Mentoring abilities;	√	√	√	√	√	-	√	√

## C. Attendance of Directors

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

Four (4) meetings of the Board of Directors were held during the year 2020-21. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

## Annexure-9 Corporate Governance Report

The details of attendance of Directors at the Board Meetings held and the 30<sup>th</sup> Annual General Meeting held during the year ended are given below: –

Name of Director(s)	18 <sup>th</sup> May 2020	21 <sup>st</sup> July 2020	20 <sup>th</sup> October 2020	19 <sup>th</sup> January 2021	Whether attended AGM held on 22 <sup>nd</sup> July 2020
Jyotin Mehta	P	P	P	P	P
# Anuradha Bajpai	P	P	P	P	P
@Kalpesh Kikani	P	P	P	-	P
Nikhil Gahrotra	P	P	P	P	P
Ravichandar Moorthy Dhakshana	P	P	P	P	P
Sanjay Kumar	P	P	P	P	P
Seshagiri Rao MVS	P	P	A	P	A
#Sutapa Banerjee	P	P	P	P	P
^Kaushik Subramaniam	-	-	-	P	-

# Chairperson of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee attended the 30<sup>th</sup> Annual General Meeting.

@ Mr. Kalpesh Kikani, Non-Executive Director resigned from the directorship of the Company with effect from 7<sup>th</sup> January 2021.

^ Mr. Kaushik Subramaniam was appointed as the Non-Executive Additional Director of the Company with effect from 19<sup>th</sup> January 2021.

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 "Leave of Absence" and "P" denotes Presence in the meeting.

### D. Board Meetings and Procedures

#### Scheduling and selection of agenda items for Board meetings:

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

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

The Board is also provided with Audit Committee observations, if any on the internal audit findings, recommendations and approvals as may be required to be provided by the Audit Committee and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013 ("the Act") and other matters as per applicable provisions of the Act and the SEBI Listing Regulations.

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

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

#### Distribution of Board agenda material:

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

#### Recording minutes of proceedings at Board and Committee meetings:

The draft minutes are circulated to the Board/ Committee members for their comments in accordance with Section 118 of the Act and SS-1. The minutes of the proceedings of the meeting are entered into the minute book within thirty (30) days of the conclusion of the meeting and thereafter signed by the Chairman.

#### Post-meeting follow-up mechanism:

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



### Compliance:

While preparing the agenda, notes on agenda, minutes etc., of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Act read with the Rules made thereunder and secretarial standards issued by the Institute of Company Secretaries of India ('ICSI').

### Familiarization programs for Independent Directors:

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

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

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

## E. Annual performance evaluation and its criteria:

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

Pursuant to Schedule IV of the Companies Act, 2013, a meeting of Independent Directors was held on 16 March 2021 without the presence of Executive and Non-Executive, Non-Independent Directors. The Independent Directors, inter-alia, evaluated the performance of Non-Independent Directors and the Board as a whole. It also evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. All Independent Directors were present at the meeting.

Further, for the financial year 2020-21 the Board carried out an annual performance evaluation

of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the NRC. The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

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

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

The Directors expressed their satisfaction with the performance evaluation process.

## 4) BOARD COMMITTEES

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

### The Board currently has the following Committees:

#### A) Audit Committee

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

## Annexure-9 Corporate Governance Report

### 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, 2015. The broad terms of reference of the Audit Committee are as below;

- Overseeing the Company'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;
  - (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.
  - consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on listed entity and its shareholders.
  - reviewing compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT 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;
  - to take such other actions as may be required to be taken by the Committee for monitoring and compliance of the Insider Trading Code and SEBI PIT Regulations and any amendment thereto.
- 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 2021, the composition of Audit Committee consists of the following Directors:
1. Mrs. Anuradha Bajpai, Non-Executive Independent Director – Chairperson
  2. Mr. Jyotin Mehta, Non-Executive Independent Director - Member
  3. Mr. Nikhil Gahrotra, Non-Executive Director - Member
- The Company Secretary of the Company acts as Secretary to the Committee.
- The Audit Committee invites such executives including Chief Financial Officer, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meetings. There are no recommendations of the Audit Committee that have not been accepted by the Board.

## Annexure-9 Corporate Governance Report

### iii. Audit Committee Meetings and Attendance:

The Audit Committee met 6 (six) times during the financial year 2020-21. 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	12 May 2020	18 May 2020	21 July 2020	20 October 2020	19 January 2021	26 March 2021
Anuradha Bajpai (Non-Executive Independent Director)	P	P	P	P	P	P
Nikhil Gahrotra (Non-Executive Director )	P	P	P	P	P	P
Jyotin Mehta (Non-Executive Independent Director)	P	P	P	P	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.
- "P" denotes Presence in the meeting.

### iv. Internal controls and governance processes

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

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

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

### v. Risk Management

The Company has adopted risk management framework for identifying and evaluating risks and opportunities that may 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.
- 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 Regulations, the Board has

Name of Members	18 May 2020	21 July 2020	19 January 2021
Sutapa Banerjee (Non-Executive Independent Director)	P	P	P
Nikhil Gahrotra (Non-Executive Director)	P	P	P
Jyotin Mehta (Non-Executive Independent Director)	P	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.
- "P" denotes Presence in the meeting.

#### iv. Nomination and Remuneration Policy:

The Company has the Nomination and Remuneration Policy for the Company in compliance with Regulation 19 of SEBI Listing Regulations 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 key 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.

constituted its Nomination and Remuneration Committee. As at 31<sup>st</sup> March 2021, the Nomination and Remuneration Committee consists of the following three members:

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

#### iii. Nomination and Remuneration Committee meetings and attendance:

The Nomination and Remuneration Committee met 3 (three) times during the financial year 2020-21. The necessary quorum was present in the meeting. The table below provides the attendance of the Committee members:

## Annexure-9 Corporate Governance Report

### v. Details of remuneration paid to Directors for the year ended 31<sup>st</sup> March 2021

Name of Directors	Category	Remuneration paid to directors					Total (₹ in Crores)
		Salary	Perquisites	Stock Option	Commission	Sitting fees	
Jyotin Mehta	Non-Executive Independent	-	-	-	-	0.04	0.04
Anuradha Bajpai	Non-Executive Independent	-	-	-	-	0.04	0.04
Sutapa Banerjee	Non-Executive Independent	-	-	-	-	0.03	0.03
Kalpesh Kikani	Non-Executive	-	-	-	-	-	-
Nikhil Gahrotra	Non-Executive	-	-	-	-	-	-
Sanjay Kumar	Non-Executive	-	-	-	-	-	-
Seshagiri Rao MVS	Non-Executive	-	-	-	-	-	-
Kaushik Subramaniam	Non-Executive	-	-	-	-	-	-
Ravichandar Moorthy Dhakshana	Executive (Whole-time Director)	1.78	-	-	-	-	1.78
<b>TOTAL</b>		<b>1.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.11</b>	<b>1.89</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' are stated above. The aforesaid remuneration details includes the remuneration paid for the period upto 31 August 2020 which is within the overall limit of remuneration approved by the shareholders of the Company at the 28<sup>th</sup> Annual General Meeting and as per the provisions of section 197 read with schedule V of the Companies Act 2013. The remuneration paid/payable to Mr. Ravichandar Moorthy Dhakshana pursuant to his re-appointment as the whole-time director with effect from 31 August 2020 is as per applicable provisions of the Companies Act 2013 read applicable Rules thereto and Schedule V of the Act, subject to approval of the shareholders as the ensuing 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 2020-21, 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 2020-21 except the sitting fees paid to Independent Directors for meetings of the Board and Committee(s) of Directors attended by them as stated above.

### vii. Stock Option Scheme:

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

## C) Corporate Social Responsibility (CSR) Committee

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

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

As at 31<sup>st</sup> March 2021, the Corporate Social Responsibility Committee consists of the following four members:

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

One (1) meeting of the CSR Committee was held on 18 May 2020, wherein all the members of the Committee were present.

## D) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC') considers and resolves the grievances of the Company's shareholders 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 Regulations read with Section 178 of the Companies Act, 2013. The Board has clearly defined the terms of reference for this Committee, which generally meets once in a quarter.

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

- Resolving the grievances of the security holders of the Company 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 Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

- Review of the various measures and initiatives taken by the Company 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 Stakeholders' Relationship Committee

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

As at 31<sup>st</sup> March 2021, the Stakeholders Relationship Committee consists of the following three members:

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

### iii. Meeting and Attendance:

The Stakeholders Relationship Committee met 2 (two) times during the financial year 2020-21. The necessary quorum was present in the meeting. The table below provides the attendance of the Stakeholders Relationship Committee members:

Name of Members	20 October 2020	26 March 2021
Anuradha Bajpai (Non-Executive Independent Director)	P	P
Ravichandar Moorthy Dhakshana (Executive Director)	P	P
Nikhil 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.
- "P" denotes Presence in the meeting.

## Annexure-9 Corporate Governance Report

### iv. Name and Designation of Compliance officer:

Name : Mr. Ajay Kadhao  
 Designation : Company Secretary and Compliance Officer  
 Address : JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400050  
 Phone : 022-42861000  
 E-mail : isc\_jispl@aionjsw.in

### v. Details of the Shareholder's complaints received, redressed/pending during the financial year 2020-21:

The details of total number of complaints received; resolved/pending during the financial year 2020-2021 is as follow: -

Particulars	No. of Complaints
Number of complaints received from the investors (including the opening Balance as on 01 April 2020) 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.	02
Number of complaints resolved during the year	02
Complaints Pending as at 31 <sup>st</sup> March 2021	00

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

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

### E) Business Responsibility Reporting and International Trade Practice Committee (BRR&ITP):

The brief terms of reference of the BRR & ITP Committee are:

- To monitor compliance by the Company with policies in relation to anticorruption laws and sanctions administered by the Office of Foreign Assets Control of the United States Treasury;
- Oversee the adoption of National Voluntary Guidelines/National Guidelines on

Responsible Business Conduct (NGRBC) on Social, Environmental and Economic Responsibilities in business practices of the Company and such other guidelines and regulations as may be applicable;

- Review the progress of initiatives under taken for implementation of business responsibility (sustainability) policies of the Company;
- Review the grievance redressed mechanism related to business responsibility (sustainability) policies and redressal of grievance of any stakeholder;
- Review business responsibility reporting disclosures to be made in Annual Report as per applicable statutory requirements;
- Recommend the annual business responsibility report to the Board for approval;
- Take such steps and actions as may be statutorily required under law for compliance of BRR reporting;

During the year the composition of BRR & ITP Committee remain unchanged and consists of the following Directors as its members on 31<sup>st</sup> March 2021:

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

The BRR & ITP met 2 (two) times during the financial year 2020-21. The necessary quorum was present in the meeting. The table below provides the attendance of the BRR & ITP Committee members:

Name of Members	18 May 2020	26 March 2021
Anuradha Bajpai (Non-Executive Independent Director)	P	P
Ravichandar Moorthy Dhakshana (Non-Executive Independent Director)	P	P
Nikhil 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.
- "P" denotes Presence in the meeting.
- "A" denotes absence in the meeting.



#### F) Finance Committee meeting:

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

During the year under review Mr. Kalpesh Kikani, Non-Executive Director resigned as the member of the Finance Committee with effect from 7<sup>th</sup> January 2021, whereas, Mr. Nikhil Gahrotra, Non-Executive Director was appointed as the member of the Finance Committee with effect from 11<sup>th</sup> January 2021.

As on 31<sup>st</sup> March 2021 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. Nikhil Gahrotra, Non-Executive Director - Member

The Finance Committee met 2 (two) times during the financial year 2020-21. The necessary quorum was present in the meeting. The table below provides the attendance of the Finance Committee members:

Name of Members	19 January 2021	19 March 2021
Ravichandar Moorthy Dhakshana (Executive Director)	P	P
Seshagiri Rao MVS (Non-Executive Director)	A	A
Nikhil 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.
- "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
30 <sup>th</sup>	22 July, 2020, 02:30 P.M.	Held through Video Conference ("VC") / Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs and Circular No. EBI/HO/CFD/ CMD1/ IR/P/2020/79 dated 12 <sup>th</sup> May, 2020 issued by SEBI. The proceedings of the AGM were deemed to be conducted at the Registered Office of the Company which was the deemed Venue of the AGM.	<ul style="list-style-type: none"> <li>• To approve change in the name of the Company and consequent amendments in the Memorandum of Association and Articles of Association of the Company.</li> <li>• To approve shifting of the registered office of the Company from one state to another and consequent amendments thereof in the Memorandum of Association of the Company.</li> </ul>
29 <sup>th</sup>	19 July 2019, 01:30 P.M.	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101.	<ul style="list-style-type: none"> <li>• To approve amendment to the Articles of Association of the Company for incorporating provisions of the loan document.</li> </ul>
28 <sup>th</sup>	27 December 2018, 01:30 P.M (Refer Note)	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101.	<ul style="list-style-type: none"> <li>• To appoint and approve remuneration of Mr. Ravichandar Moorthy Dhakshana (DIN: 03298700) as a Whole-time Director</li> </ul>

The above special 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 2020-21 through Postal Ballot;

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

### C. Details of Special Resolutions proposed through Postal Ballot;

No Special Resolution is proposed through postal ballot as on the date of this report.

## Annexure-9 Corporate Governance Report

### 6) MEANS OF COMMUNICATION

- A. The unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulation, as amended from time to time;
- B. The Company normally publishes quarterly results/ half yearly in leading business newspapers national daily of the country like "Financial Express" (English language) and "The Raj Express" (vernacular language) in accordance with the SEBI Listing Regulations and circulates the same to stock exchanges and the shareholders;
- C. The official news releases, including the quarterly, half yearly and annual results and presentations made to institutional investors/analysts, if any, are also posted on the Company's website [www.aionjsw.in](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 and other information as required under Act 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 : Tuesday, 28<sup>th</sup> September 2021

Time : 03.30 PM (IST)

Venue : The AGM shall be held through Video Conference (VC) / Other Audio Visual Means(OAVM) in compliance with General Circular No. 02/2021, read with General Circular No.s 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (**MCA Circulars**) and other applicable provisions of the Companies Act, 2013 and circulars issued by the Securities and Exchange Board of India (SEBI) **without the physical presence of the Members at a common venue**. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

Financial Year : 2020-21

Book Closure / Record Date : 22<sup>nd</sup> September 2021 to 28<sup>th</sup> September 2021 (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 14<sup>th</sup> August 2021

Second Quarter and Half Yearly Results : on or before 14<sup>th</sup> November 2021

Third Quarter and Nine months Results : on or before 14<sup>th</sup> February 2022

Fourth and Audited Annual Results : on or before 30<sup>th</sup> May 2022

**C. Dividend Payment** : No dividend has been recommended for the financial year 2020-21

**D. Registered Office Address** : Monnet Marg, Mandir Hasaud, Raipur- 492101 (as on date of this report)

**E. CIN** : L02710CT1990PLC009826 (as on date of this report)

#### F. Listing on Stock Exchanges:

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

National Stock Exchange of India Ltd. BSE Ltd.

'Exchange Plaza', Bandra Kurla Complex, Phiroze Jeejeebhoy Towers,

Bandra (E), Mumbai- 400051.

Dalal Street, Fort, Mumbai – 400 001

website : [www.nseindia.com](http://www.nseindia.com)

website : [www.bseindia.com](http://www.bseindia.com)

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

The annual listing fee for the listed equity shares for the year 2021-22 have been paid to BSE Ltd and National Stock Exchange Limited.

#### G. Stock Codes/Symbol

National Stock Exchange of India Ltd	:	JSWISPL
BSE Ltd.	:	513446
Calcutta Stock Exchange Ltd.	:	23037

#### H. Non-Convertible Debentures :

As on 31<sup>st</sup> March 2021, the Company does not have any outstanding Non-Convertible Debentures.

#### I. Credit Rating:

During the year under review CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited) in the month of March 2021 revised and upgraded the credit ratings of the Company to "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.

#### J. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2020-21 on NSE and BSE:

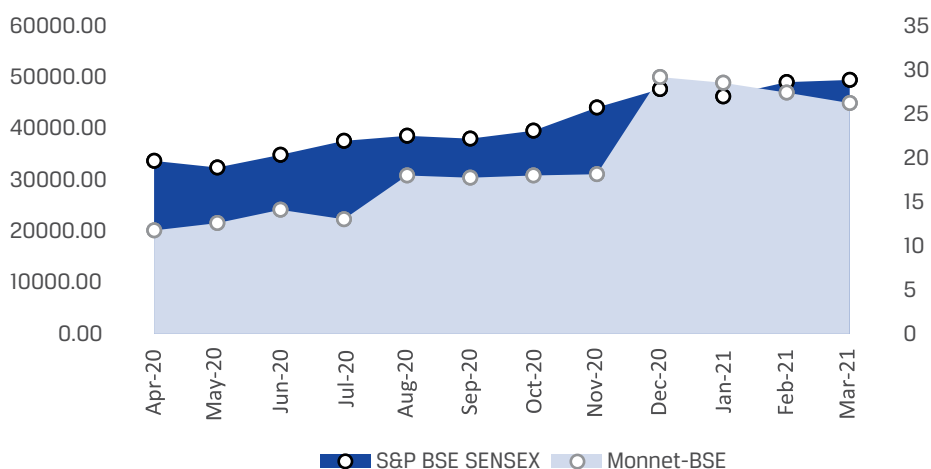
Month	BSE			NSE		
	High (₹)	Low (₹)	Total Volume	High (₹)	Low (₹)	Total Volume
April - 2020	13.96	9.29	3,15,301	13.75	9.25	4,61,363
May- 2020	12.85	10.70	1,55,422	12.80	10.45	4,56,725
June- 2020	16.27	12.95	12,49,811	16.15	12.50	31,30,997
July - 2020	15.10	12.50	8,60,552	15.00	12.45	24,56,790
August - 2020	20.32	12.40	29,91,054	20.30	12.35	1,05,83,598
September-2020	20.05	17.10	12,44,589	20.00	17.10	59,37,708
October- 2020	19.90	16.25	6,37,815	19.70	16.20	40,74,268
November- 2020	18.80	17.00	4,57,871	18.65	17.20	44,16,327
December- 2020	30.70	18.65	35,56,057	30.85	18.30	2,80,35,403
January- 2021	37.00	25.70	38,98,476	36.90	25.70	1,80,02,801
February- 2021	29.70	25.50	12,22,716	29.50	25.75	84,19,389
March- 2021	28.25	22.50	13,11,105	28.35	22.40	1,13,90,084

## Annexure-9 Corporate Governance Report

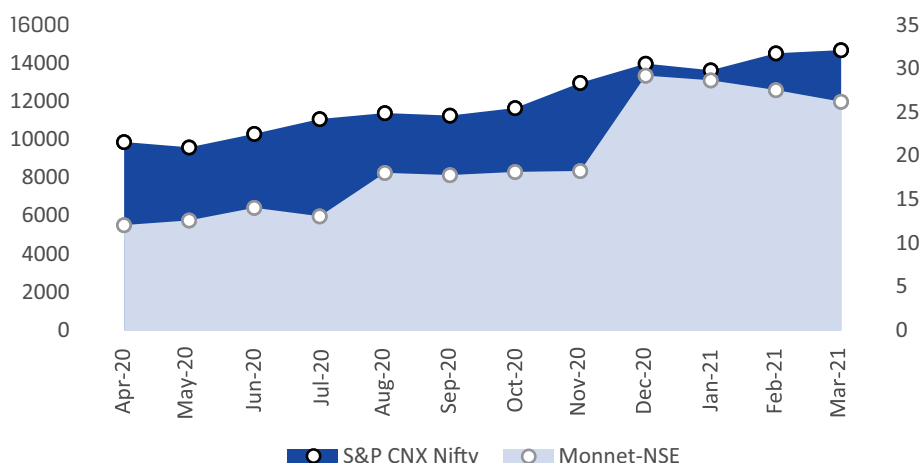
### K. Stock Performance:

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

Stock Performance vis-a-vis S&P BSE Sensex



Stock Performance vis-a-vis CNX NIFTY



### L. Registrar and Transfer Agent:

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

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

#### Share transfers system:

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

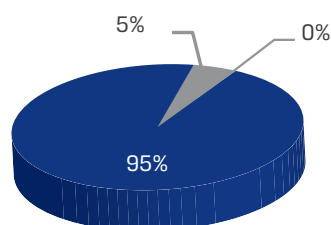
In case of shares in electronic form, the transfers are processed by National Securities Depository Limited/Central Depository Services(India) Limited through respective Depository Participants. In compliance with the SEBI Listing Regulation, a Practicing Company Secretary carries out audit of the System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

## M. Dematerializations of Shares and Liquidity

As at 31<sup>st</sup> March 2021, 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.

### Dematerializations of Shares

■ Held in NSDL     
 ■ Held in CDSL     
 ■ Physical



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.

## N. 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 2021, the Company has no outstanding GDRs/ ADRs / Warrants. The Company has issued 525,980,000 Compulsory Convertible Preference Shares (CCPS) which are outstanding as on 31<sup>st</sup> March 2021. Each CCPS shall be convertible into 1 (one) equity share at any date prior to the expiry of the term of 20 (Twenty) years from the date of issuance of the CCPS ("CCPS Term") at the option of the holder of the CCPS. Unless already converted each CCPS outstanding at the expiry of the CCPS Term shall be compulsorily converted into 1 (one) equity share of the Company. None of the CCPS holders has exercised the option to convert CCPS in equity share for the financial year ended on 31<sup>st</sup> March 2021, there was no impact on equity capital of the Company as on 31<sup>st</sup> March 2021, the period for with the Annual Report pertains.

## O. Shareholding as on 31<sup>st</sup> March 2021

### i. Distribution of Shareholding:

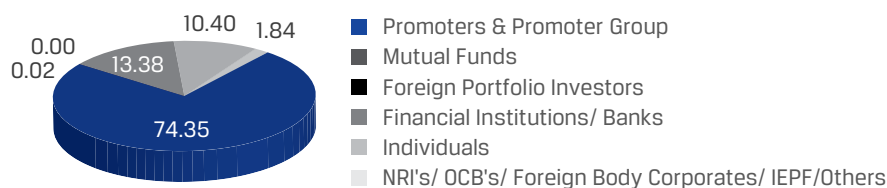
Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 - 500	29114	77.93	3485920	0.74
501 - 1000	3297	8.82	2633988	0.56
1001 - 2000	1984	5.31	3091304	0.66
2001 - 3000	739	1.98	1910243	0.41
3001 - 4000	490	1.31	1740068	0.37
4001 - 5000	367	0.98	1752385	0.37
5001 - 10000	641	1.72	4850274	1.03
10001-50000	542	1.45	11691739	2.49
50001-100000	93	0.25	7206168	1.53
Above 100000	93	0.25	431185445	91.83
<b>TOTAL</b>	<b>37360</b>	<b>100.00</b>	<b>469547534</b>	<b>100.00</b>

## Annexure-9 Corporate Governance Report

### ii. Shareholding pattern:

Shareholding pattern of the Company as on 31<sup>st</sup> March 2021 is given as under:

Category	As on 31 <sup>st</sup> March 2021	
	No. of Equity Shares	Percentage (%)
Promoters & Promoter Group	349110785	74.35
Mutual Funds	100000	0.02
Foreign Portfolio Investors	4378	0.00
Financial Institutions/ Banks	62834110	13.38
Individuals	48850664	10.40
NRI's / OCB's / Foreign Nationals/IEPF/ Others	8647597	1.84
<b>Total</b>	<b>469,547,534</b>	<b>100.00</b>



### Top ten Shareholders as on 31<sup>st</sup> March 2021:

Name of the Shareholders	No. of Shares	%Age of Paid-Up Capital
Creixent Special Steels Limited	225934607	48.12
AION Investments Private II Limited	99461544	21.18
JTPM Atsali Limited	23508427	5.01
Punjab National Bank	1,17,38,719	2.50
State Bank Of India	1,01,57,543	2.16
ICICI Bank Ltd	58,79,217	1.25
UCO Bank	42,12,967	0.90
Union Bank Of India	41,08,819	0.88
Bank Of Baroda	39,50,421	0.84
IFCI Ltd	36,38,575	0.77
<b>Total</b>	<b>39,25,90,839</b>	<b>83.61</b>

### P. 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 2021 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	2013-2014	27 Sep 2014	03 Nov 2014	1.0	27 Sep 2021	03 Nov 2021

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

### Q. Mandatory transfer of shares to demat account of Investors Education and Protection Fund Authority (IEPF) 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.

## R. Commodity price risk or foreign exchange risk and hedging activities

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

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

Commodity Name	Actual Exposure		%of such exposure hedged through commodity derivatives				Total
	Exposure in ₹ towards the particular commodity (in ₹ crores)	Exposure in quantity terms towards the particular commodity (in metric ton)	Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Iron Ore	1,578.54	2,961,532	The Company has not hedged commodities.				
Steam Coal	613.11	1,195,284					
Coke	603.82	247,842					
Coking coal	94.98	87,941					

## S. Plant Location

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

## T. Address for correspondence

Corporate Office	:	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai-400051 Phone: 022-42861000 E-mail: isc_jisp@aionjsw.in
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## 8) OTHER DISCLOSURES:

### A. Related Party Transactions

Details of related parties and related party transactions as required under IND AS 24 are furnished under Note No. 43 of the notes to the accounts attached with the standalone financial statements of the Company for the year ended 31<sup>st</sup> March 2021.

During the year under review, the Company has entered into material related party transactions with JSW Steel Limited and in terms of Section 134 details of the same are stated in Form AOC-2 in Annexure-2 of Directors report. The material related party transactions are entered by the Company are within the limits and in terms of the approval accorded by the Shareholders at previous Annual General Meeting. All related party transactions are reviewed and approved by the Audit Committee. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such related party transactions. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a "Policy on Materiality of Related Party Transactions (RPT) and dealing with RPT" and the same has been uploaded on the website of the Company and can be accessed at [www.aionjsw.in](http://www.aionjsw.in).

During the financial year 2020-21, 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.

## Annexure-9 Corporate Governance Report

### 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 ₹ Lakhs)
- Fees	78.15
- Reimbursement of expenses	0.85
<b>Total</b>	<b>79.00</b>

### C. Matters related to capital market

Post implementation of the Resolution Plan of the Company as approved by the Hon'ble National Company Law Tribunal, Mumbai, vide its order 24 July 2018, there was no noncompliance 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, except for the following incident of alleged non-compliance pertaining to year 2016-2017;

- SEBI has issued an order on 26<sup>th</sup> June 2020, against the Company levying penalty of ₹6.00 lacs, with respect to the certain alleged disclosures not made by the Company during the financial year 2016-2017 (pre CIRP period) for the erstwhile Non-Convertible Debentures (NCDs) of the Company.

SEBI has issued the said order, even though the Company has submitted in its reply inter-alia informing that it is not liable for any non-compliance or violations committed prior to approval of Resolution Plan. The Company also submitted that as per the amendment to Insolvency and Bankruptcy Code (IBC), the Company is not liable for any offence or violation that may have been committed prior to the commencement of the corporate insolvency resolution process.

The Company had filed an appeal with Securities Appellate Tribunal, Mumbai (SAT) against the SEBI Order by an adjudicating officer vide appeal no.237 of 2020. The SAT vide order dated 29.10.2020 had quashed the impugned order of the SEBI. The SEBI has filed an appeal in the Supreme Court against the SAT order and is pending for admission.

### 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. Subsidiary Companies

All subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage companies in the best interest of their stakeholders. During the financial year under review the Company did not have any material subsidiary as per provisions of SEBI Listing Regulations and Policy for determining material subsidiaries of the Company. The Company monitors performance of subsidiary in the following ways:

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

### G. Declaration affirming compliance of Code of Conduct

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

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

### H. Code of Conduct for prevention of Insider Trading

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



#### I. **Certificate from a Company Secretary**

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

#### J. **Certificate on Corporate Governance**

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

#### K. **CEO/CFO Certification**

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

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

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

covered under this policy. Details of the complaints filed, disposed or pending as on the end of the financial year are;

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

#### M. **Disclosure of Accounting Treatment**

The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016. as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

#### 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.

By Order of the Board  
For **JSW Ispat Special Products Limited**  
(Formerly known as Monnet Ispat and Energy Limited)

Place: Mumbai  
Date: 12 May 2021

**Jyotin Mehta**  
Chairman  
DIN: 00033518

## Annexure-9 Corporate Governance Report

### **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, declare that all the Board Members and Senior management personnel has affirmed the compliance with the Code of Conduct for the financial year ending 31<sup>st</sup> March 2021.

For **JSW Ispat Special Products Limited**  
(Formerly known as Monnet Ispat and Energy Limited)

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

Date: 12<sup>st</sup> May 2021  
Place: Mumbai

## Corporate Governance Compliance Certificate

To The Members of  
**JSW Ispat Special Products Limited**  
 (Formerly known as Monnet Ispat and Energy Limited)

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. RNS/EL/2020-21/03A dated November 30, 2020.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited) ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

### Managements' Responsibility

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

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 (Firm's Registration No. 117366W/W-10001)

**Rakesh Sharma**  
 Partner  
 (Membership No. 102042)  
 (UDIN: 21102042AAAAAY3100)

Place: Mumbai  
 Date: 12 May 2021

## Annexure-9 Corporate Governance Report

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

To,  
The Members  
**JSW Ispat Special Products Limited**  
(Formerly known as Monnet Ispat and Energy Limited)  
JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai,  
Maharashtra- 400051.

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Seshagiri Rao Metlapalli Venkata Satya	00029136	31-08-2018
2.	Mr. Jyotin Kantilal Mehta	00033518	30-07-2018
3.	Mr. Nikhil Omprakash Gahrotra	01277756	31-08-2018
4.	Ms. Sutapa Banerjee	02844650	27-09-2018
5.	Mr. Ravichandar Moorthy Dhakshana	03298700	31-08-2018
6.	Ms. Anuradha Ambar Bajpai	07128141	30-07-2018
7.	Mr. Sanjay Kumar	07929953	31-08-2018
8.	Mr. Kaushik Subramaniam	08190548	19-01-2021

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

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

Sd/-

**S. Srinivasan**

FCS: 2286CP. No: 748

UIN: F002286C000240590

Place: Chennai

Date: 04.05.2021

# Independent Auditor's Report

**To The Members of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of JSW Ispat Special Products Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Key Audit Matter	Auditor's Response
<p><b>Recoverable value assessment of Property, plant and equipment</b></p> <p>In view of losses, the management has assessed the recoverable value of property, plant and equipment engaging an independent external expert.</p> <p>Replacement cost estimation involves significant judgement and estimates.</p> <p>[Refer note 4(ii) to the financial statements]</p>	<p>Our procedures will include but will not be limited to :</p> <ul style="list-style-type: none"> <li>- Evaluating the design and implementation, and testing the operating effectiveness of the relevant controls over determination of recoverable value of property, plant and equipment.</li> <li>- Assessing the competence and independence of the valuation expert engaged by the Company for determining the replacement cost of property, plant and equipment.</li> <li>- Reviewing the information shared with the independent expert engaged by the management.</li> <li>- Evaluating the reasonableness of the valuation provided by the independent expert by challenging the significant assumptions used and estimates and judgements made in deriving the valuation with the help of internal fair value specialist.</li> <li>- Verification of accounting implications, if any, and appropriateness of disclosures in the financial statements.</li> </ul>

### 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 Directors report, Management discussion and analysis and Business responsibility report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent Auditor's Report

## 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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.
  - e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Rakesh Sharma**  
(Partner)  
(Membership No. 102042)  
(UDIN: 21102042AAAAAU4198)

Place: Mumbai  
Date: 12 May 2021

# Annexure "A" to the Independent Auditor's Report

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

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited) ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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





## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Rakesh Sharma**

(Partner)

(Membership No. 102042)

(UDIN: 21102042AAAAAU4198)

Place: Mumbai

Date: 12 May 2021

# Annexure B To The Independent Auditor's Report

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

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement. There are no buildings that have been acquired or taken on lease.
- (i) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, except for inventories lying with third parties where confirmation have been received by the management, and no material discrepancies were noticed on physical verification.
- (ii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iii) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (iv) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31 March 2021 and accordingly, the provisions of sections 73 to 76 or any other relevant provisions of the Act are not applicable to the Company.
- (v) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Services Tax, Customs Duty, cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods & Services Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Goods & Services Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March 2021 on account of disputes. The disputes pertaining to the periods prior to the NCLT Order approving the Resolution Plan have not been considered for reporting under this clause (refer note 36 to the standalone financial statements)
- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from the Government nor has issued any debentures.
- (viii) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has neither raised any moneys by way of initial public offer/ further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (x) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xi) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiii) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or any persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**(Rakesh Sharma)**

Partner

(Membership No. 102042)

(UDIN No. 21102042AAAAAU4198)

Place: Mumbai  
Date:12.05.2021

# Balance Sheet

As at 31 March 2021

	Notes	As at 31 March 2021	(₹ in crores) As at 31 March 2020
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
a. Property, plant and equipment	4	3,124.57	3,219.68
b. Capital work-in-progress		175.14	237.63
c. Right of use assets	39	43.84	29.58
d. Investments in subsidiaries and joint ventures	5	-	-
e. Financial assets			
i. Investments	6	0.92	0.59
ii. Other financial assets	7	65.47	24.34
f. Current tax assets (net)	8	4.30	3.25
g. Other non-current assets	9	22.22	21.35
<b>Total non-current assets</b>		<b>3,436.46</b>	<b>3,536.42</b>
<b>2. Current assets</b>			
a. Inventories	10	925.03	857.49
b. Financial assets			
i. Investments	6	0.25	0.16
ii. Trade receivables	11	188.68	51.77
iii. Cash and cash equivalents	12 a	11.23	35.20
iv. Bank balance other than (iii) above	12 b	116.39	130.23
v. Derivative assets	13	0.23	7.75
vi. Loans	14	-	0.34
vii. Other financial assets	15	14.79	1.45
c. Other current assets	16	283.30	135.03
d. Assets classified as held for sale	37	11.00	5.96
<b>Total current assets</b>		<b>1,550.90</b>	<b>1,225.38</b>
<b>TOTAL ASSETS</b>		<b>4,987.36</b>	<b>4,761.80</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Share capital	17	995.53	995.53
b. Other equity	18	387.98	490.46
<b>Total equity</b>		<b>1,383.51</b>	<b>1,485.99</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	19	2,273.33	2,251.53
ii. Lease liabilities	20	27.16	29.83
iii. Other financial liabilities	21	34.18	19.01
b. Provisions	22	5.60	4.64
c. Deferred tax liabilities (net)	23	-	-
<b>Total non-current liabilities</b>		<b>2,340.27</b>	<b>2,305.01</b>
<b>2. Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	19	224.73	367.63
ii. Lease liabilities	20	0.46	-
iii. Trade payables	24		
- Total outstanding dues of micro and small enterprises		0.04	1.35
- Total outstanding dues of creditors other than micro and small enterprises		780.53	487.57
iv. Derivative liabilities	25	2.23	0.20
v. Other financial liabilities	26	144.75	80.50
b. Other current liabilities	27	109.96	32.71
c. Provisions	22	0.88	0.84
<b>Total current liabilities</b>		<b>1,263.58</b>	<b>970.80</b>
<b>Total liabilities</b>		<b>3,603.85</b>	<b>3,275.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,987.36</b>	<b>4,761.80</b>

See accompanying notes to the Standalone Financial Statements

In terms of our report of even date annexed  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Rakesh Sharma  
Partner

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

Nikhil Gahrotra  
Director  
DIN: 01277756

Place : Mumbai  
Date: 12 May 2021

J. Nagarajan  
Chief Financial Officer

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Statement of Profit and Loss

For the year ended 31 March 2021

(₹ in crores)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I Income from operations</b>			
a. Sales	28A	4,150.14	2,607.76
b. Other operating income	28B	37.60	30.40
<b>Total revenue from operations</b>		<b>4,187.74</b>	<b>2,638.16</b>
<b>II Other income</b>	29	12.99	25.97
<b>III Total income (I+II)</b>		<b>4,200.73</b>	<b>2,664.13</b>
<b>IV EXPENSES</b>			
a. Cost of materials consumed		2,965.57	1,977.84
b. Changes in inventories of finished goods, stock in trade and work-in-progress	30	4.41	(34.48)
c. Employee benefits expense	31	115.58	116.46
d. Finance costs	32	275.78	253.32
e. Depreciation and amortisation expense	33	227.47	216.99
f. Power and fuel		267.07	287.28
g. Other expenses	34	449.84	334.88
<b>Total expenses</b>		<b>4,305.72</b>	<b>3,152.29</b>
<b>V Loss before tax (III-IV)</b>		(104.99)	(488.16)
<b>VI Tax expense:</b>	23		
Current tax		-	-
Deferred tax		-	-
<b>VII Loss after tax for the year (V-VI)</b>		<b>(104.99)</b>	<b>(488.16)</b>
<b>VIII Other comprehensive income/ (loss) (OCI)</b>			
<b>i. Items that will not be reclassified to profit or loss</b>			
a. Remeasurement of net defined benefit plans		2.05	(3.41)
b. Equity instruments through other comprehensive income		0.46	(0.24)
<b>ii. Income tax effect</b>		-	-
<b>Total other comprehensive income/ (loss)</b>		<b>2.51</b>	<b>(3.65)</b>
<b>IX Total comprehensive loss for the year (VII+VIII)</b>		<b>(102.48)</b>	<b>(491.81)</b>
<b>X Earnings per equity share of ₹ 10/- each</b>	35		
(1) Basic		(2.24)	(10.40)
(2) Diluted		(2.24)	(10.40)

See accompanying notes to the Standalone Financial Statements

In terms of our report of even date annexed

For Deloitte Haskins & Sells LLP

Chartered Accountants

Rakesh Sharma  
Partner

Place : Mumbai  
Date: 12 May 2021

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

J. Nagarajan  
Chief Financial Officer

Nikhil Gahrotra  
Director  
DIN: 01277756

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Statement of Cash Flows

For the year ended 31 March 2021

(₹ in crores)

Particulars	For the year ended	
	31 March 2021	31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net loss before tax</b>	(104.99)	(488.16)
Adjusted for:		
Depreciation and amortization expenses	227.47	216.99
Interest income	(8.96)	(11.55)
Interest expenses	275.78	253.32
Loss/(profit) on sale of property, plant and equipment	3.14	(0.01)
Loss on sale of assets held for sale	1.80	-
Unrealised exchange loss	2.39	3.59
Gain arising on fair valuation of financial instruments designated as FVTPL	(0.23)	(7.55)
Loss arising on fair valuation of financial instruments designated as FVTPL	2.23	-
Provision/ liability written back	(0.93)	(4.68)
Allowance for doubtful debts	0.58	-
Non recoverable advances written off	0.47	-
Advance to suppliers written off	2.91	-
Capital work-in-progress written off	3.83	-
Provision for non recoverable advances	0.14	1.80
Write down of inventories to net realisable value	-	36.68
Gain on sale of investments	-	(0.09)
	<b>510.62</b>	<b>488.50</b>
<b>Operating Profit before working capital changes</b>	<b>405.63</b>	<b>0.34</b>
<b>Working capital adjustments:</b>		
Increase in inventories	(67.54)	(235.36)
Increase in trade and other receivables	(329.84)	(70.26)
Increase in trade and other liabilities	377.68	110.59
Increase/ (decrease) in provisions	3.05	(1.47)
	<b>(16.65)</b>	<b>(196.50)</b>
Cash generated from/ (used) in operating activities	<b>388.98</b>	<b>(196.16)</b>
Income taxes paid (net)	(1.05)	(1.12)
<b>Net cash generated from / used in operating activities</b>	<b>387.93</b>	<b>(197.28)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work-in-progress	(95.10)	(129.23)
Proceeds from sale of subsidiaries	-	*
Proceeds from sale of property, plant and equipment	0.04	0.28
Proceeds from sale of assets held for sale	4.16	-
Purchase of investments	-	(31.50)
Proceeds from sale of investments	0.03	31.59
Interest received	8.35	10.47
<b>Net cash used in investing activities</b>	<b>(82.52)</b>	<b>(118.39)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(249.76)	(233.91)
Payment of lease liabilities	(0.48)	(1.04)
Proceeds from long term borrowings	63.76	207.09
(Repayment)/ proceeds from short term borrowings (net)	(142.90)	213.42
<b>Net cash (used in) / generated from financing activities</b>	<b>(329.38)</b>	<b>185.56</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(23.97)</b>	<b>(130.11)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>35.20</b>	<b>165.31</b>
<b>Cash and cash equivalents at the end of the year (note 12 a)</b>	<b>11.23</b>	<b>35.20</b>

\* ₹ 2

Note:

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

See accompanying notes to the Standalone Financial Statements

In terms of our report of even date annexed

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Rakesh Sharma  
Partner

Place : Mumbai  
Date: 12 May 2021

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

J. Nagarajan  
Chief Financial Officer

Nikhil Gahrotra  
Director  
DIN: 01277756

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Statement of Changes In Equity

For the year ended 31 March 2021

## A. Share capital for issued, subscribed and paid up shares

Particulars	Note	Equity share capital	Compulsory convertible preference share capital	Total
<b>As at 1 April 2019</b>	17	469.55	525.98	995.53
Changes during the year		-	-	-
<b>As at 31 March 2020</b>	17	469.55	525.98	995.53
Changes during the year		-	-	-
<b>As at 31 March 2021</b>	17	469.55	525.98	995.53

## B. Other equity (Refer note 18)

Particulars	Reserves and surplus					Items of OCI		Total equity		
	Capital reserve	Share premium	Capital redemption reserve	Capital reconstruction reserve	Amalgamation reserve	Equity contribution resulted on merger	General reserve		Retained earnings	Equity instruments through OCI
<b>As at 1 April 2019</b>	77.77	1,114.46	472.35	19.68	3.31	7,287.03	250.09	(8,140.16)	(102.26)	982.27
Loss for the year	-	-	-	-	-	-	-	(488.16)	-	(488.16)
Other comprehensive loss for the year, net of income tax	-	-	-	-	-	-	-	(3.41)	(0.24)	(3.65)
<b>Total comprehensive loss</b>	-	-	-	-	-	-	-	(491.57)	(0.24)	(491.81)
<b>As at 31 March 2020</b>	77.77	1,114.46	472.35	19.68	3.31	7,287.03	250.09	(8,631.73)	(102.50)	490.46
Loss for the year	-	-	-	-	-	-	-	(104.99)	-	(104.99)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	2.05	0.46	2.51
<b>Total comprehensive loss</b>	-	-	-	-	-	-	-	(102.94)	0.46	(102.48)
<b>As at 31 March 2021</b>	77.77	1,114.46	472.35	19.68	3.31	7,287.03	250.09	(8,734.67)	(102.04)	387.98

See accompanying notes to the Standalone Financial Statements

In terms of our report of even date annexed  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Rakesh Sharma  
Partner

Place : Mumbai  
Date: 12 May 2021

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

J. Nagarajan  
Chief Financial Officer

Nikhil Gahrotra  
Director  
DIN: 01277756

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Notes

## To the Financial Statements for the year ended 31 March 2021

### 1. Corporate information

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

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

### 2. Significant accounting policies

#### I. Statement of compliance

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

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 12 May 2021.

#### II. Basis of preparation and presentation

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

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

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a

basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

#### Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.



# Notes

## To the Financial Statements for the year ended 31 March 2021

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

### III. Revenue Recognition

#### a. Sale of Goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices. Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

#### Contract balances

- **Contract assets:**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration including Trade receivables

- **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer

- **Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

#### b. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### IV. Foreign Currency

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it

# Notes

## To the Financial Statements for the year ended 31 March 2021

operates. The functional currency of the Company is INR.

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### V. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

### VI. Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

### VII. Employee Benefits

#### Retirement benefit costs and termination benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the company recognizes corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

# Notes

## To the Financial Statements for the year ended 31 March 2021

### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## VIII. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending on the nature and circumstance of each uncertain tax position.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and on carried forward depreciation and business losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient

taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 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 recognised in other comprehensive income or directly in equity respectively.

## IX. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improve 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 recognised in Statement of Profit and Loss.

# Notes

## To the Financial Statements for the year ended 31 March 2021

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Useful lives
Plant and Machinery at SMS division	20 years
Rolls and Reals in rolling mill and bar mill	5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

### X. 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.

### XI. Mining Assets

#### Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license

# Notes

## To the Financial Statements for the year ended 31 March 2021

basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

### XII. Impairment of Property, plant and equipment and Intangible Assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

### XIII. Leases

#### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a

finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

On the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

# Notes

## To the Financial Statements for the year ended 31 March 2021

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### XIV. Inventories

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

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### XV. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### XVI. Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### XVII. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

#### A. Financial assets

##### a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

##### b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal

# Notes

## To the Financial Statements for the year ended 31 March 2021

and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an Instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on

remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### d) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses

# Notes

## To the Financial Statements for the year ended 31 March 2021

if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit

loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### e) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit or loss and is included in the 'Other income' line item.

## B. **Financial liabilities and equity instruments**

### a) **Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



# Notes

## To the Financial Statements for the year ended 31 March 2021

- c) **Financial liabilities at amortised cost**  
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/ losses attributable to

changes in own credit risk are recognized in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### Other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the standalone statement of profit or loss.

# Notes

## To the Financial Statements for the year ended 31 March 2021

### d) Derivative financial instruments

The Company enters into financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Standalone Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Standalone Statement of Profit and Loss depends on the nature of the hedge item.

### e) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted.

## XVIII. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## XIX. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## 3A. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Manufacturing facilities of the Company at Raigarh and Raipur were shut down on 25 March, 2020 following countrywide lockdown due to COVID-19. With easing of some restrictions, the Company restarted the integrated steel making operations at the Raigarh plant with effect from 2 May, 2020 and at Raipur plant from 16 May, 2020.

The Company has considered the impact of COVID 19 in preparation of the financial statements. Based on assessment of internal and external sources of information and evaluation of its possible effects on the carrying amounts of property, plant and equipment, inventory and receivables, the Company has determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## 3B. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

# Notes

## To the Financial Statements for the year ended 31 March 2021

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

### A) Key sources of estimation uncertainty

#### I) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

#### II) Impairment of property, plant and equipment:

Determining whether the property, plant and equipment are impaired requires an estimate for the recoverable value of property, plant and equipment. The recoverable value computation by fair value method using cost approach involves Management relying on third party quotations of similar assets, expert's data bank for construction rates and the indices, as considered by its independent valuation expert in arriving at the fair value. Any subsequent changes in the above input factors could impact the carrying value of property, plant and equipment.

### III) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The classification of matters as 'remote', 'possible' or 'probable' is based on the Company's assessment, past judgements, terms of the contract, regulatory provisions, etc.

### IV) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Recent Indian Accounting Standards (Ind AS): -

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.

# Notes

To the Financial Statements for the year ended 31 March 2021

## 4. Property, plant and equipment

	(₹ in crores)								
	Freehold land & site development	Leasehold land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Aircraft	Total
<b>Cost</b>									
<b>As at April 1, 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>11.64</b>	<b>29.70</b>	<b>7,978.12</b>
Additions	-	-	2.32	56.37	1.35	0.19	3.34	-	63.57
Disposals	-	-	-	-	-	-	(2.72)	-	(2.72)
<b>As at March 31, 2020</b>	<b>46.09</b>	<b>36.85</b>	<b>799.36</b>	<b>7,086.63</b>	<b>13.99</b>	<b>14.09</b>	<b>12.26</b>	<b>29.70</b>	<b>8,038.97</b>
Additions	-	-	4.66	155.06	1.39	0.69	0.82	-	162.62
Disposals	-	-	-	-	-	-	(0.25)	-	(0.25)
Re-classification	(2.87)	2.87	-	-	-	-	-	-	-
Transfer to ROU assets (Note 39)	-	(39.72)	-	-	-	-	-	-	(39.72)
Transfer to held for sale (Note 37)	-	-	-	-	-	-	-	(29.70)	(29.70)
<b>As at March 31, 2021</b>	<b>43.22</b>	<b>-</b>	<b>804.02</b>	<b>7,241.69</b>	<b>15.38</b>	<b>14.78</b>	<b>12.83</b>	<b>-</b>	<b>8,131.92</b>
<b>Depreciation</b>									
<b>As at April 1, 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>9.94</b>	<b>13.61</b>	<b>4,605.58</b>
Depreciation charge for the year	-	-	17.45	195.93	0.24	0.84	0.59	1.10	216.15
Disposals	-	-	-	-	-	-	(2.44)	-	(2.44)
<b>As at March 31, 2020</b>	<b>2.84</b>	<b>24.96</b>	<b>448.22</b>	<b>4,296.56</b>	<b>12.06</b>	<b>11.85</b>	<b>8.09</b>	<b>14.71</b>	<b>4,819.29</b>
Depreciation charge for the year	-	-	16.18	208.72	0.45	0.38	0.67	0.83	227.23
Disposals	-	-	-	-	-	-	(0.22)	-	(0.22)
Re-classification	1.55	(1.55)	-	-	-	-	-	-	-
Transfer to ROU assets (Note 39)	-	(23.41)	-	-	-	-	-	-	(23.41)
Transfer to held for sale (Note 37)	-	-	-	-	-	-	-	(15.54)	(15.54)
<b>As at March 31, 2021</b>	<b>4.39</b>	<b>-</b>	<b>464.40</b>	<b>4,505.28</b>	<b>12.51</b>	<b>12.23</b>	<b>8.54</b>	<b>-</b>	<b>5,007.35</b>
<b>Net carrying value :</b>									
<b>As at March 31, 2021</b>	<b>38.83</b>	<b>-</b>	<b>339.62</b>	<b>2,736.41</b>	<b>2.87</b>	<b>2.55</b>	<b>4.29</b>	<b>-</b>	<b>3,124.57</b>
<b>As at March 31, 2020</b>	<b>43.25</b>	<b>11.89</b>	<b>351.14</b>	<b>2,790.07</b>	<b>1.93</b>	<b>2.24</b>	<b>4.17</b>	<b>14.99</b>	<b>3,219.68</b>

### Notes:

- Refer note 19 for information on certain property, plant and equipment pledged as security by the Company.
- During the current year, in view of losses, the management has assessed the recoverable value of property, plant and equipment of Raigarh and Raipur locations with the help of independent valuation expert and concluded that no additional provision for impairment is necessary.

## 5. Investments in subsidiaries and joint ventures

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Investments in equity shares (unquoted)</b>		
<b>Subsidiaries (at cost or deemed cost)</b>		
Monnet Global Limited 1,83,786 (March 31, 2020 : 1,83,786) Equity shares of 100 AED each fully paid up	20.54	20.54
Monnet Cement Limited * 2,190,000 (March 31, 2020 : 2,190,000) Equity shares of ₹10 each fully paid up	-	-
<b>Joint ventures (at cost or deemed cost)</b>		
Mandakini Coal Company Limited 39,299,800 (March 31, 2020 : 39,299,800) Equity shares of ₹10 each fully paid up	39.30	39.30
MP Monnet Mining Company Limited 980,000 (March 31, 2020 : 980,000) Equity shares of ₹10 each fully paid up	0.98	0.98
Urtan North Mining Company Limited 5,751,347 (March 31, 2020 : 5,751,347) Equity shares of ₹10 each fully paid up	5.75	5.75
<b>Total</b>	<b>66.57</b>	<b>66.57</b>
<b>Less: Aggregate amount of provision for impairment in the value of investments</b>	<b>(66.57)</b>	<b>(66.57)</b>
<b>Aggregate carrying unquoted value</b>	<b>-</b>	<b>-</b>

\* In the previous year the Company had classified the investment in Monnet Cement Limited as held for sale. The management in the current year has decided to hold back the sale to explore other possibilities and hence has re-classified the investment as investment in a subsidiary.

# Notes

To the Financial Statements for the year ended 31 March 2021

## 6. Investments

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>I. Investments at fair value through OCI</b>		
<b>Investment in equity shares (unquoted)</b>		
Rameshwaram Steel & Power Private Limited 4,152,273 (March 31, 2020 : 4,152,273) Equity shares of ₹10 each fully paid up	-	-
Falcon Internal Forces and Fire Services Private Limited 1,000 (March 31, 2020 : 1,000) Equity shares of ₹10 each fully paid up	-	-
Monnet Engineering & Infrastructure Private Limited 4,000 (March 31, 2020 : 4,000) Equity shares of ₹10 each fully paid up	-	-
Business India Publications Limited 100,000 (March 31, 2020 : 100,000) Equity shares of ₹10 each fully paid up	-	-
<b>Investment in equity shares (quoted)</b>		
IFSL Limited 1,300,000 (March 31, 2020 : 1,300,000) Equity shares of ₹1 each fully paid up	0.05	0.05
XL Energy Limited 166,808 (March 31, 2020 : 166,808) Equity shares of ₹10 each fully paid up	*	*
Kamanwala Housing Construction Limited 63,343 (March 31, 2020 : 63,343) Equity shares of ₹10 each fully paid up	0.03	0.03
Indiabulls Real Estate Limited 25,000 (March 31, 2020 : 25,000) Equity shares of ₹10 each fully paid up	0.20	0.10
RattanIndia Infrastructure Limited 73,750 (March 31, 2020 : 73,750) Equity shares of ₹10 each fully paid up	0.04	0.02
Yaarii Digital Integrated Services Limited (formerly known as Indiabull Integrated Services Limited) 3,125 (March 31, 2020 : 3,125) Equity shares of ₹10 each fully paid up	0.04	0.01
Bellary Steel and Alloys Limited 803,243 (March 31, 2020 : 803,243) Equity shares of Re.1 each fully paid up	0.15	0.15
Pioneer Investment Limited 23,392 (March 31, 2020 : 23,392) Equity shares of ₹10 each fully paid up	0.06	0.07
Neueon Towers Limited (formerly known as Sujana Towers Limited) 12,500 (March 31, 2020 : 12,500) Equity shares of ₹10 each fully paid up	##	#
Grasim Industries Limited 1,500 (March 31, 2020 : 1500) Equity shares of ₹10 each fully paid up	0.22	0.07
Aditya Birla Capital Limited 2,100 (March 31, 2020 : 2,100) Equity shares of ₹10 each fully paid up	0.03	0.01
Aditya Birla Fashion & Retail Limited 5,200 (March 31, 2020 : 5200) Equity shares of ₹10 each fully paid up	0.10	0.08
Orrisa Sponge Iron & Steel Limited 1,994,633 (March 31, 2020 : 1,994,633) Equity shares of ₹10 each fully paid up	-	-
Monnet Power Company Limited ** 220,101,460 (March 31, 2020 : 220,101,460) Equity shares of ₹10 each fully paid up	-	-
	<b>0.92</b>	<b>0.59</b>
<b>II. Investments at fair value through profit or loss (unquoted)</b>		
SBI MF Magnum Tax Gain 55,123 (March 31, 2020 : 55,123) units	0.25	0.16
Nippon India Mutual fund ETF liquid BeES 26 (March 31, 2020 : 26) units	-	-
<b>Total</b>	<b>1.17</b>	<b>0.75</b>
<b>Aggregate book value of quoted investments</b>	<b>0.92</b>	<b>0.59</b>
<b>Aggregate book value of unquoted investments</b>	<b>0.25</b>	<b>0.16</b>
<b>Aggregate market value of quoted investments</b>	<b>0.92</b>	<b>0.59</b>
<b>Aggregate market value of unquoted investments</b>	<b>0.25</b>	<b>0.16</b>

\* ₹41,702 # ₹ 3,750 ## ₹ 10,750

\*\* Monnet Power Company Limited, ceased to be an associate of the Company w.e.f. 23 October 2019 upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor.

# Notes

To the Financial Statements for the year ended 31 March 2021

## 7. Other financial assets (Non-current)

	(₹ in crores)	
	31 March 2021	31 March 2020
Bank deposits (having maturity of more than 12 months)*	59.19	4.69
Security deposits (Unsecured unless otherwise stated, considered good)	6.28	6.94
Other receivables	-	12.73
Less: Provision for impairment	-	(0.02)
<b>Total</b>	<b>65.47</b>	<b>24.34</b>
* Lien marked bank deposits	58.66	4.69

## 8. Current tax assets (net) (Non-current)

	(₹ in crores)	
	31 March 2021	31 March 2020
Income tax paid (net of provision for tax)	61.70	60.65
Less: Provision for impairment	(57.40)	(57.40)
<b>Total</b>	<b>4.30</b>	<b>3.25</b>

## 9. Other non-current assets

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Capital advances</b>		
Unsecured unless otherwise stated, considered good	14.20	18.51
<b>Other loans and advances (unsecured unless otherwise stated, considered good)</b>		
Advance to suppliers	4.69	-
Advance to gratuity fund (refer note 38)	0.79	-
Other advances	2.54	3.39
Less: Provision for impairment	-	(0.55)
<b>Total</b>	<b>22.22</b>	<b>21.35</b>

## 10. Inventories (valued at the lower of cost and net realizable value)

	(₹ in crores)	
	31 March 2021	31 March 2020
Raw materials {includes goods in transit ₹ 37.74 crores (31 March 2020: ₹ 15.01 crores)}	442.21	337.72
Work-in-progress	5.98	4.95
Finished goods	364.53	369.97
Stores and spares {includes goods in transit ₹ NIL (31 March 2020: ₹ 0.69 crore)}	113.60	146.17
	<b>926.32</b>	<b>858.81</b>
Less : Provision for impairment of inventory	(1.29)	(1.32)
<b>Total</b>	<b>925.03</b>	<b>857.49</b>

### Notes:

- I. Inventory of finished goods includes inventory aggregating to ₹ NIL (PY: ₹314.51 crores) valued at net realisable value. Write-down of inventories arising out of the above amounting to ₹ NIL (PY: ₹36.68 crores) has been recognised as an expense during the year.
- II. Inventories of Raigarh Plant have been pledged as security against bank borrowings, refer note 19.

## 11. Trade receivables

	(₹ in crores)	
	31 March 2021	31 March 2020
Trade receivables unsecured unless otherwise stated, considered good	188.68	51.77
Trade receivables – credit impaired	2.20	2.23
Less: Allowance for doubtful debts	(2.20)	(2.23)
<b>Total</b>	<b>188.68</b>	<b>51.77</b>

The Credit period on sale of goods ranges from 30 to 90 days.

# Notes

To the Financial Statements for the year ended 31 March 2021

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

Particulars	(₹ in crores)	
	31 March 2021	31 March 2020
90-180 days	1.12	4.79
> 180 days	0.69	1.19
<b>Total</b>	<b>1.81</b>	<b>5.98</b>

## Movement in the expected credit loss allowance

Particulars	(₹ in crores)	
	31 March 2021	31 March 2020
Balance at the beginning of the year	2.23	2.08
Change in loss allowance	0.58	0.15
Amount written off	(0.61)	-
<b>Balance at the closing of the year</b>	<b>2.20</b>	<b>2.23</b>

Notes:

- i) Trade receivables of Raigarh Plant have been given as collateral towards borrowings, refer note 19.
- ii) For credit risk management regarding trade receivables, refer note 43 (4).
- iii) Trade receivables from related parties, have been disclosed in note 40.
- iv) Trade receivables do not include any receivables from directors and officers of the Company.

## 12. Cash and bank balances

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>12 a. Cash and cash equivalents :</b>		
<b>Balances with banks</b>		
in current accounts	11.15	34.10
in deposit accounts with maturity less than 3 months at inception	-	1.04
Cash on hand	0.08	0.06
<b>Total</b>	<b>11.23</b>	<b>35.20</b>
<b>12 b. Bank balances other than above</b>		
Earmarked bank balances*	0.10	0.11
Other bank deposits with maturity more than 3 months but less than 12 months at inception	94.59	73.46
Other bank deposits with maturity more than 3 months but less than 12 months at inception (lien marked)#	21.70	56.66
<b>Total</b>	<b>116.39</b>	<b>130.23</b>

\* Earmarked bank balances pertaining to unclaimed dividend.

# Other bank deposits are provided as collateral against credit facilities.

## 13. Derivative assets

	(₹ in crores)	
	31 March 2021	31 March 2020
Forward contracts (refer note 43)	0.23	7.75
<b>Total</b>	<b>0.23</b>	<b>7.75</b>

## 14. Loans

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Loans</b>		
- to related parties (refer note 40)	70.46	70.45
- to others	159.40	418.13
Less: allowance for doubtful loans	(229.86)	(488.24)
<b>Total</b>	<b>-</b>	<b>0.34</b>
<b>Note :</b>		
Loans receivable unsecured unless otherwise stated, considered good	-	0.34
Loans receivables - credit impaired		
Loans and advances to related parties	70.46	70.45
Loans and advances to others	159.40	417.79

# Notes

To the Financial Statements for the year ended 31 March 2021

## 15. Other financial assets (Current)

	(₹ in crores)	
	31 March 2021	31 March 2020
Interest accrued on deposits and loans	2.06	1.45
Other receivables	12.73	-
<b>Total</b>	<b>14.79</b>	<b>1.45</b>

## 16. Other current assets (unsecured unless otherwise stated, considered good)

	(₹ in crores)	
	31 March 2021	31 March 2020
Advances to suppliers	239.92	103.02
MAT credit entitlement	18.25	18.25
Less: Provision for impairment	(18.25)	(18.25)
Prepaid expenses	12.57	10.68
Indirect tax balances	21.00	19.87
Less: Provision for impairment	(1.01)	(0.88)
Advance to employees	0.35	0.42
Others	10.47	1.92
<b>Total</b>	<b>283.30</b>	<b>135.03</b>

## 17. Share capital

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>a) Equity share capital</b>		
<b>Authorised:</b>		
1,000,000,000 (31 March 2020: 1,000,000,000) Shares of ₹10/- each	1,000.00	1,000.00
<b>Issued subscribed and paid up:</b>		
469,547,534 (31 March 2020: 469,547,534) shares at par value of ₹ 10/- each	469.55	469.55
<b>Total</b>	<b>469.55</b>	<b>469.55</b>
<b>b) Preference Share capital</b>		
<b>Authorised:</b>		
550,000,000 (31 March 2020: 550,000,000) shares at par value of ₹ 10/- each	550.00	550.00
<b>Issued subscribed and paid up:</b>		
0.01% Compulsory Convertible Preference Shares (CCPS) 525,980,000 (31 March 2020: 525,980,000) shares at par value of 10/- each	525.98	525.98
<b>Total</b>	<b>525.98</b>	<b>525.98</b>
<b>Total</b>	<b>995.53</b>	<b>995.53</b>

## A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	(₹ in crores)			
	31 March 2021		31 March 2020	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
<b>Equity shares</b>				
At the beginning of the year	46.95	469.55	46.95	469.55
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>46.95</b>	<b>469.55</b>	<b>46.95</b>	<b>469.55</b>

	(₹ in crores)			
	31 March 2021		31 March 2020	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
<b>Compulsory convertible preference shares (CCPS)</b>				
At the beginning of the year	52.60	525.98	52.60	525.98
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>52.60</b>	<b>525.98</b>	<b>52.60</b>	<b>525.98</b>



# Notes

## To the Financial Statements for the year ended 31 March 2021

### B. Terms of / Rights attached to equity shares

The Company has a single class of equity shares having par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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 of/Rights attached to CCPS

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, if declared, 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 2021		31 March 2020	
	Number of shares held (in crores)	% of holding in class	Number of shares held (in crores)	% of holding in class
Creixent Special Steels Limited (Parent Company)	22.59	48.12%	22.59	48.12%
AION Investments Private II Limited	9.95	21.18%	9.95	21.18%
State Bank of India	1.02	2.16%	2.55	5.43%
JTPM Atsali Limited	2.35	5.01%	2.35	5.01%

### E. Following shareholders hold preference shares more than 5% of the total convertible preference shares of the Company at the end of the year

Name of shareholder	31 March 2021		31 March 2020	
	Number of shares held (in crores)	% of holding in class	Number of shares held (in crores)	% of holding in class
Creixent Special Steel Limited (Parent Company)	34.05	64.73%	34.05	64.73%
JTPM Atsali Limited	18.55	35.27%	18.55	35.27%

### F. Equity shares allotted as fully paid up (during 5 years preceding March 31, 2021) without payment being received in cash

34,90,00,000 equity shares and 52,59,80,000 compulsorily convertible preference shares issued on August 16, 2018, to the shareholders of Milloret Steel Limited in terms of the scheme of amalgamation ('the Scheme') sanctioned by Mumbai bench of National Company Law Tribunal vide its order dated July 24, 2018.

# Notes

To the Financial Statements for the year ended 31 March 2021

## 18. Other equity

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>a) Capital reserve</b>		
Opening balance	77.77	77.77
Changes during the year	-	-
<b>Closing balance</b>	<b>77.77</b>	<b>77.77</b>
<b>b) Securities premium</b>		
Opening balance	1,114.46	1,114.46
Changes during the year	-	-
<b>Closing balance</b>	<b>1,114.46</b>	<b>1,114.46</b>
<b>c) Capital redemption reserve</b>		
Opening balance	472.35	472.35
Changes during the year	-	-
<b>Closing balance</b>	<b>472.35</b>	<b>472.35</b>
<b>d) Capital reconstruction reserve</b>		
Opening balance	19.68	19.68
Changes during the year	-	-
<b>Closing balance</b>	<b>19.68</b>	<b>19.68</b>
<b>e) Amalgamation reserve</b>		
Opening balance	3.31	3.31
Changes during the year	-	-
<b>Closing balance</b>	<b>3.31</b>	<b>3.31</b>
<b>f) General reserve</b>		
Opening balance	250.09	250.09
Changes during the year	-	-
<b>Closing balance</b>	<b>250.09</b>	<b>250.09</b>
<b>g) Equity instruments through OCI</b>		
Opening balance	(102.50)	(102.26)
Changes during the year	0.46	(0.24)
<b>Closing balance</b>	<b>(102.04)</b>	<b>(102.50)</b>
<b>h) Equity contribution resulted on merger</b>		
Opening balance	7,287.03	7,287.03
Changes during the year	-	-
<b>Closing balance</b>	<b>7,287.03</b>	<b>7,287.03</b>
<b>i) Retained earnings</b>		
Opening balance	(8,631.73)	(8,140.16)
Loss for the year	(104.99)	(488.16)
Re-measurement gains/ (losses) on defined benefit plans	2.05	(3.41)
<b>Closing balance</b>	<b>(8,734.67)</b>	<b>(8,631.73)</b>
<b>Total other equity</b>		
<b>Closing balance</b>	<b>387.98</b>	<b>490.46</b>
<b>Opening balance</b>	<b>490.46</b>	<b>982.27</b>

### a) Capital reserve

The reserve created pursuant to the acquisition of business represents the difference of liabilities and assets acquired.

### b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

### c) Capital redemption reserve

Reserve is created for redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

# Notes

## To the Financial Statements for the year ended 31 March 2021

### d) Capital Reconstruction Reserve

Reserve is acquired at the time of amalgamation accounted for using the Pooling of Interest method.

### e) Amalgamation Reserve

Reserve is created on account of gain at the time of amalgamation accounted for using the Pooling of Interest method.

### f) General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company may transfer any amount from the surplus of profit or loss to the General reserves, if it wants to voluntarily. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

### g) Equity instruments through OCI

The Company has elected to recognise changes in the fair value of certain investment in equity instruments in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of the equity instruments.

### h) Equity contribution resulted on merger

The equity contribution resulted on merger is a surplus after extinguishment of optionally convertible preference shares (OCPS) issued to Milloret Steel Limited.

### i) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

## 19. Borrowings

(measured at amortized cost)

	(₹ in crores)			
	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>A. Long term borrowings</b>				
<b>a. Term loans</b>				
<b>i. Secured</b>				
From banks	2,210.85	2,147.09	-	-
Less: Unamortised upfront fees on borrowing	(18.30)	(20.56)	-	-
	<b>2,192.55</b>	<b>2,126.53</b>	-	-
Less: Current maturities of long term debt ( refer note 26)	(44.22)	-	-	-
<b>Net</b>	<b>2,148.33</b>	<b>2,126.53</b>	-	-
<b>ii. Unsecured</b>				
From a related party	125.00	125.00	-	-
<b>Total (A)</b>	<b>2,273.33</b>	<b>2,251.53</b>	-	-
<b>B. Short term borrowings</b>				
<b>a. Short term loan</b>				
<b>i. Unsecured</b>				
From a related party	-	-	89.50	89.50
<b>b. Working capital facility</b>				
<b>i. Secured</b>				
From a bank	-	-	135.23	278.13
<b>Total (B)</b>	-	-	<b>224.73</b>	<b>367.63</b>
<b>Total (A+B)</b>	<b>2,273.33</b>	<b>2,251.53</b>	<b>224.73</b>	<b>367.63</b>

# Notes

To the Financial Statements for the year ended 31 March 2021

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	As at 31 March 2021	As at 31 March 2020			
Term loan from banks (Secured)	2,192.55	2,126.53	Interest rate ranges from 8.70% - 9.20%	Secured by first charge on immovable and movable fixed assets (present & future) of the Raigarh plant and second charge on current assets of the Raigarh plant.	Repayable in 36 structured quarterly instalments, starting from the end of 39 <sup>th</sup> month from the date of first disbursement, i.e. 31 August 2018.
Long term loan from a related party (Unsecured)	125.00	125.00	SBI 1 year MCLR + 200 bps or 10% whichever is higher	N.A.	Repayable in 9 equal annual instalments of ₹ 13.89 Crore, starting from 31 August 2024 and ending at 31 August 2032.
Short term loan from a related party (Unsecured)	89.50	89.50			At the end of 12 months from the date of disbursement.
Working capital facility	135.23	278.13	1 Year MCLR	Secured by first charge on entire current assets (both present and future) and second charge on all immovable and movable fixed assets of the Raigarh plant.	On demand

(₹ in crores)

# Notes

To the Financial Statements for the year ended 31 March 2021

## 20. Lease liabilities

	(₹ in crores)			
	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Lease liabilities (refer note 39)	27.16	29.83	0.46	-
<b>Total</b>	<b>27.16</b>	<b>29.83</b>	<b>0.46</b>	<b>-</b>

## 21. Other financial liabilities

	(₹ in crores)	
	Non-current	
	31 March 2021	31 March 2020
Interest accrued but not due on borrowings	34.18	19.01
<b>Total</b>	<b>34.18</b>	<b>19.01</b>

## 22. Provisions

	(₹ in crores)			
	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 38)	-	-	-	0.06
Provision for compensated absences (refer note 38)	5.60	4.64	0.88	0.78
<b>Total</b>	<b>5.60</b>	<b>4.64</b>	<b>0.88</b>	<b>0.84</b>

## 23. Income tax

### A. Income tax expense

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Current tax</b>		
Current tax	-	-
<b>Deferred tax</b>		
Deferred tax	-	-
MAT credit entitlement	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020

	(₹ in crores)	
	31 March 2021	31 March 2020
Loss before tax	(104.99)	(488.16)
Enacted tax rate in India	34.944	34.944
<b>Loss before income tax</b>	<b>(104.99)</b>	<b>(488.16)</b>
Expected income tax expense/(benefits) at statutory tax rate 34.94% (31 March 2020: 34.94%)	(36.69)	(170.58)
Expenses not deductible in determining taxable profits	0.61	0.02
Deferred tax asset not recognised	36.08	170.56
<b>At the effective income tax rate of 0.0% (31 March 2020: 0.0%)</b>	<b>-</b>	<b>-</b>
Income tax expense reported in the statement of profit and loss	-	-
	-	-

The company had recognised MAT credit amounting to ₹18.25 crores, however due to uncertainty regarding utilisation within the stipulated period of 15 years, the same had been fully provided in earlier years (refer note 16).

# Notes

## To the Financial Statements for the year ended 31 March 2021

### B. Deferred tax liabilities (net)

Deferred tax balance in relation to	As at 31-Mar-20	For the year ended 31 March 2021			(₹ in crores)
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	As at 31-Mar-21
		Property, plant and equipment	(346.45)	(46.47)	-
Derivatives	(2.64)	3.34	-	-	0.70
Provisions for Impairment of Inventory/Trade receivables and loans	6.94	(4.03)	-	-	2.91
Provision for employee benefits expense and Trade payable	13.06	(0.96)	-	-	12.10
Lease obligations	0.09	0.03	-	-	0.12
Unamortised upfront fees on borrowings	0.95	(0.22)	-	-	0.73
Carried forward business loss/ unabsorbed depreciation (recognised to the extent of deferred tax liabilities (net))	328.05	48.31	-	-	376.36
<b>Total</b>	-	-	-	-	-

Deferred tax balance in relation to	As at 01-Apr-19	For the year ended 31 March 2020			(₹ in crores)
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	As at 31-Mar-20
		Property, plant and equipment	(300.15)	(46.30)	-
Derivatives	-	(2.64)	-	-	(2.64)
Provisions for Impairment of Inventory/Trade receivables and loans	34.71	(27.77)	-	-	6.94
Provision for employee benefits expense and Trade payable	6.29	6.77	-	-	13.06
Borrowings	(7.00)	7.00	-	-	-
Lease obligations	-	0.09	-	-	0.09
Unamortised upfront fees on borrowings	-	0.95	-	-	0.95
Carried forward business loss/ unabsorbed depreciation (recognised to the extent of deferred tax liabilities (net))	266.15	61.90	-	-	328.05
<b>Total</b>	-	-	-	-	-

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

Expiry of losses (as per local tax laws)	(₹ in crores)						
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	5 Years and beyond	Indefinite	Total
Business Losses	170.45	95.15	1,108.21	227.93	670.78	-	2,272.52
Unabsorbed depreciation	-	-	-	-	-	4,702.73	4,702.73
Long term capital losses	3.30	-	19.10	-	303.03	-	325.43
<b>Total</b>	<b>173.75</b>	<b>95.15</b>	<b>1,127.31</b>	<b>227.93</b>	<b>973.81</b>	<b>4,702.73</b>	<b>7,300.68</b>

Based on legal advice from an independent expert, the management is of the view that vide NCLT order dated July 24, 2018 in response to the resolution plan submitted by the consortium of JSW Steel Limited and AION Investment Private II Limited for acquisition of the Company under the Insolvency Bankruptcy Code, 2016 ("NCLT Order"), the Company will be entitled to carry forward the aforementioned accumulated losses pertaining to the period prior to acquisition and off-set the same against the future taxable income of the Company.

# Notes

To the Financial Statements for the year ended 31 March 2021

## 24. Trade payables

	(₹ in crores)	
	31 March 2021	31 March 2020
Acceptances	523.64	258.20
Other than acceptances		
- total outstanding dues of micro and small enterprises; (refer note 42)	0.04	1.35
- total outstanding dues of creditors other than micro and small enterprises	256.89	229.37
<b>Total</b>	<b>780.57</b>	<b>488.92</b>

- i. Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.
- ii. Trade payables are non-interest bearing and are normally settled within 90 days except for SME's which are settled within 45 days.
- iii. Trade payables from related parties details has been disclosed in note 40.
- iv. For the Company's credit risk management processes, refer note 43.

## 25. Derivative Liabilities

	(₹ in crores)	
	31 March 2021	31 March 2020
Forward contracts (refer note 43)	2.23	0.20
<b>Total</b>	<b>2.23</b>	<b>0.20</b>

## 26. Other financial liabilities (Current) (at amortised cost)

	(₹ in crores)	
	31 March 2021	31 March 2020
Current maturities of long term debt	44.22	-
Payables for capital projects		
Acceptances	30.75	27.11
Other than acceptances	15.98	19.05
Security deposits and retention money	13.28	11.06
Interest accrued but not due on borrowings	12.81	5.19
Unclaimed dividends	0.11	0.11
Others	27.60	17.98
<b>Total</b>	<b>144.75</b>	<b>80.50</b>

## 27. Other current liabilities

	(₹ in crores)	
	31 March 2021	31 March 2020
Advances from customers	68.27	16.97
Statutory dues	36.26	11.91
Export obligation deferred income	5.43	3.83
<b>Total</b>	<b>109.96</b>	<b>32.71</b>

## 28. Revenue from operations

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Sale of products	4,139.71	2,607.51
Sale of services	10.43	0.25
<b>A</b>	<b>4,150.14</b>	<b>2,607.76</b>
Other operating income		
Sale of scrap	26.51	23.49
Export incentives	11.09	6.91
<b>B</b>	<b>37.60</b>	<b>30.40</b>
<b>A+B</b>	<b>4,187.74</b>	<b>2,638.16</b>

# Notes

To the Financial Statements for the year ended 31 March 2021

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

Particulars	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Revenue from contracts with customers - Sale of products	4,139.71	2,607.51
Revenue from contracts with customers - Sale of services	10.43	0.25
Other operating revenue	37.60	30.40
<b>Total revenue from contracts with customers</b>	<b>4,187.74</b>	<b>2,638.16</b>
India	3,895.20	2,391.69
Outside India	292.54	246.47
<b>Total revenue from contracts with customers</b>	<b>4,187.74</b>	<b>2,638.16</b>
<b>Timing of revenue recognition</b>		
At a point in time	4,187.74	2,638.16
Over a period of time	-	-
<b>Total revenue from contracts with customers</b>	<b>4,187.74</b>	<b>2,638.16</b>

Product Wise	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Sponge Iron	1,265.12	1,176.82
Pellets	849.87	503.37
Structure/ TMT	872.21	451.59
Billets	432.09	228.58
Ferro Alloys	137.34	144.89
Pig Iron	490.05	93.87
Others	141.06	39.04
<b>Total</b>	<b>4,187.74</b>	<b>2,638.16</b>

## Contract balances

Particulars	(₹ in crores)	
	As at 31 March 2021	As at 31 March 2020
Trade receivables	188.68	51.77
Contract liabilities (advances from customers)	68.27	16.97

The Company does not have any significant adjustments between the contracted price and revenue recognised in the Statement of profit & loss.

The performance obligation is satisfied based on the terms of sale, normally, upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year is ₹ 16.97 crores (previous year ₹ 20.13 crores).

## 29. Other income

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Interest income earned on financial assets that are not designated as FVTPL		
Bank deposits	7.67	9.35
Others interest income	1.29	2.20
Rental income	1.50	1.51
Fair value gain arising from financial instruments designated as FVTPL	0.23	7.55
Liabilities written back	0.93	4.68
Other miscellaneous income	1.37	0.68
<b>Total</b>	<b>12.99</b>	<b>25.97</b>



# Notes

To the Financial Statements for the year ended 31 March 2021

## 30. Changes in inventories of finished goods, stock in trade and work-in-progress

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
<b>Opening stock :</b>		
Finished goods	369.97	334.71
Work-in-process	4.95	5.73
<b>A</b>	<b>374.92</b>	<b>340.44</b>
<b>Closing stock :</b>		
Finished goods	364.53	369.97
Work-in-process	5.98	4.95
<b>B</b>	<b>370.51</b>	<b>374.92</b>
<b>Total</b>	<b>(A-B) 4.41</b>	<b>(34.48)</b>

## 31. Employee benefits expense

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Salaries and wages	106.98	106.70
Contribution to provident fund and other funds (refer note 38)	6.55	7.72
Staff welfare expenses	2.05	2.04
<b>Total</b>	<b>115.58</b>	<b>116.46</b>

## 32. Finance Costs

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Interest expense on borrowings	253.84	244.45
Other ancillary borrowing costs	18.55	5.64
Unwinding of interest on financials liabilities (carried at amortised cost)	3.00	2.73
Interest expenses on lease liabilities	0.23	0.45
Other charges	0.16	0.05
<b>Total</b>	<b>275.78</b>	<b>253.32</b>

## 33. Depreciation and amortisation expense

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 4)	227.23	216.15
Depreciation on right of use assets	0.24	0.84
<b>Total</b>	<b>227.47</b>	<b>216.99</b>

# Notes

To the Financial Statements for the year ended 31 March 2021

## 34. Other expenses

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Stores and spares consumed	172.27	124.09
Distribution expenses	104.79	79.50
Wages & labour charges	50.93	44.39
Repairs & maintenance		
- Machinery	17.58	18.46
- Building	2.62	2.38
- Others	11.39	2.02
Legal & professional charges	11.93	12.18
Water charges	8.56	9.01
Insurance charges	9.75	8.68
Security service charges	6.61	8.06
Vehicle expenses	3.46	4.91
Travelling & conveyance	0.55	2.41
Auditors' remuneration		
- As audit fees	0.47	0.35
- For limited review	0.24	0.24
- For tax matters	0.05	0.05
- For certification & other matters	0.02	0.01
- Reimbursement of expenses	0.01	-
Lease rent & hire charges	1.00	0.18
Fair value loss arising from financial instruments designated as FVTPL	9.89	-
Exchange fluctuation (net)	4.30	4.24
Allowance for doubtful debts	0.58	-
Allowance for doubtful advances	0.14	1.80
Loss on sale of property, plant and equipment	3.14	-
Balances written off	9.01	-
Miscellaneous expenses	20.55	11.92
Write off of financial assets, current and non-current assets, trade receivables and loans and advances	260.58	-
Less :- Provision for impairment recognized in earlier years	(260.58)	-
	<b>449.84</b>	<b>334.88</b>

## 35. Earnings Per Share (EPS)

Particulars	31 March 2021	31 March 2020
Loss for the year as per Statement of profit and loss attributable to equity shareholders (₹ in crores) [A]	(104.99)	(488.16)
<b>Weighted average number of equity shares for calculating basic and diluted EPS (no. in crores) [B] (refer note below)</b>	<b>46.95</b>	<b>46.95</b>
<b>Earnings per equity share in ₹</b>		
<b>Basic [A/B]</b>	(2.24)	(10.40)
<b>Diluted [A/B]</b>	(2.24)	(10.40)
<b>Face Value of each equity share in ₹</b>	10	10

### Note:

Equity shares to be issued upon conversion of compulsorily convertible preference share have not been considered for the purpose of calculation of diluted earning per share purpose as they are anti-dilutive during the current as well as previous year.

# Notes

To the Financial Statements for the year ended 31 March 2021

## 36. Commitments and contingencies

### (a) Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of ₹ 47.59 crores (March 31, 2020 - ₹ 26.55 crores)
- (ii) Rupee equivalent of export obligation to be completed by 9<sup>th</sup> February, 2026 under EPCG scheme ₹ NIL (31 March 2020 - ₹ 19.99 crores)

### (b) Contingent liabilities

	(₹ in crores)	
	31 March 2021	31 March 2020
Bank guarantees	104.41	107.13
Claims against the Company not acknowledged as debt	52.00	52.00

Pursuant to the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal on 24 July 2018 (Order date) approved (with modifications), the Resolution Plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited read with the independent legal opinion obtained by the Company and recent judgment of Supreme Court of India, 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) and not part the Resolution plan, shall stand extinguished.

## 37. Assets held for sale

	(₹ in crores)	
Particulars	31 March 2021	31 March 2020
Assets of Monnet Ecomaister Enviro Private Limited (refer note I below)	0.001	0.001
Advance for properties	-	5.96
Aircraft (refer note II below)	11.00	-
<b>Total</b>	<b>11.00</b>	<b>5.96</b>

- I. The Company had entered into an MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having gross value of ₹ 14.21 crores (provision of ₹ 14.21 crores, hence net book value is zero) for a total consideration of ₹ 10,000 (Rupees Ten Thousand). Accordingly, the Company has measured the said investment at lower of its carrying amount and fair value less costs to sell and classified it as held-for-sale.
- II. In the Board Meeting held on 19 January 2021, the Board had approved to sell the aircraft. Accordingly, the Company has entered into letter of intent with Nav Durga Aviation Private Limited and has measured the aircraft at lower of its carrying amount or fair value less costs to sell and has classified it as held-for-sale.

## 38. Employee benefit plans

### a) Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund & family pension scheme recognised in the statement of profit and loss aggregates to ₹ 6.55 crores (31 March 2020: ₹ 7.72 crores) (included in note 31).

Contribution towards Company owned trust is detailed in Defined benefit plans.

### b) Defined benefit plans

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 60. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

# Notes

## To the Financial Statements for the year ended 31 March 2021

The fund is managed by Monnet Ispat & Energy Employees Group Gratuity Trust and it is governed by the Board of trustees. The Board of trustees are responsible for the administration of the plan assets and for defining the investment strategy.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, Asset liability matching risk, mortality risk, concentration risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. It has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### (I) Gratuity :

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

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Defined Benefit Obligation ('DBO') at the beginning of the year</b>	17.27	13.13
Current service cost	1.70	1.11
Interest cost	1.19	1.02
Benefits paid	(1.84)	(1.23)
Actuarial (gain)/ loss on obligations - OCI	(1.61)	3.24
<b>Defined Benefit Obligation at the end of the year</b>	<b>16.71</b>	<b>17.27</b>

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

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Fair value of plan assets at the beginning of the year</b>	17.21	13.17
Contribution by employer	0.50	3.81
Benefits paid	(1.84)	(0.62)
Expected Interest Income on plan assets	1.19	1.02
Actuarial gain/(loss) on plan asset	0.44	(0.17)
<b>Fair value of plan assets at the end of the year</b>	<b>17.50</b>	<b>17.21</b>

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

	(₹ in crores)	
	31 March 2021	31 March 2020
Fair value of plan assets	17.50	17.21
Defined benefit obligation	16.71	17.27
<b>Amount recognised in the balance sheet (refer note 9 and 22)</b>	<b>(0.79)</b>	<b>0.06</b>

Amount recognised in Statement of Profit and Loss:

	(₹ in crores)	
	31 March 2021	31 March 2020
Current service cost	1.70	1.11
Interest expense	1.19	1.02
Expected return on plan asset	(1.19)	(1.02)
<b>Amount recognised in Statement of Profit and Loss (refer note 31)</b>	<b>1.70</b>	<b>1.11</b>

# Notes

To the Financial Statements for the year ended 31 March 2021

## Amount recognised in other comprehensive income:

	(₹ in crores)	
	31 March 2021	31 March 2020
Actuarial changes arising from changes in demographic assumptions	0.07	-
Actuarial changes arising from changes in financial assumptions	(0.04)	(1.41)
Experience adjustments	1.58	(1.83)
Return on plan assets (excluding amounts included in net interest expense)	0.44	(0.17)
<b>Amount recognised in other comprehensive income / (loss)</b>	<b>2.05</b>	<b>(3.41)</b>

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

Gratuity	31 March 2021	31 March 2020
<b>Investment details</b>	<b>Funded</b>	<b>Funded</b>
Investment with insurance fund	100%	100%

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

	31 March 2021	31 March 2020
Discount rate	6.86%	6.89%
Expected rate of return on Plan assets	6.86%	6.89%
Future salary increases	7.00%	7.00%
Attrition rate	4.00%	2.00%
Retirement age	60 years	60 years
Mortality rate during employment	Indian assured lives mortality (2006-08) ult	Indian assured lives mortality (2006-08) ult

## Sensitivity analysis:-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

## The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:-

Gratuity Plan	(₹ in crores)			
	Sensitivity level		Impact on DBO	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Assumptions				
Discount rate	+ 1%	+ 1%	(1.16)	(1.59)
	- 1%	- 1%	1.32	1.85
Future salary increases	+ 1%	+ 1%	1.31	1.83
	- 1%	- 1%	(1.17)	(1.60)
Withdrawal rate	+ 1%	+ 1%	(0.04)	(0.04)
	- 1%	- 1%	0.04	0.04

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be correlated.

## The following are the maturity analysis of projected benefit obligations:

	(₹ in crores)	
	31 March 2021	31 March 2020
Within the next 12 months (next annual reporting year)	2.16	1.10
Between 2 and 5 years	4.56	3.29
Beyond 5 years	24.35	35.07
<b>Total expected payments</b>	<b>31.07</b>	<b>39.46</b>

# Notes

## To the Financial Statements for the year ended 31 March 2021

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

The Company is expected to contribute ₹0.50 crore to its gratuity plan for the next year. The weighted average duration of the plan is 12 years.

### (II) Compensated absences

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation, Employee are entitled to encash leave while serving in the Company at the rate of daily salary, as per current accumulation of leave days.

Compensated absences	(₹ in crores)	
	31 March 2021	31 March 2020
Present value of unfunded obligation (refer note 22)	6.48	5.42
Expenses recognised in Statement of profit and loss	1.06	1.46
Discount rate (p.a.)	6.86%	6.89%
Salary escalation rate (p.a.)	7.00%	7.00%

## 39. Lease

### Operating lease commitments - Company as lessee

Lease payments of ₹ 1 crore (31 March 2020 ₹ 0.18 crore) have been recognized as an expense in the statement of profit and loss.

### Lease - Company as a lessee

	(₹ in crores)	
	31 March 2021	31 March 2020
a. Right of use asset recognised in the Balance Sheet	43.84	29.58
b. Lease liability recognised in the Balance Sheet	27.62	29.83
c. Depreciation charged to Statement of Profit and loss		
- Land	0.34	0.34
- Building	-	0.50
d. Interest charged to Statement of Profit and loss	0.23	0.45
e. Lease payments recognised as expense for short term leases	1.00	0.18
f. Total cash flow for leases	0.48	1.04
g. Carrying value of the right of use assets		
- Land	43.84	27.75
- Building	-	1.83
h. Amounts of lease commitments for leases covered other than in point (e) above		
- Not later than one year	0.46	0.98
- Later than one year and not later than five years	1.71	3.02
- Later than five years	25.45	25.83
i. Amounts of lease commitments for leases covered in point (e) above		
- Not later than one year	0.13	0.13
- Later than one year and not later than five years	-	-
- Later than five years	-	-

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the Balance sheet was ranging between 9.5% to 10%.

# Notes

To the Financial Statements for the year ended 31 March 2021

## 40. Related party disclosures

### A. List of related parties

(a) Parent company		Creixent Special Steel Limited
(b) Joint venturer of parent company	1	JSW Steel Limited
	2	AION Investments Private II Limited
(c) Subsidiaries	1	Monnet Global Limited
	2	Monnet Cement Limited
	3	Pt. Sarwa Sembada Karya Bumi (step - subsidiary)
	4	LLC Black Sea Natural Resources, Abkhazia (step - subsidiary)
(d) Joint ventures	1	MP Monnet Mining Company Limited
	2	Mandakini Coal Company Limited
	3	Urtan North Mining Company Limited
	4	Monnet Ecomaister Enviro Private Limited
(e) Subsidiary of joint venture of company		Solace Land holding Limited
(f) Key management personnel	1	Mr. D Ravichandar
	2	Ms. Anuradha Ambar Bajpai
	3	Ms. Sutapa Banerjee
	4	Mr. Jyotin Kantilal Mehta
	5	Mr. Kalpesh Kikani (upto 7 <sup>th</sup> January 2021)
	6	Mr. Kaushik Subramaniam (w.e.f. 19 <sup>th</sup> January 2021)
	7	Mr. Nikhil Gahrotra
	8	Mr. Sanjay Kumar
	9	Mr. Seshagiri Rao
	10	Mr. J. Nagarajan (Chief Financial Officer)
	11	Mr. Ajay Kadhao (Company Secretary)
<b>Related parties with whom the Company has entered into transactions during the year</b>		
(g) Subsidiary of joint venturer of parent company	1	JSW Steel Coated Products Limited
	2	GSI Lucchini S.P.A
	3	Amba River Coke Limited
(h) Joint venture of joint venturer of parent company		Bhushan Power and Steel Limited (w.e.f. 26 <sup>th</sup> March 2021)
(i) Promoter company	1	JSW Techno Projects Management Limited
	2	JTPM Atsali Limited
(j) Post-employment benefit entity		Monnet Ispat & Energy Employees Group Gratuity Trust

### B. Details relating to remuneration of key managerial personnel

#### i) Remuneration of key managerial personnel

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Short term employee benefits	3.44	3.03

#### Note:

As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

#### ii) Directors sitting fees

	(₹ in crores)	
Name of key managerial personnel	for the year ended 31 March 2021	for the year ended 31 March 2020
Ms. Anuradha Ambar Bajpai	0.04	0.03
Ms. Sutapa Banerjee	0.03	0.03
Mr. Jyotin Kantilal Mehta	0.04	0.04

# Notes

To the Financial Statements for the year ended 31 March 2021

## C. The following transactions were carried out with related parties in the ordinary course of business:-

Particulars		Parent	Subsidiaries	Joint ventures	Joint Parent company	Subsidiary of joint venturer of parent company	Joint venture of joint venturer of parent company	Promoter company
<b>Sales of goods</b>								(₹ in crores)
JSW Steel Limited	31 March 2021	-	-	-	140.49	-	-	-
	31 March 2020	-	-	-	33.59	-	-	-
JSW Techno Projects Management Limited	31 March 2021	-	-	-	-	-	-	94.45
	31 March 2020	-	-	-	-	-	-	-
Creixent Special Steels Limited	31 March 2021	17.21	-	-	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-
Bhushan Power and Steel Limited	31 March 2021	-	-	-	-	-	11.36	-
	31 March 2020	-	-	-	-	-	-	-
JTPM Atsali Limited	31 March 2021	-	-	-	-	-	-	5.04
	31 March 2020	-	-	-	-	-	-	-
<b>Loan taken</b>								
JSW Steel Limited	31 March 2021	-	-	-	-	-	-	-
	31 March 2020	-	-	-	89.50	-	-	-
<b>Loan given</b>								
MP Monnet Mining Company Limited	31 March 2021	-	-	0.01	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-
<b>Interest accrued on Loan</b>								
JSW Steel Limited	31 March 2021	-	-	-	25.07	-	-	-
	31 March 2020	-	-	-	16.43	-	-	-
<b>Purchase of raw material / stores / fixed assets</b>								
JSW Steel Limited	31 March 2021	-	-	-	514.13	-	-	-
	31 March 2020	-	-	-	145.58	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	-	3.41	-	-
	31 March 2020	-	-	-	-	2.70	-	-
GSI Lucchini S.P.A	31 March 2021	-	-	-	-	1.13	-	-
	31 March 2020	-	-	-	-	4.37	-	-
<b>Reimbursement of expenses payable</b>								
JSW Steel Limited	31 March 2021	-	-	-	14.45	-	-	-
	31 March 2020	-	-	-	0.06	-	-	-
<b>Reimbursement of expenses receivable</b>								
JSW Steel Limited	31 March 2021	-	-	-	7.75	-	-	-
	31 March 2020	-	-	-	2.53	-	-	-
Creixent Special Steels Limited	31 March 2021	0.19	-	-	-	-	-	-
	31 March 2020	0.11	-	-	-	-	-	-
Monnet Cement Limited	31 March 2021	-	0.15	-	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	-	0.30	-	-
	31 March 2020	-	-	-	-	-	-	-
Amba River Coke Limited	31 March 2021	-	-	-	-	0.04	-	-
	31 March 2020	-	-	-	-	-	-	-

### Note:

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Monnet Ispat & Energy Employees Group Gratuity Trust). During the year, the Company contributed ₹ 0.50 crores (March 2020 : ₹3.81 crores).



# Notes

To the Financial Statements for the year ended 31 March 2021

Particulars	Parent	Subsidiaries	Joint ventures	Joint venturer of Parent company	Subsidiary of joint venturer of parent company	Joint venture of joint venturer of parent company	Promoter company	Promoter company	
								Parent	Joint venture of joint venturer of parent company
<b>D. Net outstanding balances:-</b>									
<b>Trade receivables</b>									
JSW Steel Limited	-	-	-	18.43	-	-	-	-	-
	-	-	-	5.91	-	-	-	-	-
JSW Steel Coated Products Limited	-	-	-	-	-	-	-	-	-
	-	-	-	-	0.03	-	-	-	-
JSW Techno Projects Management Limited	-	-	-	-	-	-	-	-	55.49
	-	-	-	-	-	-	-	-	-
Creixent Special Steels Limited	0.58	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Advances to suppliers</b>									
JSW Steel Limited	-	-	-	50.95	-	-	-	-	-
	-	-	-	1.89	-	-	-	-	-
JSW Steel Coated Products Limited	-	-	-	-	0.05	-	-	-	-
	-	-	-	-	-	-	-	-	-
Bhushan Power and Steel Limited	-	-	-	-	-	0.81	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Advance received</b>									
Bhushan Power and Steel Limited	-	-	-	-	-	0.42	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Interest payable</b>									
JSW Steel Limited	-	-	-	44.67	-	-	-	-	-
	-	-	-	21.48	-	-	-	-	-
<b>Reimbursement of expenses receivable</b>									
JSW Steel Limited	-	-	-	7.75	-	-	-	-	-
	-	-	-	2.53	-	-	-	-	-
Creixent Special Steels Limited	0.21	-	-	-	-	-	-	-	-
	0.03	-	-	-	-	-	-	-	-
JSW Steel Coated Products Limited	-	-	-	-	0.30	-	-	-	-
	-	-	-	-	-	-	-	-	-
Monnet Cement Limited	-	0.14	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Amba River Coke Limited	-	-	-	-	0.04	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Reimbursement of expenses payable</b>									
JSW Steel Limited	-	-	-	14.45	-	-	-	-	-
	-	-	-	13.99	-	-	-	-	-
Amba River Coke Limited	-	-	-	-	0.20	-	-	-	-
	-	-	-	-	0.20	-	-	-	-



# Notes

To the Financial Statements for the year ended 31 March 2021

Particulars		Parent	Subsidiaries	Joint ventures	Joint venturer of Parent company	Subsidiary of joint venturer of parent company	Joint venture of joint venturer of parent company	Promoter company
<b>Trade payables</b>								
JSW Steel Limited	31 March 2021	-	-	-	53.96	-	-	-
	31 March 2020	-	-	-	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	-	0.65	-	-
	31 March 2020	-	-	-	-	-	-	-
<b>Loan received</b>								
JSW Steel Limited	31 March 2021	-	-	-	214.50	-	-	-
	31 March 2020	-	-	-	214.50	-	-	-
<b>Loan given</b>								
Mandakini Coal Company Limited *	31 March 2021	-	-	6.41	-	-	-	-
	31 March 2020	-	-	6.41	-	-	-	-
Monnet Global Limited *	31 March 2021	-	55.95	-	-	-	-	-
	31 March 2020	-	55.95	-	-	-	-	-
MP Monnet Mining Company Limited *	31 March 2021	-	-	0.22	-	-	-	-
	31 March 2020	-	-	0.22	-	-	-	-
Monnet Ecomaister Enviro Private Limited *	31 March 2021	-	-	7.88	-	-	-	-
	31 March 2020	-	-	7.88	-	-	-	-

## Notes:

\* Balances receivable from these related parties have been provided in books of account.

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Monnet Ispat & Energy Employees Group Gratuity Trust). As on 31 March 2021, the fair value of plan assets was as ₹17.50 crores. (As at 31 March 2020: ₹ 17.21 crores).

# Notes

To the Financial Statements for the year ended 31 March 2021

## 41. Segment information

The Company is in the business of manufacturing steel products and allied products having similar characteristics and reviewed by the chief operating decision maker for assessment of Company's performance and resource allocation. Accordingly, the Company has only one reportable operating segment as per Ind AS 108 - Operating segments.

### Revenue from operations:

Particulars	(₹ in crores)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
within India	3,895.20	2,391.69
outside India	292.54	246.47
<b>Total</b>	<b>4187.74</b>	<b>2638.16</b>

### Non current assets of the Company as at 31 March 2021 are located as follows:

Particulars	(₹ in crores)		
	within India	outside India	Total
Property, plant and equipment	3,124.57	-	3,124.57
Capital work-in-progress	175.14	-	175.14
Right of use assets	43.84	-	43.84
Other non-current assets	21.96	0.26	22.22
<b>Total</b>	<b>3,365.51</b>	<b>0.26</b>	<b>3,365.77</b>

### Non current assets of the Company as at 31 March 2020 are located as follows:

Particulars	(₹ in crores)		
	within India	outside India	Total
Property, plant and equipment	3,219.68	-	3,219.68
Capital work-in-progress	237.63	-	237.63
Right of use assets	29.58	-	29.58
Other non-current assets	20.56	0.79	21.35
<b>Total</b>	<b>3,507.45</b>	<b>0.79</b>	<b>3,508.24</b>

## 42. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

Particulars	(₹ in crores)	
	31 March 2021	31 March 2020
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	0.04	1.35
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	-	-

# Notes

To the Financial Statements for the year ended 31 March 2021

## 43. Financial Instruments

### 43.1 Capital risk management

The Company, being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company monitors its capital using gearing ratio which is net debt to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Company manages its capital structure and makes adjustments to it, based on underlying macro economic factors affecting business environment, financial market conditions and interest rates environment.

Particulars	(₹ in crores)	
	31 March 2021	31 March 2020
Long term borrowings (including current maturities)	2,317.55	2,251.53
Short term borrowings	224.73	367.63
<b>Total borrowings</b>	<b>2,542.28</b>	<b>2,619.16</b>
Less: Cash and cash equivalents	11.23	35.20
Less: Bank balances other than cash and cash equivalents	116.29	130.12
Less: Bank deposits (having maturity of more than 12 months)	59.19	4.69
<b>Net debt</b>	<b>2,355.57</b>	<b>2,449.15</b>
<b>Total equity</b>	<b>1,383.51</b>	<b>1,485.99</b>
<b>Gearing ratio(%)</b>	<b>170.26%</b>	<b>164.82%</b>

- (i) Equity includes all capital and reserves of the Company that are managed as capital.
- (ii) Debt is defined as long term borrowings (including current maturities) and short term borrowings as described in note 19.

### 43.2 Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2021

Particulars	(₹ in crores)				
	Amortised Cost	FVTOCI	FVTPL	Total carrying value	Total fair value
<b>Financial assets</b>					
Current investment	-	-	0.25	0.25	0.25
Non current investment	-	0.92	-	0.92	0.92
Trade receivables	188.68	-	-	188.68	188.68
Cash and cash equivalents	11.23	-	-	11.23	11.23
Bank balances other than cash and cash equivalents	116.39	-	-	116.39	116.39
Derivative assets	-	-	0.23	0.23	0.23
Other financial assets	80.26	-	-	80.26	80.26
<b>Total</b>	<b>396.56</b>	<b>0.92</b>	<b>0.48</b>	<b>397.96</b>	<b>397.96</b>
<b>Financial liabilities</b>					
Long term borrowings	2,273.33	-	-	2,273.33	2,273.33
Short term borrowings	224.73	-	-	224.73	224.73
Lease liabilities	27.62	-	-	27.62	27.62
Trade payables	780.57	-	-	780.57	780.57
Derivative liabilities	-	-	2.23	2.23	2.23
Other financial liabilities	178.93	-	-	178.93	178.93
<b>Total</b>	<b>3,485.18</b>	<b>-</b>	<b>2.23</b>	<b>3,487.41</b>	<b>3,487.41</b>

# Notes

To the Financial Statements for the year ended 31 March 2021

As at 31 March 2020

(₹ in crores)					
Particulars	Amortised Cost	FVTOCI	FVTPL	Total carrying value	Total fair value
<b>Financial assets</b>					
Current investment	-	-	0.16	0.16	0.16
Non current investment	-	0.59	-	0.59	0.59
Trade receivable	51.77	-	-	51.77	51.77
Cash and cash equivalents	35.20	-	-	35.20	35.20
Bank balances other than cash and cash equivalents	130.23	-	-	130.23	130.23
Derivative Instrument	-	-	7.75	7.75	7.75
Loans	0.34	-	-	0.34	0.34
Other financial assets	25.79	-	-	25.79	25.79
<b>Total</b>	<b>243.33</b>	<b>0.59</b>	<b>7.91</b>	<b>251.83</b>	<b>251.83</b>
<b>Financial liabilities</b>					
Long term borrowings	2,251.53	-	-	2,251.53	2,251.53
Short term borrowings	367.63	-	-	367.63	367.63
Lease liabilities	29.83	-	-	29.83	29.83
Trade payables	488.92	-	-	488.92	488.92
Derivative liabilities	-	-	0.20	0.20	0.20
Other financial liabilities	99.51	-	-	99.51	99.51
<b>Total</b>	<b>3,237.42</b>	<b>-</b>	<b>0.20</b>	<b>3,237.62</b>	<b>3,237.62</b>

### 43.3 Financial risk management objectives and policies

The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures, wherever required. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The sensitivity analysis of the above mentioned risk in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

#### 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:

(₹ in crores)		
Particulars	31 March 2021	31 March 2020
Fixed rate borrowings	-	-
Floating rate borrowings	2,542.28	2,619.16
<b>Total borrowings</b>	<b>2,542.28</b>	<b>2,619.16</b>
Total net borrowings	2,542.28	2,619.16
Add: Upfront fees	18.30	20.56
<b>Total borrowings</b>	<b>2,560.58</b>	<b>2,639.72</b>

# Notes

## To the Financial Statements for the year ended 31 March 2021

The following table demonstrates the sensitivity to change in interest rates, all other variables held constant :

	Increase/ decrease in basis points	(₹ in crores) Effect on profit before tax
<b>31 March 2021</b>		
INR	+50	(12.71)
INR	-50	12.71
<b>31 March 2020</b>		
INR	+50	(13.10)
INR	-50	13.10

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

### B. Foreign currency risk management

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates.

The Company's functional currency is Indian Rupee (INR). The Company also undertakes transactions denominated in foreign currencies. Consequently, exposure to exchange rate fluctuations arises. Volatility in exchange rates affects the Company's revenue from export markets and the cost of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

A reasonably possible strengthening/weakening of the foreign currencies (USD / Euro) against INR would affect the measurement of financial instruments denominated in foreign currencies and affect equity and profit and loss by the amounts shown below. The analysis assumes that all other variables remain constant.

#### Exposure to currency risk

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

#### Currency exposure as at 31 March 2021

Particulars	USD	EURO	INR	(₹ in crores) Total
<b>Financial assets</b>				
Current investment	-	-	0.25	0.25
Non current investment	-	-	0.92	0.92
Trade receivables	44.29	1.88	142.51	188.68
Cash and cash equivalents	-	-	11.23	11.23
Bank balances other than cash and cash equivalents	-	-	116.39	116.39
Derivative assets	0.23	-	-	0.23
Other financial assets	-	-	80.26	80.26
<b>Total financial assets</b>	<b>44.52</b>	<b>1.88</b>	<b>351.56</b>	<b>397.96</b>
<b>Financial liabilities</b>				
Long term borrowings	-	-	2,273.33	2,273.33
Short term borrowings	-	-	224.73	224.73
Lease liabilities	-	-	27.62	27.62
Trade payables	180.31	-	600.26	780.57
Derivative liabilities	2.22	0.01	-	2.23
Other financial liabilities	2.44	27.26	149.23	178.93
<b>Total financial liabilities</b>	<b>184.97</b>	<b>27.27</b>	<b>3,275.17</b>	<b>3,487.41</b>

# Notes

## To the Financial Statements for the year ended 31 March 2021

### Currency exposure as at 31 March 2020

Particulars	(₹ in crores)			
	USD	EURO	INR	Total
<b>Financial assets</b>				
Current investment	-	-	0.16	0.16
Non current investment	-	-	0.59	0.59
Trade receivables	20.11	-	31.66	51.77
Cash and cash equivalents	-	-	35.20	35.20
Bank balances other than cash and cash equivalents	-	-	130.23	130.23
Derivative assets	7.75	-	-	7.75
Loans	-	-	0.34	0.34
Other financial assets	-	-	25.79	25.79
<b>Total financial assets</b>	<b>27.86</b>	<b>-</b>	<b>223.97</b>	<b>251.83</b>
<b>Financial liabilities</b>				
Long term borrowings	-	-	2,251.53	2,251.53
Short term borrowings	-	-	367.63	367.63
Lease liabilities	-	-	29.83	29.83
Trade payables	103.69	-	385.23	488.92
Derivative liabilities	0.04	0.16	-	0.20
Other financial liabilities	-	29.29	70.22	99.51
<b>Total financial liabilities</b>	<b>103.73</b>	<b>29.45</b>	<b>3,104.44</b>	<b>3,237.62</b>

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	(₹ in crores)			
	Increase		Decrease	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Receivables</b>				
USD/INR	-	0.09	-	(0.09)
<b>Payables</b>				
USD/INR	(0.36)	-	0.36	-
EURO/INR	(1.36)	0.02	1.36	(0.02)

The forward exchange contracts entered into by the Company and outstanding are as under:

#### a) USD

As at	Nature	No. of Contracts	Type	(₹ in crores)		
				USD equivalent (in crores)	INR equivalent (in crores)	MTM
31 March 2021	Liabilities	11	Buy	1.88	138.04	(1.97)
	Assets	8	Buy	0.51	37.47	0.11
	Liabilities	8	Sell	0.64	47.34	(0.25)
	Assets	4	Sell	0.29	21.32	0.12
31 March 2020	Assets	10	Buy	2.52	190.04	7.75
	Liabilities	6	Sell	0.24	18.24	0.04

# Notes

To the Financial Statements for the year ended 31 March 2021

## b) EURO

(₹ in crores)						
As at	Nature	No. of Contracts	Type	EURO equivalent (in crores)	INR equivalent (in crores)	MTM
31 March 2021	Liabilities	1	Sell	0.02	1.88	(0.01)
31 March 2020	Liabilities	1	Buy	0.34	27.82	0.16

## Unhedged currency risk position

### I) Amounts receivable in foreign currency

#### a) USD

(₹ in crores)				
	As at 31 March 2021		As at 31 March 2020	
	US\$ equivalent	INR equivalent	US\$ equivalent	INR equivalent
Trade receivables	-	-	0.03	1.83

#### b) EURO

(₹ in crores)				
	As at 31 March 2021		As at 31 March 2020	
	EURO equivalent	INR equivalent	EURO equivalent	INR equivalent
Other recoverable	-	-	0.0001	0.42

### II) Amounts payable in foreign currency

#### a) USD

(₹ in crores)				
	As at 31 March 2021		As at 31 March 2020	
	US\$ equivalent	INR equivalent	US\$ equivalent	INR equivalent
Trade Payables and other financial liabilities	0.10	7.25	-	-

#### b) EURO

(₹ in crores)				
	As at 31 March 2021		As at 31 March 2020	
	EURO equivalent	INR equivalent	EURO equivalent	INR equivalent
Other financial liabilities	0.32	27.26	-	-

The unhedged foreign currency exposure disclosed in table above does not include receivable / payable in foreign currency, to the extent, covered by the outstanding derivative contracts.

## 43.4 Credit risk management:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

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 11.

At each reporting date, the Company computes the expected credit loss using simplified approach. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance



# Notes

## To the Financial Statements for the year ended 31 March 2021

sheet date. The Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

### B. Financial instruments and bank deposits

Credit risk from investments with banks is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assesses the Company's policy and updates the same as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

### III. Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinarily high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

#### Maturity pattern of financial assets and liabilities:

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

#### As at 31 March 2021

Particulars	(₹ in crores)			
	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Current investment	0.25	-	-	0.25
Non current investment	-	-	0.92	0.92
Trade receivable	188.68	-	-	188.68
Cash and cash equivalents	11.23	-	-	11.23
Bank balances other than cash and cash equivalents	116.39	-	-	116.39
Derivative assets	0.23	-	-	0.23
Other financial assets	14.79	59.19	6.28	80.26
<b>Total financial assets</b>	<b>331.57</b>	<b>59.19</b>	<b>7.20</b>	<b>397.96</b>
<b>Financial liabilities</b>				
Long term borrowings	-	832.00	1,441.33	2,273.33
Short term borrowings	224.73	-	-	224.73
Lease liabilities	0.46	1.71	25.45	27.62
Trade payables	780.57	-	-	780.57
Derivative liabilities	2.23	-	-	2.23
Other financial liabilities	144.75	34.18	-	178.93
Interest payout liability on borrowings	192.26	806.62	521.86	1,520.74
Interest payout liability on leases	0.23	0.88	10.06	11.17
<b>Total financial liabilities</b>	<b>1,345.23</b>	<b>1,675.39</b>	<b>1,998.70</b>	<b>5,019.32</b>

# Notes

To the Financial Statements for the year ended 31 March 2021

As at 31 March 2020

Particulars				(₹ in crores)
	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Current investment	0.16	-	-	0.16
Non current investment	-	-	0.59	0.59
Trade receivables	51.77	-	-	51.77
Loans	0.34	-	-	0.34
Cash and cash equivalents	35.20	-	-	35.20
Bank balances other than cash and cash equivalents	130.23	-	-	130.23
Derivative assets	7.75	-	-	7.75
Other financial assets	1.45	24.30	0.04	25.79
<b>Total financial assets</b>	<b>226.90</b>	<b>24.30</b>	<b>0.63</b>	<b>251.83</b>
<b>Financial liabilities</b>				
Long term borrowings	-	611.00	1,640.53	2,251.53
Short term borrowings	367.63	-	-	367.63
Lease liabilities	0.98	3.02	25.83	29.83
Trade payables	488.92	-	-	488.92
Derivative liabilities	0.20	-	-	0.20
Other financial liabilities	99.51	-	-	99.51
Interest payout liability on borrowings	219.42	828.62	471.55	1,519.59
Interest payout liability on leases	0.10	0.57	11.13	11.80
<b>Total financial liabilities</b>	<b>1,176.76</b>	<b>1,443.21</b>	<b>2,149.04</b>	<b>4,769.01</b>

## Collateral

The Company has pledged part of its trade receivables, cash and cash equivalents and other bank balances in order to fulfill certain collateral requirements for the banking facilities extended to the Company. (refer note 19)

## 44. Level wise disclosure of financial instruments

Particulars				(₹ in crores)
	31 March 2021	31 March 2020	Level	Valuation Technique
Quoted investments in equity shares measured at FVTOCI	0.92	0.59	1	Quoted bid prices in an active market.
Unquoted Investments at fair value through profit or loss	0.25	0.16	2	The mutual funds are valued using the closing NAV.
Derivative assets	0.23	7.75	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date.
Derivative liabilities	2.23	0.20		

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

There are no transfers between level 1 and level 2 during the period year.

## 45. Disclosure under Ind AS 7 'Statement of Cash Flows'

Reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities.

Particulars	31 March 2020	Cash flows	Non-cash changes		31 March 2021
			Fair value changes	Other	
Interest expenses	24.20	(249.76)	-	272.55	46.99
Lease liabilities	29.83	(0.48)	(1.73)	-	27.62
Long-term borrowings	2,251.53	63.76	2.26	-	2,317.55
Short term borrowings	367.63	(142.90)	-	-	224.73
<b>Total liabilities from financing activities</b>	<b>2,673.19</b>	<b>(329.38)</b>	<b>0.53</b>	<b>272.55</b>	<b>2,616.89</b>

# Notes

## To the Financial Statements for the year ended 31 March 2021

Particulars	31 March 2019	Cash flows	Non-cash changes		31 March 2020
			Fair value changes	Other	
Interest expenses	7.97	(233.91)	-	250.14	24.20
Lease liabilities	-	(1.04)	30.87	-	29.83
Long-term borrowings	2,044.10	207.09	0.34	-	2,251.53
Short term borrowings	154.21	213.42	-	-	367.63
<b>Total liabilities from financing activities</b>	<b>2,206.28</b>	<b>185.56</b>	<b>31.21</b>	<b>250.14</b>	<b>2,673.19</b>

### 46. Additional Information

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

	(₹ in crores)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Capital goods	8.15	5.04
Raw material, stores and spares	400.77	300.74

#### B) Expenditure in Foreign currency:

	(₹ in crores)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Foreign travelling	0.05	0.15
Finance charges	-	0.16
Freight charges	12.43	14.73

#### C) Earnings in Foreign currency:

Particulars	(₹ in crores)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
FOB value of exports	280.11	231.74

**47.** The President has given his assent to the Code on Social Security, 2020 ("Code") in September 2020. On 13 November, 2020 the Ministry of Labour and Employment has released draft rules for the Code. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact once the subject rules are notified and will give appropriate impact to its financial statements in the period in which the Code becomes effective.

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

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

Nikhil Gahrotra  
Director  
DIN: 01277756

Place: Mumbai  
Date: 12 May 2021

J. Nagarajan  
Chief Financial Officer

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Independent Auditor's Report

To The Members of JSW Ispat Special Products Limited  
(formerly known as Monnet Ispat and Energy Limited)

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited) ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows

and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

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

Key Audit Matter	Auditor's Response
<b>Recoverable value assessment of Property, plant and equipment</b> In view of losses, the management has assessed the recoverable value of property, plant and equipment engaging an independent external expert. Replacement cost estimation involves significant judgement and estimates. [Refer note 4(ii) to the consolidated financial statements]	Our procedures will include but will not be limited to : <ul style="list-style-type: none"><li>- Evaluating the design and implementation, and testing the operating effectiveness of the relevant controls over determination of recoverable value of property, plant and equipment.</li><li>- Assessing the competence and independence of the valuation expert engaged by the Company for determining the replacement cost of property, plant and equipment.</li><li>- Reviewing the information shared with the independent expert engaged by the management.</li><li>- Evaluating the reasonableness of the valuation provided by the independent expert by challenging the significant assumptions used and estimates and judgements made in deriving the valuation with the help of internal fair value specialist.</li><li>- Verification of accounting implications, if any, and appropriateness of disclosures in the consolidated financial statements.</li></ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- i. The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management discussion and analysis and Business responsibility report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by the other auditors.

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

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 joint ventures 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 joint ventures to cease to continue as a going concern.

## Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- (a) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 2.13 Crore as at 31 March, 2021, total revenues of Rs. 1.41 Crore and net cash inflows amounting to Rs. 1.47 Crore for the year ended on

that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. 1 of these 2 subsidiaries is located outside India whose financial statements have been prepared in accordance with International Financial Reporting Standards and which have been audited by the another auditor under International Standards on Auditing issued by the International Accounting Standards Board, whose report has been furnished to us by the Management. The Company's management has converted the financial statements of the aforesaid subsidiary from International Financial Reporting Standards to the accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company' management. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based on the report of another auditor and the conversion adjustments prepared by the Management of the Company and reviewed by us.

- (b) We did not audit the financial statements / financial information of 2 subsidiaries, whose financial statements / financial information reflect total assets of Rs. 7.37 Crore as at 31 March, 2021, total revenues of Rs. 1.57 Crore and net cash outflows amounting to Rs. 0.01 Crore 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 profit of Rs. Nil for the year ended 31 March, 2021, as considered in the consolidated financial statements, in respect of 5 joint ventures, whose financial statements / financial information 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 joint ventures, 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.

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

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses

an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.
- ii) The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

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

**Rakesh Sharma**  
(Partner)  
(Membership No. 102042)  
(UDIN: 21102042AAAAAV1984)

Place: Mumbai  
Date: 12 May 2021

# Annexure "A" to the Independent Auditor's Report

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

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited) (hereinafter referred to as "Parent") and its subsidiary company, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which are companies incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other



Matters paragraph below, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal

financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

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

**Rakesh Sharma**  
(Partner)  
(Membership No. 102042)  
(UDIN: 21102042AAAAAV1984)

Place: Mumbai  
Date: 12 May 2021

# Consolidated Balance Sheet

As at 31 March 2021

	Notes	As at 31 March 2021	(₹ in crores) As at 31 March 2020
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
a. Property, plant and equipment	4	3,124.57	3,223.92
b. Capital work-in-progress		175.14	237.63
c. Intangible assets	5	-	-
d. Right of use assets	42	43.84	29.58
e. Investments in joint ventures	6	-	-
f. Financial assets			
i. Investments	7	0.92	0.59
ii. Other financial assets	8	65.47	24.35
g. Current tax assets (net)	9	4.30	3.25
h. Other non-current assets	10	22.22	21.35
<b>Total non-current assets</b>		<b>3,436.46</b>	<b>3,540.67</b>
<b>2. Current assets</b>			
a. Inventories	11	925.03	857.49
b. Financial assets			
i. Investments	7	0.25	0.16
ii. Trade receivables	12	188.68	51.77
iii. Cash and cash equivalents	13 a	13.33	35.83
iv. Bank balance other than (iii) above	13 b	116.39	130.23
v. Derivative assets	14	0.23	7.75
vi. Loans	15	-	0.36
vii. Other financial assets	16	14.79	1.45
c. Other current assets	17	283.30	135.03
Assets classified as held for sale	49	18.37	38.47
<b>Total current assets</b>		<b>1,560.37</b>	<b>1,258.54</b>
<b>TOTAL ASSETS</b>		<b>4,996.83</b>	<b>4,799.21</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Share capital	18	995.53	995.53
b. Other equity	19	397.60	177.27
Equity attributable to owners of the Company		1,393.13	1,172.80
Non-controlling interests		(1.13)	(0.08)
<b>Total equity</b>		<b>1,392.00</b>	<b>1,172.72</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	20	2,273.33	2,251.53
ii. Lease liabilities	21	27.16	29.83
iii. Other financial liabilities	22	34.18	19.01
b. Provisions	23	5.60	4.64
c. Deferred tax liabilities (net)	24	-	-
<b>Total non-current liabilities</b>		<b>2,340.27</b>	<b>2,305.01</b>
<b>2. Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	20	224.73	367.63
ii. Lease liabilities	21	0.46	-
iii. Trade payables	25		
- total outstanding dues of micro and small enterprises;		0.04	1.35
- total outstanding dues of creditors other than micro and small enterprises		780.53	487.57
iv. Derivative liabilities	26	2.23	0.20
v. Other financial liabilities	27	145.70	427.89
b. Other current liabilities	28	109.97	32.71
c. Provisions	23	0.88	0.84
d. Liabilities classified as held for sale	49	0.02	3.29
<b>Total current liabilities</b>		<b>1,264.56</b>	<b>1,321.48</b>
<b>Total liabilities</b>		<b>3,604.83</b>	<b>3,626.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,996.83</b>	<b>4,799.21</b>

See accompanying notes to the Consolidated Financial Statements

In terms of our report of even date annexed  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Rakesh Sharma  
Partner

Place: Mumbai  
Dated: 12 May 2021

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

J. Nagarajan  
Chief Financial Officer

Nikhil Gahrotra  
Director  
DIN: 01277756

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Consolidated Statement of Profit and Loss

For the year ended 31 March 2021

Particulars	Notes	(₹ in crores)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I Income from operations</b>			
a. Sales	29A	4,150.14	2,607.76
b. Other operating income	29B	37.60	30.40
<b>Total revenue from operations</b>		<b>4,187.74</b>	<b>2,638.16</b>
<b>II Other income</b>	30	15.73	26.28
<b>III Total Income (I+II)</b>		<b>4,203.47</b>	<b>2,664.44</b>
<b>IV EXPENSES</b>			
a. Cost of materials consumed		2,965.57	1,977.84
b. Changes in inventories of finished goods, stock in trade and work-in-progress	31	4.41	(34.48)
c. Employee benefits expense	32	115.58	117.00
d. Finance costs	33	275.85	253.32
e. Depreciation and amortisation expense	34	228.46	218.76
f. Power and fuel		267.07	287.28
g. Other expenses	35	451.54	336.72
<b>Total expenses</b>		<b>4,308.48</b>	<b>3,156.44</b>
<b>V Loss before exceptional items and tax (III-IV)</b>		<b>(105.01)</b>	<b>(492.00)</b>
<b>VI Exceptional items</b>	36	314.53	-
<b>VII Profit / (loss) before tax (V+VI)</b>		<b>209.52</b>	<b>(492.00)</b>
<b>VIII Tax expense:</b>	24		
Current tax		-	-
Deferred tax		-	-
<b>IX Profit / (loss) after tax for the year (VII-VIII)</b>		<b>209.52</b>	<b>(492.00)</b>
<b>X Other comprehensive income / (loss) (OCI)</b>			
<b>A. i. Items that will not be reclassified to profit or loss</b>			
a. Remeasurement of net defined benefit plans		2.05	(3.41)
b. Equity instruments through other comprehensive income		0.46	(0.23)
<b>ii. Income tax effect</b>		-	-
<b>B. i. Items that will be reclassified to profit or loss</b>			
a. Foreign exchange translation reserve		7.25	(25.69)
<b>ii. Income tax effect</b>		-	-
<b>Total other comprehensive income / (loss) for the year</b>		<b>9.76</b>	<b>(29.33)</b>
<b>XI Total comprehensive income / (loss) for the year (IX+X)</b>		<b>219.28</b>	<b>(521.33)</b>
attributable to:			
Owners of the Company		220.33	(521.21)
Non controlling interests		(1.05)	(0.12)
<b>Of the total comprehensive income / (loss) above</b>			
<b>Profit / (loss) for the year attributable to:</b>			
Owners of the company		210.57	(491.88)
Non controlling interests		(1.05)	(0.12)
<b>Of the total comprehensive income / (loss) above</b>			
<b>Other comprehensive income / (loss) for the year attributable to:</b>			
Owners of the company		9.76	(29.33)
Non controlling interests		-	-
<b>XII Earnings per equity share of ₹ 10 each</b>	37		
(1) Basic		4.48	(10.48)
(2) Diluted		2.12	(10.48)

See accompanying notes to the Consolidated Financial Statements

In terms of our report of even date annexed  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Rakesh Sharma  
Partner

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

Nikhil Gahrotra  
Director  
DIN: 01277756

Place: Mumbai  
Dated: 12 May 2021

J. Nagarajan  
Chief Financial Officer

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Consolidated Statement of Cash Flows

For the year ended 31 March 2021

(₹ in crores)

Particulars	For the year ended	
	31 March 2021	31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit / (loss) before tax</b>	209.52	(492.00)
Adjusted for:		
Depreciation and amortization expenses	228.46	218.76
Interest income	(8.96)	(11.55)
Interest expenses	275.85	253.33
Loss/ (profit) on sale of property, plant and equipment	4.66	(0.01)
Loss on sale of assets held for sale	1.80	-
Unrealised exchange loss	2.39	3.59
Gain arising on fair valuation of financial instruments designated as FVTPL	(0.23)	(7.55)
Loss arising on fair valuation of financial instruments designated as FVTPL	2.23	-
Provision/ liability written back	(2.42)	(4.68)
Allowance for doubtful debts	0.58	-
Non recoverable advances written off	0.47	-
Advance to suppliers written off	2.91	-
Capital work-in-progress written off	3.83	-
Provision for non recoverable advances	0.14	1.80
write down of inventories to net realisable value	-	36.68
Gain on sale of investments	-	(0.09)
Loan liability written back	(275.90)	-
Interest liability written back	(42.60)	-
Loss on reassessment of realizable value of assets held for sale	22.58	-
Advance written back	(18.61)	-
	<b>197.18</b>	<b>490.28</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>406.70</b>	<b>(1.72)</b>
<b>Working capital adjustments:</b>		
Increase in inventories	(67.54)	(235.36)
Increase in trade and other receivables	(327.85)	(70.29)
Increase in trade and other liabilities	393.04	113.46
Increase / (decrease) in provisions	3.05	(1.47)
<b>Cash generated from / (used in) operating activities</b>	<b>407.40</b>	<b>(193.66)</b>
Income taxes paid (net)	(1.05)	(1.12)
<b>Net cash generated from / (used in) operating activities</b>	<b>406.35</b>	<b>(196.50)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work-in-progress	(95.10)	(129.23)
Proceeds from sale of subsidiaries	-	*
Proceeds from sale of property, plant and equipment	1.54	0.28
Proceeds from sale of assets held for sale	4.16	-
Purchase of investments	-	(31.50)
Proceeds from sale of investments	0.03	31.59
Interest received	8.35	10.47
<b>Net cash used in investing activities</b>	<b>(81.02)</b>	<b>(118.39)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(249.84)	(234.22)
Payment of lease liabilities	(0.48)	(1.04)
Proceeds from long term borrowings	63.76	207.09
Repayment of long term borrowings	(18.37)	-
(Repayment of) / proceeds from short term borrowings (net)	(142.90)	213.42
<b>Net cash (used in) / generated from financing activities</b>	<b>(347.83)</b>	<b>185.25</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(22.50)</b>	<b>(129.64)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>35.83</b>	<b>165.47</b>
<b>Cash and cash equivalents at the end of the year (note 13 a)</b>	<b>13.33</b>	<b>35.83</b>

\* ₹ 2

Note:

The consolidated statement of cash flows has been prepared using the indirect method as set out in Ind AS 7 - Statement of Cash Flows. See accompanying notes to the Consolidated Financial Statements

In terms of our report of even date annexed  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Rakesh Sharma  
Partner

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

Nikhil Gahrotra  
Director  
DIN: 01277756

Place: Mumbai  
Dated: 12 May 2021

J. Nagarajan  
Chief Financial Officer

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Consolidated Statement of Changes In Equity

For the year ended 31 March 2021

## A. Share capital for issued, subscribed and paid up share

Particulars	Note	Equity share capital	Compulsory convertible preference share capital	Total
<b>As at 1<sup>st</sup> April 2019</b>	18	469.55	525.98	995.53
Changes during the year		-	-	-
<b>As at 31 March 2020</b>	18	469.55	525.98	995.53
Changes during the year		-	-	-
<b>As at 31 March 2021</b>	18	469.55	525.98	995.53

## B. Other equity (Refer note 19)

Particulars	Attributable to the equity holders of the parent										Total equity		
	Reserves and surplus					Items of OCI							
	Capital reserve	Share premium	Capital redemption reserve	Capital reconstruction reserve	Amalgamation reserve	Equity contribution resulted on merger	General reserve	Retained earnings	Foreign exchange translation reserve	Equity instruments through OCI		Total equity	
<b>As at 1<sup>st</sup> April 2019</b>	77.77	1,114.50	472.35	19.68	3.31	7,287.03	249.99	(8,406.78)	(17.09)	(102.28)	698.48	0.04	698.52
Loss for the year	-	-	-	-	-	-	-	(491.88)	-	-	(491.88)	(0.12)	(492.00)
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	-	(3.41)	(25.69)	(0.23)	(29.33)	-	(29.33)
<b>As at 31 March 2020</b>	77.77	1,114.50	472.35	19.68	3.31	7,287.03	249.99	(8,902.07)	(42.78)	(102.51)	177.27	(0.08)	177.19
Profit for the year	-	-	-	-	-	-	-	210.57	-	-	210.57	(1.05)	209.52
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	-	2.05	7.25	0.46	9.76	-	9.76
<b>As at 31 March 2021</b>	77.77	1,114.50	472.35	19.68	3.31	7,287.03	249.99	(8,689.45)	(35.53)	(102.05)	397.60	(1.13)	396.47

See accompanying notes to the Consolidated Financial Statements

In terms of our report of even date annexed  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Rakesh Sharma  
Partner

Place: Mumbai  
Dated: 12 May 2021

For and on behalf of the Board of Directors

Ravichandrar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

Nikhil Gahrotra  
Director  
DIN: 01277756

J. Nagarajan  
Chief Financial Officer

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### 1. Corporate information

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

JISPL and its subsidiaries (together referred to as the "Group") along with its joint venture companies are engaged in manufacturing and marketing of sponge iron, pellets, steel and ferro alloys. JISPL is primary steel producer and has an integrated steel plant at Raigarh, which is currently operating at a capacity of ~1 MTPA, with the ability to scale up to 1.5 MTPA on completion of balance steel making facilities. JISPL also has another unit for steel production at Raipur with 0.25 MTPA capacity.

### 2. Significant accounting policies

#### I. Statement of compliance

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

Accordingly, The Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 12 May 2021.

#### II. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period as explained in the accounting policies below, and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a

basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

#### Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, The Group's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in The Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

### III. Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

#### Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income

and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

### IV. Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognizing gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement

basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

If the initial accounting for a business combination is incomplete by the end of the financial year, the provisional amounts for which the accounting is incomplete shall be disclosed in the financial statements and provisional amounts recognized at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the group shall also recognize additional assets or liabilities if the new information is obtained about facts and circumstances that existed as of the acquisition date and if known, would have resulted in the recognition of those assets and liabilities as of that date. However, the measurement period shall not exceed the period of one year from the acquisition date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

### V. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate



# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint

venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that not related to the Group.

## VI. Revenue Recognition

### a. Sale of Goods

The Group recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which The Group expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Group recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by The Group and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, The Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices. Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

### Contract balances

#### • Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If The Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration including Trade receivables.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

- **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which The Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before The Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when The Group performs under the contract including Advance received from Customer.

- **Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount The Group ultimately expects it will have to return to the customer including volume rebates and discounts. The Group updates its estimates of refund liabilities at the end of each reporting period.

- b. **Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to The Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to The Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### VII. Foreign Currency

The functional currency of The Group and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of The Group is INR.

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at

the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items; and

### VIII. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if The Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

### IX. Government Grants

Government grants are not recognized until there is reasonable assurance that The Group will comply with the conditions attaching to them and that the grants will be received.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which The Group recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

### X. Employee Benefits

#### Retirement benefit costs and termination benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when The Group recognizes corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in The Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by The Group in respect of services provided by employees up to the reporting date.

### XI. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending on the nature and circumstance of each uncertain tax position.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and on carried forward depreciation and business losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that The Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to The Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 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.

## XII. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Useful lives
Plant and Machinery at SMS division	20 years
Rolls and Reals in rolling mill and bar mill	5 years

When significant parts of plant and equipment are required to be replaced at intervals, The Group depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

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.

### XIII. 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.

### XIV. Mining Assets

#### Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Group measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license

basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

### XV. Impairment of Property, plant and equipment and Intangible Assets

At the end of each reporting year, The Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, The Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

### XVI. Leases

#### The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### **The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assesses whether: (i) the contract involves the use of an identified asset (ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, The Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if The Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **XVII. Inventories**

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

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### **XVIII. Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### XIX. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

#### A. Financial assets

##### a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which The Group becomes a party to the contractual provisions of the instrument.

##### b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an Instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, The Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, The Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Group's right to receive the dividends is established,

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### c) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### d) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to The Group in accordance with the contract and all the cash flows that The Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected

credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If The Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, The Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, The Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, The Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, The Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.



# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### e) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit or loss and is included in the 'Other income' line item.

## B. **Financial liabilities and equity instruments**

### a) **Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by The Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of The Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### c) **Financial liabilities at amortised cost**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that The Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with The Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI.

The Group derecognises financial liabilities when, and only when, The Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### **Other financial liabilities:**

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by The Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by The Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### **Derecognition of financial liabilities:**

The Group derecognises financial liabilities when, and only when, The Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the standalone statement of profit or loss.

#### **d) Derivative financial instruments**

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or

loss is recognised in Standalone Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Standalone Statement of Profit and Loss depends on the nature of the hedge item.

#### **e) Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, The Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted

### **XX. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of The Group's cash management.

### **XXI. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### 3A. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Manufacturing facilities of the Group at Raigarh and Raipur were shut down on 25 March, 2020 following countrywide lockdown due to COVID-19. With easing of some restrictions, the Group restarted the integrated steel making operations at the Raigarh plant with effect from 2 May, 2020 and at Raipur plant from 16 May, 2020.

The Group has considered the impact of COVID 19 in preparation of the financial statements. Based on assessment of internal and external sources of information and evaluation of its possible effects on the carrying amounts of property, plant and equipment, inventory and receivables, the Company has determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

### 3B. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

#### A) Key sources of estimation uncertainty

- I) **Useful lives of property, plant and equipment**  
Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.
- II) **Impairment of property, plant and equipment**  
Determining whether the property, plant and equipment are impaired requires an estimate for the recoverable value of property, plant and equipment. The recoverable value computation by fair value method using cost approach involves Management relying on third party quotations of similar assets, expert's data bank for construction rates and the indices, as considered by its independent valuation expert in arriving at the fair value. Any subsequent changes in the above input factors could impact the carrying value of property, plant and equipment.
- III) **Contingencies**  
In the normal course of business, contingent liabilities may arise from litigation and other claims against The Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Potential liabilities

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

that are remote are neither recognised nor disclosed as contingent liability. The classification of matter as 'remote', 'possible' or 'probable' is based on the Group's assessment, past judgements, terms of the contract, regulatory provisions, etc.

#### IV) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to

determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### Recent Indian Accounting Standards (Ind AS): -

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 4. Property, plant and equipment

	(₹ in crores)								
	Freehold land & site development	Leasehold land	Other Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Aircraft	Total
<b>As at April 1, 2019</b>	<b>46.25</b>	<b>36.85</b>	<b>799.39</b>	<b>7,030.36</b>	<b>12.64</b>	<b>14.14</b>	<b>11.64</b>	<b>67.38</b>	<b>8,018.65</b>
Additions	-	-	2.32	56.32	1.35	0.19	3.34	-	63.52
Disposals	-	-	-	-	-	-	(2.72)	-	(2.72)
Translation reserve	-	-	0.11	-	-	0.02	-	0.37	0.50
Transfer to held for sale	(0.16)	-	-	-	-	-	-	-	(0.16)
<b>As at March 31, 2020</b>	<b>46.09</b>	<b>36.85</b>	<b>801.82</b>	<b>7,086.68</b>	<b>13.99</b>	<b>14.35</b>	<b>12.26</b>	<b>67.75</b>	<b>8,079.79</b>
Additions	-	-	4.66	155.06	1.39	0.69	0.82	-	162.62
Disposals	-	-	(2.46)	(0.05)	-	(0.26)	(0.25)	(35.57)	(38.59)
Re-classification	(2.87)	2.87	-	-	-	-	-	-	-
Transfer to ROU assets (note 42)	-	(39.72)	-	-	-	-	-	-	(39.72)
Translation reserve	-	-	-	-	-	-	-	(2.48)	(2.48)
Transfer to held for sale (note 49)	-	-	-	-	-	-	-	(29.70)	(29.70)
<b>As at March 31, 2021</b>	<b>43.22</b>	<b>-</b>	<b>804.02</b>	<b>7,241.69</b>	<b>15.38</b>	<b>14.78</b>	<b>12.83</b>	<b>-</b>	<b>8,131.92</b>
<b>Depreciation</b>									
<b>As at April 1, 2019</b>	<b>2.84</b>	<b>24.96</b>	<b>431.84</b>	<b>4,100.68</b>	<b>11.81</b>	<b>11.07</b>	<b>9.95</b>	<b>47.17</b>	<b>4,640.32</b>
Depreciation charge for the year	-	-	17.54	195.93	0.24	0.88	0.58	2.75	217.92
Disposals	-	-	-	-	-	-	(2.44)	-	(2.44)
Translation reserve	-	-	*	-	-	-	-	0.07	0.07
Transfer to held for sale	-	-	-	**	-	-	-	-	**
<b>As at March 31, 2020</b>	<b>2.84</b>	<b>24.96</b>	<b>449.38</b>	<b>4,296.61</b>	<b>12.05</b>	<b>11.95</b>	<b>8.09</b>	<b>49.99</b>	<b>4,855.87</b>
Depreciation charge for the year	-	-	16.29	208.72	0.46	0.42	0.67	1.68	228.24
Disposals	-	-	(1.27)	(0.05)	-	(0.14)	(0.22)	(33.71)	(35.39)
Re-classification	1.55	(1.55)	-	-	-	-	-	-	-
Transfer to ROU assets (note 42)	-	(23.41)	-	-	-	-	-	-	(23.41)
Translation reserve	-	-	-	-	-	-	-	(2.42)	(2.42)
Transfer to held for sale (note 49)	-	-	-	-	-	-	-	(15.54)	(15.54)
<b>As at March 31, 2021</b>	<b>4.39</b>	<b>-</b>	<b>464.40</b>	<b>4,505.28</b>	<b>12.51</b>	<b>12.23</b>	<b>8.54</b>	<b>-</b>	<b>5,007.35</b>
<b>Net carrying value :</b>									
<b>As at March 31, 2021</b>	<b>38.83</b>	<b>-</b>	<b>339.62</b>	<b>2,736.41</b>	<b>2.87</b>	<b>2.55</b>	<b>4.29</b>	<b>-</b>	<b>3,124.57</b>
<b>As at March 31, 2020</b>	<b>43.25</b>	<b>11.89</b>	<b>352.44</b>	<b>2,790.07</b>	<b>1.94</b>	<b>2.40</b>	<b>4.17</b>	<b>17.76</b>	<b>3,223.92</b>

\* ₹ 33,838

\*\* ₹ 27,740

### Notes:

- Refer note 20 for information on certain property, plant and equipment pledged as security by the Group.
- During the current year, in view of losses, the management has assessed the recoverable value of property, plant and equipment of Raigarh and Raipur locations with the help of independent valuation expert and concluded that no additional provision for impairment is necessary.

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 5. Intangible assets

	(₹ in crores)
	<b>Software</b>
<b>As at April 1, 2019</b>	<b>0.56</b>
Additions	-
Disposals	-
<b>As at March 31, 2020</b>	<b>0.56</b>
Additions	-
Disposals	-
<b>As at March 31, 2021</b>	<b>0.56</b>
<b>Amortisation</b>	
<b>As at April 1, 2019</b>	<b>0.56</b>
Amortisation charge for the year	-
Disposals	-
<b>As at March 31, 2020</b>	<b>0.56</b>
Amortisation charge for the year	-
Disposals	-
<b>As at March 31, 2021</b>	<b>0.56</b>
<b>Net carrying value :</b>	
<b>As at March 31, 2021</b>	<b>-</b>
<b>As at March 31, 2020</b>	<b>-</b>

## 6. Investments in joint ventures

	31 March 2021	31 March 2020
	(₹ in crores)	
<b>Investments in equity shares (unquoted)</b>		
<b>Joint ventures (at cost or deemed cost)</b>		
Mandakini Coal Company Limited 39,299,800 (March 31, 2020 : 39,299,800) Equity shares of ₹10 each fully paid up	23.56	23.56
MP Monnet Mining Company Limited 980,000 (March 31, 2020 : 980,000) Equity shares of ₹10 each fully paid up	0.77	0.77
Urtan North Mining Company Limited 5,751,347 (March 31, 2020 : 5,751,347) Equity shares of ₹10 each fully paid up	5.75	5.75
<b>Total</b>	<b>30.08</b>	<b>30.08</b>
<b>Less: Aggregate amount of provision for impairment in the value of investments</b>	<b>(30.08)</b>	<b>(30.08)</b>
<b>Aggregate carrying unquoted value</b>	<b>-</b>	<b>-</b>

## 7. Investments

	31 March 2021	31 March 2020
	(₹ in crores)	
<b>I. Investments at fair value through OCI</b>		
<b>Investment in equity shares (unquoted)</b>		
Rameshwaram Steel & Power Private Limited 4,152,273 (March 31, 2020 : 4,152,273) Equity shares of ₹10 each fully paid up	-	-
Falcon Internal Forces and Fire Services Private Limited 1,000 (March 31, 2020 : 1,000) Equity shares of ₹10 each fully paid up	-	-
Monnet Engineering & Infrastructure Private Limited 4,000 (March 31, 2020 : 4,000) Equity shares of ₹10 each fully paid up	-	-
Business India Publications Limited 100,000 (March 31, 2020 : 100,000) Equity shares of ₹10 each fully paid up	-	-
<b>Investment in equity shares (quoted)</b>		
IFSL Limited 1,300,000 (March 31, 2020 : 1,300,000) Equity shares of Re.1 each fully paid up	0.05	0.05
XL Energy Limited (formerly XL Telecom Limited) 166,808 (March 31, 2020 : 166,808) Equity shares of ₹10 each fully paid up	*	*
Kamanwala Housing Construction Limited 63,343 (March 31, 2020 : 63,343) Equity shares of ₹10 each fully paid up	0.03	0.03

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

	(₹ in crores)	
	31 March 2021	31 March 2020
Indiabulls Real Estate Limited 25,000 (March 31, 2020 : 25,000) Equity shares of ₹10 each fully paid up	0.20	0.10
RattanIndia Infrastructure Limited 73,750 (March 31, 2020 : 73,750) Equity shares of ₹10 each fully paid up	0.04	0.02
Yaarii Digital Integrated Services Limited (formerly known as Indiabull Integrated Services Limited) 3,125 (March 31, 2020 : 3,125) Equity shares of ₹10 each fully paid up	0.04	0.01
Bellary Steel and Alloys Limited 803,243 (March 31, 2020 : 803,243) Equity shares of Re.1 each fully paid up	0.15	0.15
Pioneer Investment Limited 23,392 (March 31, 2020 : 23,392) Equity shares of ₹10 each fully paid up	0.06	0.07
Neueon Towers Limited (formerly known as Sujana Towers Limited) 12,500 (March 31, 2020 : 12,500) Equity shares of ₹10 each fully paid up	##	#
Grasim Industries Limited 1,500 (March 31, 2020 : 1,500) Equity shares of ₹10 each fully paid up	0.22	0.07
Aditya Birla Capital Limited 2,100 (March 31, 2020 : 2,100) Equity shares of ₹10 each fully paid up	0.03	0.01
Aditya Birla Fashion & Retail Limited 5,200 (March 31, 2020 : 5,200) Equity shares of ₹10 each fully paid up	0.10	0.08
Orrisa Sponge Iron & Steel Limited 1,994,633 (March 31, 2020 : 1,994,633 ) Equity shares of ₹10 each fully paid up	-	-
Monnet Power Company Limited ** 220,101,460 (March 31, 2020 : 220,101,460) Equity shares of ₹10 each fully paid up	-	-
	<b>0.92</b>	<b>0.59</b>
<b>II. Investments at fair value through profit or loss (unquoted)</b>		
SBI MF Magnum Tax Gain 55,123 (March 31, 2020 : 55,123) units	0.25	0.16
Nippon India Mutual fund ETF liquid BeES 26 (March 31, 2020 : 26) units	-	-
<b>Total</b>	<b>1.17</b>	<b>0.75</b>
<b>Aggregate book value of quoted investments</b>	<b>0.92</b>	<b>0.59</b>
<b>Aggregate book value of unquoted investments</b>	<b>0.25</b>	<b>0.16</b>
<b>Aggregate market value of quoted investments</b>	<b>0.92</b>	<b>0.59</b>
<b>Aggregate market value of unquoted investments</b>	<b>0.25</b>	<b>0.16</b>

\* ₹41,702 ## ₹ 3,750 ### ₹ 10,750

\*\* Monnet Power Company Limited, ceased to be an associate of the Company w.e.f. 23 October 2019 upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor.

## 8. Other financial assets (Non-current)

	(₹ in crores)	
	31 March 2021	31 March 2020
Bank deposits (having maturity of more than 12 months)*	59.19	4.69
Security deposits (Unsecured unless otherwise stated, considered good)	6.28	6.95
Other receivables	-	12.73
Less: Provision for impairment	-	(0.02)
<b>Total</b>	<b>65.47</b>	<b>24.35</b>
* Lien marked bank deposits	58.66	4.69

## 9. Current tax assets (net)

	(₹ in crores)	
	31 March 2021	31 March 2020
Income tax paid (net of provision for tax)	61.70	60.65
Less: Provision for impairment	(57.40)	(57.40)
<b>Total</b>	<b>4.30</b>	<b>3.25</b>

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 10. Other non-current assets

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Capital advances</b>		
Unsecured unless otherwise stated, considered good	14.20	18.51
<b>Other loans and advances (Unsecured unless otherwise stated, considered good)</b>		
Advance to suppliers	4.69	-
Advance to gratuity fund (refer note 41)	0.79	-
Other advances	2.54	3.39
Less: Provision for impairment	-	(0.55)
<b>Total</b>	<b>22.22</b>	<b>21.35</b>

## 11 Inventories (valued at the lower of cost and net realizable value)

	(₹ in crores)	
	31 March 2021	31 March 2020
Raw materials {includes goods in transit ₹ 37.74 crores (31 March 2020: ₹ 15.01 crores)}	442.21	337.72
Work-in-progress	5.98	4.95
Finished goods	364.53	369.97
Stores and spares {includes goods in transit ₹ NIL (31 March 2020: ₹ 0.69 crore)}	113.60	146.17
	<b>926.32</b>	<b>858.81</b>
Less : Provision for impairment of inventory	(1.29)	(1.32)
<b>Total</b>	<b>925.03</b>	<b>857.49</b>

### Note:

- I. Inventory of finished goods includes inventory aggregating to ₹ NIL (PY: ₹314.51 crores) valued at net realisable value. Write-down of inventories arising out of the above amounting to ₹ NIL (PY: ₹36.68 crores) has been recognised as an expense during the year.
- II. Inventories of Raigarh plant have been pledged as security against bank borrowings, refer note 20.

## 12. Trade receivables

	(₹ in crores)	
	31 March 2021	31 March 2020
Trade receivables unsecured unless otherwise stated, considered good	188.68	51.77
Trade receivables - credit impaired	2.20	2.31
Less: allowance for doubtful debts	(2.20)	(2.31)
<b>Total</b>	<b>188.68</b>	<b>51.77</b>

The Credit period on sale of goods ranges from 30 to 90 days.

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

	(₹ in crores)	
Particulars	31 March 2021	31 March 2020
90-180 days	1.12	4.79
> 180 days	0.69	1.19
<b>Total</b>	<b>1.81</b>	<b>5.98</b>

### Movement in the expected credit loss allowance

	(₹ in crores)	
Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	2.31	2.16
Change in loss allowance	0.50	0.15
Amount written off	(0.61)	-
<b>Balance at the closing of the year</b>	<b>2.20</b>	<b>2.31</b>



# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### Notes:

- i) Trade receivables of Raigarh Plant have been given as collateral towards borrowings refer note 20.
- ii) For credit risk management regarding trade receivables refer note 46 (4).
- iii) Trade receivables from related parties, have been disclosed in note 43.
- iv) Trade receivables do not include any receivables from directors and officers of the Group.

### 13. Cash and bank balances

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>13 a. Cash and cash equivalents :</b>		
<b>Balances with banks</b>		
in current accounts	13.25	34.73
in deposit accounts with maturity less than 3 months at inception	-	1.04
Cash on hand	0.08	0.06
<b>Total</b>	<b>13.33</b>	<b>35.83</b>
<b>13 b. Bank balances other than above</b>		
Earmarked bank balances *	0.10	0.11
Other bank deposits with maturity more than 3 months but less than 12 months at inception	94.59	73.46
Other bank deposits with maturity more than 3 months but less than 12 months at inception (lien marked) #	21.70	56.66
<b>Total</b>	<b>116.39</b>	<b>130.23</b>

\* Earmarked bank balances pertaining to unclaimed dividend.

# Other bank deposits are provided as collateral against credit facilities.

### 14. Derivative assets

	(₹ in crores)	
	31 March 2021	31 March 2020
Forward contracts (refer note 46)	0.23	7.75
<b>Total</b>	<b>0.23</b>	<b>7.75</b>

### 15. Loans

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Loans</b>		
- to related parties (Refer note - 43)	14.51	14.50
- to others	159.39	418.14
Less: allowance for doubtful loans	(173.90)	(432.28)
<b>Total</b>	<b>-</b>	<b>0.36</b>
<b>Note :</b>		
Loans receivable unsecured unless otherwise stated, considered good	-	0.36
Loans receivables - credit impaired		
Loans and advances to related parties	14.51	14.50
Loans and advances to others	159.39	417.78

### 16. Other financial assets (Current)

	(₹ in crores)	
	31 March 2021	31 March 2020
Interest accrued on deposits and loans	2.06	1.45
Other receivables	12.73	-
<b>Total</b>	<b>14.79</b>	<b>1.45</b>

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 17. Other current assets (Unsecured unless otherwise stated, considered good)

	(₹ in crores)	
	31 March 2021	31 March 2020
Advances to suppliers	239.92	103.02
MAT credit entitlement	18.25	18.25
Less: Provision for impairment	(18.25)	(18.25)
Prepaid expenses	12.57	10.68
Indirect tax balances	21.00	19.88
Less: Provision for impairment	(1.01)	(0.89)
Advance to employees	0.35	0.42
Others	10.47	1.92
<b>Total</b>	<b>283.30</b>	<b>135.03</b>

## 18. Share capital

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>a) Equity share capital</b>		
<b>Authorised:</b>		
1,000,000,000 (31 March 2020: 1,000,000,000) equity shares of ₹ 10 each	1,000.00	1,000.00
<b>Issued subscribed and paid up:</b>		
469,547,534 (31 March 2020: 469,547,534) shares of par value of ₹ 10/- each	469.55	469.55
<b>Total</b>	<b>469.55</b>	<b>469.55</b>
<b>b) Preference Share capital</b>		
<b>Authorised:</b>		
550,000,000 (31 March 2020: 550,000,000) Shares of par value of ₹10/- each	550.00	550.00
<b>Issued subscribed and paid up:</b>		
0.01% Compulsory convertible preference shares (CCPS) 525,980,000 (31 March 2020: 525,980,000) shares of par value of 10/- each	525.98	525.98
<b>Total</b>	<b>525.98</b>	<b>525.98</b>
<b>Total</b>	<b>995.53</b>	<b>995.53</b>

## A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2021		31 March 2020	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
<b>Equity shares</b>				
At the beginning of the year	46.95	469.55	46.95	469.55
Movement during the year				
<b>Outstanding at the end of the year</b>	<b>46.95</b>	<b>469.55</b>	<b>46.95</b>	<b>469.55</b>

	31 March 2021		31 March 2020	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
<b>Compulsory convertible preference shares (CCPS)</b>				
At the beginning of the year	52.60	525.98	52.60	525.98
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>52.60</b>	<b>525.98</b>	<b>52.60</b>	<b>525.98</b>

## B. Terms of /Rights attached to equity shares

The Group has a single class of equity shares having par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive assets of the Group remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### C. Terms of /Rights attached to CCPS

The holders of CCPS shall be entitled to payment of 0.01% per annum as dividend on each CCPS, as and when the Group declares any dividend. Each CCPS shall be convertible into 1 (one) equity share at any date prior to the expiry of the term of 20 (Twenty) years from the date of issuance of the CCPS ("CCPS Term") at the option of the holder of the CCPS. Unless already converted each CCPS outstanding at the expiry of the CCPS Term shall be compulsorily converted into 1 (one) equity share of the Group. The CCPS will have priority with respect of dividend, if declared or repayment of capital vis-a- vis equity shares. The CCPS holders shall not be entitled to participate in the surplus fund of the Group or participate in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid. The payment of dividend, if declared shall be on a non cumulative basis.

### D. Following shareholders hold equity shares more than 5% of the total equity shares of the Group at the end of the year

Name of shareholder	31 March 2021		31 March 2020	
	Number of shares held (in crores)	% of holding in class	Number of shares held (in crores)	% of holding in class
Creixent Special Steels Limited (Parent Company)	22.59	48.12%	22.59	48.12%
AION Investments Private II Limited	9.95	21.18%	9.95	21.18%
State Bank of India	1.02	2.16%	2.55	5.43%
JTPM Atsali Limited	2.35	5.01%	2.35	5.01%

### E. Following shareholders hold preference shares more than 5% of the total compulsory convertible preference shares of the Group at the end of the year

Name of shareholder	31 March 2021		31 March 2020	
	Number of shares held (in crores)	% of holding in class	Number of shares held (in crores)	% of holding in class
Creixent Special Steel Limited (Parent Company)	34.05	64.73%	34.05	64.73%
JTPM Atsali Limited	18.55	35.27%	18.55	35.27%

### F. Equity shares allotted as fully paid up (during 5 years preceding March 31, 2021) without payment being received in cash

34,90,00,000 equity shares and 52,59,80,000 compulsorily convertible preference shares issued on August 16, 2018, to the shareholders of Milloret Steel Limited in terms of the scheme of amalgamation ('the Scheme') sanctioned by Mumbai bench of National Company Law Tribunal vide its order dated July 24, 2018.

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 19. Other equity

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>a) Capital reserve</b>		
Opening balance	77.77	77.77
Changes during the year	-	-
<b>Closing balance</b>	<b>77.77</b>	<b>77.77</b>
<b>b) Securities premium</b>		
Opening balance	1,114.50	1,114.50
Changes during the year	-	-
<b>Closing balance</b>	<b>1,114.50</b>	<b>1,114.50</b>
<b>c) Capital redemption reserve</b>		
Opening balance	472.35	472.35
Changes during the period	-	-
<b>Closing balance</b>	<b>472.35</b>	<b>472.35</b>
<b>d) Capital reconstruction reserve</b>		
Opening balance	19.68	19.68
Changes during the period	-	-
<b>Closing balance</b>	<b>19.68</b>	<b>19.68</b>
<b>e) Amalgamation reserve</b>		
Opening balance	3.31	3.31
Changes during the period	-	-
<b>Closing balance</b>	<b>3.31</b>	<b>3.31</b>
<b>f) General reserve</b>		
Opening balance	249.99	249.99
Changes during the period	-	-
<b>Closing balance</b>	<b>249.99</b>	<b>249.99</b>
<b>g) Equity instruments through OCI</b>		
Opening balance	(102.51)	(102.28)
Other comprehensive gain/ (loss) for the year	0.46	(0.23)
<b>Closing balance</b>	<b>(102.05)</b>	<b>(102.51)</b>
<b>h) Foreign exchange translation reserve (net)</b>		
Opening balance	(42.78)	(17.09)
Changes during the period	7.25	(25.69)
<b>Closing balance</b>	<b>(35.53)</b>	<b>(42.78)</b>
<b>i) Equity contribution resulted on merger</b>		
Opening balance	7,287.03	7,287.03
Changes during the period	-	-
<b>Closing balance</b>	<b>7,287.03</b>	<b>7,287.03</b>
<b>j) Retained earnings</b>		
Opening balance	(8,902.07)	(8,406.78)
Profit/ (loss) for the year	210.57	(491.88)
Remeasurement gain/ (loss) on defined benefit plans	2.05	(3.41)
<b>Closing balance</b>	<b>(8,689.45)</b>	<b>(8,902.07)</b>
<b>Total other equity attributable to equity holders of the parent</b>		
<b>Closing balance</b>	<b>397.60</b>	<b>177.27</b>
<b>Non-controlling interests</b>		
<b>Closing balance</b>	<b>(1.13)</b>	<b>(0.08)</b>

### a) Capital reserve

The reserve created pursuant to the acquisition of business represents the difference of liabilities and assets acquired.

### b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

### c) Capital Redemption Reserve

Reserve is created for redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

### d) Capital reconstruction reserve

Reserve acquired at the time of amalgamation accounted using the pooling of Interest method.

### e) Amalgamation reserve

Reserve is created on account of gain at the time of amalgamation accounted for using the pooling of Interest method.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### f) General reserve

Under the erstwhile the Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Group may transfer any amount from the surplus of profit or loss to the General reserves, if it wants to voluntarily. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

### g) Equity instruments through OCI

The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of the equity instruments.

### h) Foreign exchange translation Reserve (net)

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

### i) Equity contribution resulted on merger

The equity contribution resulted on merger is a surplus after extinguishment of optionally convertible preference shares (OCPS) issued to Milloret Steel Limited.

### j) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.

## 20. Borrowings

(measured at amortized cost)

	(₹ in crores)			
	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>A. Long term borrowings</b>				
<b>a. Term loans</b>				
<b>i. Secured</b>				
From banks	2,210.85	2,448.63	-	-
Less: Unamortised upfront fees on borrowing	(18.30)	(20.56)	-	-
	<b>2,192.55</b>	<b>2,428.07</b>	-	-
Less: Current maturities of long term debt (refer note 27 and 36 (1))	(44.22)	(301.54)	-	-
<b>Net</b>	<b>2,148.33</b>	<b>2,126.53</b>	-	-
<b>ii. Unsecured</b>				
From a related party	125.00	125.00	-	-
<b>Total (A)</b>	<b>2,273.33</b>	<b>2,251.53</b>	-	-
<b>B. Short term borrowings</b>				
<b>a. Short term loan</b>				
<b>i. Unsecured</b>				
From a related party	-	-	89.50	89.50
<b>b. Working capital facility</b>				
<b>i. Secured</b>				
From a bank	-	-	135.23	278.13
<b>Total (B)</b>	-	-	<b>224.73</b>	<b>367.63</b>
<b>Total (A+B)</b>	<b>2,273.33</b>	<b>2,251.53</b>	<b>224.73</b>	<b>367.63</b>

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

Type of loan	Loan outstanding		Rate of interest	Security Guaranteee	Repayment terms
	31 March 2021	31 March 2020			
Term loan from banks (Secured)	2,192.55	2,126.53	Interest rate ranges from 8.70% to 9.20%	Secured by first charge on immovable and movable fixed assets (present & future) of the Raigarh plant and second charge on current assets of the Raigarh plant.	Repayable in 36 structured quarterly instalments, starting from the end of 39 <sup>th</sup> month from the date of first disbursement.
Term Loan from Standard Chartered bank - refer note 36(1)	-	301.54	3 Month Libor + 3.5%	1) First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Group. 2) Charge over the shareholder's loan extended by Monnet Global Limited to PT Sarwa Sembada Karya Bumi. 3) Assignment and charge over the coal sale contract entered into between the Group and PT Sarwa Sembada Karya Bumi.	On demand
Long term loan from a related party (Unsecured)	125.00	125.00	SBI 1 year MCLR + 200 bps or 10% whichever is higher	N.A.	Repayable in 9 equal annual instalments of ₹ 13.89 Crore, starting from 31 August 2024 and ending at 31 August 2032.
Short term loan from a related party (Unsecured)	89.50	89.50			At the end of 12 months from the date of disbursement.
Working capital facility	135.23	278.13	1 Year MCLR	Secured by first charge on entire current assets (both present and future) and second charge on all immovable and movable fixed assets of the Raigarh plant.	On demand

(₹ in crores)

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 21. Lease liabilities

	(₹ in crores)			
	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Lease liabilities (refer note 42)	27.16	29.83	0.46	-
	<b>27.16</b>	<b>29.83</b>	<b>0.46</b>	-

## 22. Other financial liabilities

	(₹ in crores)	
	Non-current	
	31 March 2021	31 March 2020
Interest accrued but not due on borrowings	34.18	19.01
	<b>34.18</b>	<b>19.01</b>

## 23. Provisions

	(₹ in crores)			
	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 41)	-	-	-	0.06
Provision for compensated absences (refer note 41)	5.60	4.64	0.88	0.78
	<b>5.60</b>	<b>4.64</b>	<b>0.88</b>	<b>0.84</b>

## 24. Income tax

### A. Income tax expense

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Current tax</b>		
Current tax	-	-
<b>Deferred tax</b>		
Deferred tax	-	-
MAT credit entitlement	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

	(₹ in crores)	
	31 March 2021	31 March 2020
Loss before tax	209.52	(492.00)
Enacted tax rate in India	34.944	34.944
<b>Loss before income tax</b>	<b>209.52</b>	<b>(492.00)</b>
Expected income tax expense/(benefit) at statutory tax rate 34.94% (31 March 2020: 34.94%)	73.21	(171.92)
Expenses not deductible in determining taxable profits	0.63	0.02
Effect of different tax rates of subsidiaries in other jurisdictions	-	1.42
Income exempt from taxation	(109.91)	-
Deferred tax asset not recognised	36.07	170.48
<b>At the effective income tax rate of 0.0% (31 March 2020: 0.0%)</b>	<b>-</b>	<b>-</b>
Income tax expense reported in the statement of profit and loss	-	-
	<b>-</b>	<b>-</b>

The Group had recognised MAT credit amounting to ₹18.25 crores, however due to uncertainty regarding utilisation within the stipulated period of 15 years, the same had been fully provided in earlier years (refer note 17).

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### B. Deferred tax liabilities (net)

Deferred tax balance in relation to	As at 31-Mar-20	For the year ended 31 March 2021			As at 31-Mar-21
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(346.45)	(46.47)	-	-	(392.92)
Derivatives	(2.64)	3.34	-	-	0.70
Provisions for Impairment of Inventory/Trade receivables and loans	6.94	(4.03)	-	-	2.91
Provision for employee benefits expense and Trade payable	13.06	(0.96)	-	-	12.10
Lease obligations	0.09	0.03	-	-	0.12
Unamortised upfront fees on borrowings	0.95	(0.22)	-	-	0.73
Carried forward business loss/ unabsorbed depreciation (recognised to the extent of deferred tax liabilities (net))	328.05	48.31	-	-	376.36
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in crores)

Deferred tax balance in relation to	As at 01-Apr-19	For the year ended 31 March 2020			As at 31-Mar-20
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(300.15)	(46.30)	-	-	(346.45)
Derivatives	-	(2.64)	-	-	(2.64)
Provisions for Impairment of Inventory/Trade receivables and loans	34.71	(27.77)	-	-	6.94
Provision for employee benefits expense and Trade payable	6.29	6.77	-	-	13.06
Borrowings	(7.00)	7.00	-	-	-
Lease obligations	-	0.09	-	-	0.09
Unamortised upfront fees on borrowings	-	0.95	-	-	0.95
Carried forward business loss/ unabsorbed depreciation (recognised to the extent of deferred tax liabilities (net))	266.15	61.90	-	-	328.05
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in crores)

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

Expiry of losses (as per local tax laws)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	5 Years and beyond	Indefinite	Total
Business Losses	170.45	95.15	1,108.21	227.93	670.78	-	2,272.52
Unabsorbed depreciation	-	-	-	-	-	4,702.73	4,702.73
Long term capital losses	3.30	-	19.10	-	303.03	-	325.43
<b>Total</b>	<b>173.75</b>	<b>95.15</b>	<b>1,127.31</b>	<b>227.93</b>	<b>973.81</b>	<b>4,702.73</b>	<b>7,300.68</b>

(₹ in crores)

Based on legal advice from an independent expert, the management is of the view that vide NCLT order dated July 24, 2018 in response to the resolution plan submitted by the consortium of JSW Steel Limited and AION Investment Private II Limited for acquisition of the Group under the Insolvency Bankruptcy Code, 2016 ("NCLT Order"), the Group will be entitled to carry forward the aforementioned accumulated losses pertaining to the period prior to acquisition and off-set the same against the future taxable income of the Group.



# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 25. Trade payables

	(₹ in crores)	
	31 March 2021	31 March 2020
Acceptances	523.64	258.20
Other than acceptances		
- total outstanding dues of micro and small enterprises; (refer note 45)	0.04	1.35
- total outstanding dues of creditors other than micro and small enterprises	256.89	229.37
<b>Total</b>	<b>780.57</b>	<b>488.92</b>

- i. Acceptances include credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within one year.
- ii. Trade payables are non-interest bearing and are normally settled within 90 days except for SME's which are settled within 45 days.
- iii. Trade payables from related parties details has been disclosed in note 43.
- iv. For explanations on the Group's credit risk management processes, refer note 46.

## 26. Derivative Liabilities

	(₹ in crores)	
	31 March 2021	31 March 2020
Forward contracts (refer note 46)	2.23	0.20
<b>Total</b>	<b>2.23</b>	<b>0.20</b>

## 27. Other financial liabilities (Current) (at amortised cost)

	(₹ in crores)	
	31 March 2021	31 March 2020
Current maturities of long term debt (refer note 20)	44.22	301.54
Payables for capital projects		
Acceptances	30.75	27.11
Other than acceptances	15.98	19.05
Security deposits and retention money	13.28	11.06
Interest accrued but not due on borrowings	12.81	48.83
Unclaimed dividends	0.11	0.11
Others	28.55	20.19
<b>Total</b>	<b>145.70</b>	<b>427.89</b>

## 28. Other current liabilities

	(₹ in crores)	
	31 March 2021	31 March 2020
Advances from customers	68.27	16.97
Statutory dues	36.27	11.91
Export obligation deferred income	5.43	3.83
<b>Total</b>	<b>109.97</b>	<b>32.71</b>

## 29. Revenue from operations

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Sale of products	4,139.71	2,607.51
Sale of services	10.43	0.25
<b>A</b>	<b>4,150.14</b>	<b>2,607.76</b>
Other operating income		
Sale of scrap	26.51	23.49
Export incentives	11.09	6.91
<b>B</b>	<b>37.60</b>	<b>30.40</b>
<b>A+B</b>	<b>4,187.74</b>	<b>2,638.16</b>

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

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

Particulars	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Revenue from contracts with customers - Sale of products	4,139.71	2,607.51
Revenue from contracts with customers - Sales of services	10.43	0.25
Other operating revenue	37.60	30.40
<b>Total revenue from contracts with customers</b>	<b>4,187.74</b>	<b>2,638.16</b>
India	3,895.20	2,391.69
Outside India	292.54	246.47
<b>Total revenue from contracts with customers</b>	<b>4,187.74</b>	<b>2,638.16</b>
<b>Timing of revenue recognition</b>		
At a point in time	4,187.74	2,638.16
Over a period of time	-	-
<b>Total revenue from contracts with customers</b>	<b>4,187.74</b>	<b>2,638.16</b>

Product Wise	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Sponge Iron	1,265.12	1,176.82
Pellets	849.87	503.37
Structure/ TMT	872.21	451.59
Billets	432.09	228.58
Ferro Alloys	137.34	144.89
Pig Iron	490.05	93.87
Others	141.06	39.04
<b>Total</b>	<b>4,187.74</b>	<b>2,638.16</b>

### Contract balances

Particulars	(₹ in crores)	
	As at 31 March 2021	As at 31 March 2020
Trade receivables	188.68	51.77
Contract liabilities (advance from customers)	68.27	16.97

The Group does not have any significant adjustments between the contracted price and revenue recognised in the Statement of profit & loss.

The performance obligation is satisfied based on the terms of sale, normally, upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year is ₹ 16.97 crores (previous year ₹ 20.13 crores).

### 30. Other income

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Interest Income earned on financial assets that are not designated as FVTPL		
Bank deposits	7.67	9.35
Others interest income	1.29	2.20
Rental income	1.50	1.51
Fair value gain arising from financial instruments designated as FVTPL	0.23	7.55
Liabilities written back	2.42	4.68
Other miscellaneous income	2.62	0.99
<b>Total</b>	<b>15.73</b>	<b>26.28</b>

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 31. Changes in inventories of finished goods, stock in trade and work-in-progress

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
<b>Opening stock :</b>		
Finished goods	369.97	334.71
Work-in-process	4.95	5.73
<b>A</b>	<b>374.92</b>	<b>340.44</b>
<b>Closing stock :</b>		
Finished goods	364.53	369.97
Work-in-process	5.98	4.95
<b>B</b>	<b>370.51</b>	<b>374.92</b>
<b>Total</b>	<b>(A-B) 4.41</b>	<b>(34.48)</b>

## 32. Employee benefits expense

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Salaries and wages	106.98	107.24
Contribution to provident fund and other funds (refer note 41)	6.55	7.72
Staff welfare expenses	2.05	2.04
<b>Total</b>	<b>115.58</b>	<b>117.00</b>

## 33. Finance costs

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Interest expense on borrowings	253.84	244.45
Other ancillary borrowing costs	18.62	5.64
Unwinding of interest on financials liabilities (carried at amortised cost)	3.00	2.73
Interest expenses on lease liabilities	0.23	0.45
Other charges	0.16	0.05
<b>Total</b>	<b>275.85</b>	<b>253.32</b>

## 34. Depreciation and amortisation expense

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 4)	228.24	217.92
Depreciation of right of use assets	0.22	0.84
<b>Total</b>	<b>228.46</b>	<b>218.76</b>

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### 35. Other expenses

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Stores and spares consumed	172.27	124.09
Distribution expenses	104.79	79.50
Wages & labour charges	50.93	44.39
Repairs & maintenance		
- Machinery	17.58	18.46
- Building	2.62	2.38
- Others	11.39	2.02
Legal & professional charges	12.08	12.18
Water charges	8.56	9.01
Insurance charges	9.75	8.68
Security service charges	6.61	8.06
Vehicle expenses	3.46	4.91
Travelling & conveyance	0.55	2.41
Lease rent & hire charges	1.00	1.90
Auditors' remuneration		
- As Audit fees	0.47	0.42
- For limited review	0.24	0.24
- For tax matters	0.05	0.05
- For certification & other matters	0.02	0.01
- Reimbursement of expenses	0.01	-
Allowance for doubtful advances	0.14	1.80
Foreign exchange fluctuation (net)	4.30	4.24
Fair value gain arising from financial instruments designated as FVTPL	9.89	-
Allowance for doubtful debts	0.58	-
Loss on sale of property, plant and equipment	4.66	-
Balances written off	9.01	-
Miscellaneous expenses	20.58	11.97
Write off of financial assets, current and non-current assets, trade receivables and loans and advances	260.58	-
Less :- Provision for impairment recognized in earlier years	(260.58)	-
<b>Total</b>	<b>451.54</b>	<b>336.72</b>

### 36. Exceptional items (net)

	(₹ in crores)	
Particulars	31 March 2021	31 March 2020
i. Gain on settlement of loan outstanding with a bank (note 1)	275.90	-
ii. Gain on settlement of Interest outstanding on loan as mentioned above (note 1)	42.60	-
iii. Loss towards reassessment of realizable value (note 2)	(22.58)	-
iv. Gain on forfeiture of advance received from a buyer (note 3)	18.61	-
<b>Total</b>	<b>314.53</b>	<b>-</b>

#### Notes:

- Gain of Rs. 318.50 Crore on settlement of loan outstanding of Rs. 294.29 Crore and interest due thereon of Rs. 42.60 Crore at Rs. 18.39 Crore, pursuant to a settlement agreement entered into with its lender.
- Loss of Rs. 22.58 Crore towards reassessment of realizable value of assets held for sale pursuant to agreement entered into for sale of a subsidiary.
- Gain of Rs. 18.61 Crore on forfeiture of advance received from buyer pursuant to cancellation of agreement entered into for sale of a subsidiary.

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 37. Earnings per share (EPS)

Particulars	31 March 2021	31 March 2020
Profit / (loss) for the year as per Statement of Profit and Loss attributable to equity shareholders (₹ in crores) [A]	210.57	(491.88)
<b>Weighted average number of equity shares for calculating basic EPS (no. in crores) [B]</b>	<b>46.95</b>	<b>46.95</b>
Effect of dilution:		
Weighted average number of compulsorily convertible preference shares (no. in crores)	52.60	52.60
<b>Weighted average number of equity shares adjusted for the effect of dilution (no. in crores) [C] {refer note below}</b>	<b>99.55</b>	<b>46.95</b>
<b>Earnings per equity share in ₹</b>		
<b>Basic [A/B]</b>	4.48	(10.48)
<b>Diluted [A/C] (refer note below)</b>	2.12	(10.48)
<b>Face Value of each equity share in ₹</b>	10	10

### Note:

In calculation of diluted earnings per share, in previous year the Group does not assume conversion, exercise, or other issue as they would have an antidilutive effect on earnings per share.

## 38. Commitments and contingencies

### (a) Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of ₹ 47.59 crores (March 31, 2020 - ₹ 26.55 crores)
- Rupee equivalent of export obligation to be completed by 9<sup>th</sup> February, 2026 under EPCG Scheme ₹ NIL (31 March 2020 - ₹ 19.99 crores)

### (b) Contingent liabilities

	(₹ in crores)	
	31 March 2021	31 March 2020
Bank guarantees	104.41	107.13
Claims against the Group not acknowledged as debt	52.00	52.00

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 read with the independent legal opinion obtained by the Group and the recent judgment of Supreme Court of India, 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) and not part of the Resolution Plan, shall stand extinguished.

The Group has already recognised its share of losses equivalent to its interest in the joint ventures and hence, the group has no further exposure. Accordingly, the share in the contingent liability of the joint ventures amounting to ₹ 1.30 crores (as at 31 March 2020 ₹1.30 crores) is not reckoned with by the Group.

## 39. Disclosure of significant investments in subsidiaries:

Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		Principal activity
		31 March 2021	31 March 2020	
Monnet Global Limited	U.A.E.	100%	100%	Manufacturing Company
Monnet Cement Limited	INDIA	100%	100%	Manufacturing Company
Pt. Sarwa Sembada Karya Bumi	Indonesia	95%	95%	Mining
LLC Black Sea Natural Resources, Abkhazia	Russia	100%	100%	Mining

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## Information regarding non-controlling interest

	(₹ in crores)	
	31 March 2021	31 March 2020
Accumulated balances of material non-controlling interest:		
Pt. Sarwa Sembada Karya Bumi (subsidiary of Monnet Global Limited)	(1.13)	(0.08)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

## Summarised Statement of Profit & loss for the year ended 31 March 2021 and 31 March 2020

	Monnet Cement Limited		Monnet Global Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue	-	-	2.86	-
Cost of raw material and components consumed	-	-	-	-
Other expenses	0.04	0.06	2.79	4.07
Finance costs	-	-	0.06	0.002
<b>(Loss)/ profit before tax</b>	<b>(0.04)</b>	<b>(0.06)</b>	<b>0.01</b>	<b>(4.07)</b>
Exceptional Item	-	-	314.53	-
Income tax	-	-	-	-
<b>(Loss) / profit for the year</b>	<b>(0.04)</b>	<b>(0.06)</b>	<b>314.54</b>	<b>(4.07)</b>
<b>Total comprehensive (loss) / income</b>	<b>(0.04)</b>	<b>(0.06)</b>	<b>314.54</b>	<b>(4.07)</b>
Attributable to non-controlling interests	-	-	(1.05)	(0.12)
Dividends paid to non-controlling interests	-	-	-	-

## Summarised Balance sheet as at 31 March 2021 and 31 March 2020

	Monnet Cement Limited		Monnet Global Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Inventories and cash and cash equivalents and other current assets (current)	0.27	0.01	9.22	33.06
Property, plant and equipment and other non-current assets (non-current)	0.002	0.16	-	4.22
Trade and other payable (current)	0.15	0.003	1.01	350.87
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	-	-	55.95	55.95
<b>Total equity</b>	<b>0.12</b>	<b>0.17</b>	<b>(46.62)</b>	<b>(369.47)</b>
<b>Attributable to:</b>				
Owner of the Company	0.12	0.17	(46.62)	(369.47)
Non-controlling interest	-	-	(1.12)	(0.08)

## Summarised Cash flow statement as at 31 March 2021 and 31 March 2020

	Monnet Cement Limited		Monnet Global Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Operating	(0.01)	(0.06)	18.07	0.53
Investing	0.27	-	(16.85)	-
Financing	-	-	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>0.26</b>	<b>(0.06)</b>	<b>1.22</b>	<b>0.53</b>

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 40. Disclosure of significant investments in joint ventures :

### 1) Disclosure of investment in the following joint ventures :

(₹ in crores)

Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		Principal activity
		31 March 2021	31 March 2020	
Mandakini Coal Company Limited	India	33.33%	33.33%	Mining Company
Urtan North Mining Company Limited	India	33.33%	33.33%	Mining Company
MP Monnet Mining Company Limited	India	49.00%	49.00%	Mining Company
Monnet Ecomaister Enviro Private Limited	India	50.00%	50.00%	Manufacturing of PS balls

- 2) The group has no material Joint Venture. Hence, the financial information of such Joint Ventures has not been disclosed.

## 41. Employee benefit plans

### a) Defined contribution plans

The Group operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Group is required to contribute a specified percentage of payroll costs.

Group's contribution to provident fund & family pension scheme recognised in the statement of profit and loss aggregates to ₹6.55 crores (31 March 2020: ₹7.72 crores) (included in note 32).

Contribution towards Group owned trust is detailed in Defined benefit plans.

### b) Defined benefit plans

The Group sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 60. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The fund is managed by Monnet Ispat & Energy Employees Group Gratuity Trust and it is governed by the Board of trustees. The Board of trustees are responsible for the administration of the plan assets and for defining the investment strategy.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, Asset liability matching risk, mortality risk, concentration risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## (I) Gratuity :

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

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Defined Benefit Obligation ('DBO') at the beginning of the year</b>	17.27	13.13
Current service cost	1.70	1.11
Interest cost	1.19	1.02
Benefits paid	(1.84)	(1.23)
Actuarial (gain)/ loss on obligations - OCI	(1.61)	3.24
<b>Defined Benefit Obligation at the end of the year</b>	<b>16.71</b>	<b>17.27</b>

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

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Fair value of plan assets at the beginning of the year</b>	17.21	13.17
Contribution by employer	0.50	3.81
Benefits paid	(1.84)	(0.62)
Expected interest income on plan assets	1.19	1.02
Actuarial gain/(loss) on plan asset	0.44	(0.17)
<b>Fair value of plan assets at the end of the year</b>	<b>17.50</b>	<b>17.21</b>

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

	(₹ in crores)	
	31 March 2021	31 March 2020
Fair value of plan assets	17.50	17.21
Defined benefit obligation	16.71	17.27
<b>Amount recognised in the balance sheet (refer note 10 and 23)</b>	<b>(0.79)</b>	<b>0.06</b>

Amount recognised in Statement of Profit and Loss:

	(₹ in crores)	
	31 March 2021	31 March 2020
Current service cost	1.70	1.11
Interest expense	1.19	1.02
Expected return on plan asset	(1.19)	(1.02)
<b>Amount recognised in Statement of Profit and Loss (refer note 32)</b>	<b>1.70</b>	<b>1.11</b>

Amount recognised in other comprehensive income:

	(₹ in crores)	
	31 March 2021	31 March 2020
Actuarial changes arising from changes in demographic assumptions	0.07	-
Actuarial changes arising from changes in financial assumptions	(0.04)	(1.41)
Experience adjustments	1.58	(1.83)
Return on plan assets (excluding amounts included in net interest expense)	0.44	(0.17)
<b>Amount recognised in other comprehensive income/ (loss)</b>	<b>2.05</b>	<b>(3.41)</b>

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

	(₹ in crores)	
	31 March 2021	31 March 2020
Gratuity	Funded	Funded
Investment details	100%	100%
Investment with insurance fund	100%	100%

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

	31 March 2021	31 March 2020
Discount rate	6.86%	6.89%
Expected rate of return on plan assets	6.86%	6.89%
Future salary increases	7.00%	7.00%
Attrition rate	4.00%	2.00%
Retirement age	60 years	60 years
Mortality rate during employment	Indian assured lives mortality (2006-08) ult	Indian assured lives mortality (2006-08) ult



# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### Sensitivity analysis:-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

### The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:-

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(₹ in crores)			
<b>Assumptions</b>				
Discount rate	+ 1%	+ 1%	(1.16)	(1.59)
	- 1%	- 1%	1.32	1.85
Future salary increases	+ 1%	+ 1%	1.31	1.83
	- 1%	- 1%	(1.17)	(1.60)
Withdrawal rate	+ 1%	+ 1%	(0.04)	(0.04)
	- 1%	- 1%	0.04	0.04

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be correlated.

### The following are the maturity analysis of projected benefit obligations:

	(₹ in crores)	
	31 March 2021	31 March 2020
Within the next 12 months (next annual reporting year)	2.16	1.10
Between 2 and 5 years	4.56	3.29
Beyond 5 years	24.35	35.07
<b>Total expected payments</b>	<b>31.07</b>	<b>39.46</b>

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

The Group is expected to contribute ₹0.50 crore to its gratuity plan for the next year. The weighted average duration of the plan is 12 years.

## (II) Compensated absences

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Group due to death, retirement, superannuation or resignation, Employee are entitled to encash leave while serving in the Group at the rate of daily salary, as per current accumulation of leave days.

	(₹ in crores)	
Compensated absences	31 March 2021	31 March 2020
Present value of unfunded obligation (refer note 23)	6.48	5.42
Expenses recognised in Statement of profit and loss	1.06	1.46
Discount rate (p.a.)	6.86%	6.89%
Salary escalation rate (p.a.)	7.00%	7.00%

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 42. Lease

### Operating lease commitments - Group as lessee

Lease payments of ₹ 1 crore (31 March 2020 ₹ 1.90 crore) have been recognized as an expense in the statement of profit and loss.

### Lease - Group as a lessee

	(₹ in crores)	
	31 March 2021	31 March 2020
a. Right of use asset recognised in the Balance Sheet	43.84	29.58
b. Lease liability recognised in the Balance Sheet	27.62	29.83
c. Depreciation charged to Statement of Profit and loss		
- Land	0.34	0.34
- Building	-	0.50
d. Interest charged to Statement of Profit and loss	0.23	0.45
e. Lease payments recognised as expense for short term leases	1.00	1.90
f. Total cash flow for leases	0.48	1.04
g. Carrying value of the right of use assets		
- Land	43.84	27.75
- Building	-	1.83
h. Amounts of lease commitments for leases covered other than in point (e) above		
- Not later than one year	0.46	0.98
- Later than one year and not later than five years	1.71	3.02
- Later than five years	25.45	25.83
i. Amounts of lease commitments for leases covered in point (e) above		
- Not later than one year	0.13	1.86
- Later than one year and not later than five years	-	-
- Later than five years	-	-

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the Balance sheet was ranging between 9.5% to 10%.

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 43. Related party disclosures

### A. List of related parties

(a) Parent company		Creixent Special Steels Limited
(b) Joint venturer of parent company	1	JSW Steel Limited
	2	AION Investments Private II Limited
(c) Joint ventures	1	MP Monnet Mining Company Limited
	2	Mandakini Coal Company Limited
	3	Urtan North Mining Company Limited
	4	Monnet Ecomaister Enviro Private Limited
(d) Subsidiary of joint venture of the company		Solace Land Holding Limited
(e) Key management personnel:-	1	Mr. D Ravichandar
	2	Ms. Anuradha Ambar Bajpai
	3	Ms. Sutapa Banerjee
	4	Mr. Jyotin Kantilal Mehta
	5	Mr. Kalpesh Kikani (upto 7 <sup>th</sup> January 2021)
	6	Mr. Kaushik Subramaniam (w.e.f. 19 <sup>th</sup> January 2021)
	7	Mr. Nikhil Gahrotra
	8	Mr. Sanjay Kumar
	9	Mr. Seshagiri Rao
	10	Mr. J. Nagarajan (Chief Financial Officer)
	11	Mr. Ajay Kadhao (Company Secretary)
<b>Related parties with whom the Group has entered into transactions during the year</b>		
(f) Subsidiary of joint venturer of parent company	1	JSW Steel Coated Products Limited
	2	GSI Lucchini S.P.A
	3	Amba River Coke Limited
(g) Joint venture of joint venturer of parent company		Bhushan Power and Steel Limited (w.e.f. 26 <sup>th</sup> March 2021)
(h) Promoter group company	1	JSW Techno Projects Management Limited
	2	JTPM Atsali Limited
(i) Post-employment benefit entity		Monnet Ispat & Energy Employees Group Gratuity Trust

### B. Details relating to remuneration of key managerial personnel

#### i) Remuneration of key managerial personnel

	(₹ in crores)	
	for the year ended 31 March 2021	for the year ended 31 March 2020
Short term employee benefits	3.44	3.03

#### Note:

As the future liability for gratuity is provided on an actuarial basis for the group as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

#### ii) Directors sitting fees

	(₹ in crores)	
Name of key managerial personnel	for the year ended 31 March 2021	for the year ended 31 March 2020
Ms. Anuradha Ambar Bajpai	0.04	0.03
Ms. Sutapa Banerjee	0.03	0.03
Mr. Jyotin Kantilal Mehta	0.04	0.04

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## C. The following transactions were carried out with related parties in the ordinary course of business:-

Particulars		Parent	Joint ventures	Joint venturer of parent company	Subsidiary of joint venturer of parent company	Joint venturer of parent company	Joint venturer of parent company	Promoter company
<b>Sales of goods</b>								
JSW Steel Limited	31 March 2021	-	-	140.49	-	-	-	-
	31 March 2020	-	-	33.59	-	-	-	-
JSW Techno Projects Management Limited	31 March 2021	-	-	-	-	-	-	94.45
	31 March 2020	-	-	-	-	-	-	-
Creixent Special steels Limited	31 March 2021	17.21	-	-	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-
Bhushan Power and Steel Limited	31 March 2021	-	-	-	-	-	11.36	-
	31 March 2020	-	-	-	-	-	-	-
JTPM Atsali Limited	31 March 2021	-	-	-	-	-	-	5.04
	31 March 2020	-	-	-	-	-	-	-
<b>Loan taken</b>								
JSW Steel Limited	31 March 2021	-	-	-	-	-	-	-
	31 March 2020	-	-	89.50	-	-	-	-
<b>Loan given</b>								
MP Monnet Mining Company Limited	31 March 2021	-	0.01	-	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-
<b>Interest accrued on Loan</b>								
JSW Steel Limited	31 March 2021	-	-	25.07	-	-	-	-
	31 March 2020	-	-	16.43	-	-	-	-
<b>Purchase of raw material / stores / fixed assets</b>								
JSW Steel Limited	31 March 2021	-	-	514.13	-	-	-	-
	31 March 2020	-	-	145.58	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	3.41	-	-	-
	31 March 2020	-	-	-	2.70	-	-	-
GCI Lucchini SPA	31 <sup>st</sup> March 2020	-	-	-	1.13	-	-	-
	31 <sup>st</sup> March 2019	-	-	-	4.37	-	-	-
<b>Reimbursement of expenses payable</b>								
JSW Steel Limited	31 March 2021	-	-	14.45	-	-	-	-
	31 March 2020	-	-	0.06	-	-	-	-
<b>Reimbursement of expenses receivable</b>								
JSW Steel Limited	31 March 2021	-	-	7.75	-	-	-	-
	31 March 2020	-	-	2.53	-	-	-	-
Creixent Special steels Limited	31 March 2021	0.19	-	-	-	-	-	-
	31 March 2020	0.11	-	-	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	0.30	-	-	-
	31 March 2020	-	-	-	-	-	-	-
Amba River Coke Limited	31 March 2021	-	-	-	0.04	-	-	-
	31 March 2020	-	-	-	-	-	-	-

### Note:

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Monnet Ispat & Energy Employees Group Gratuity Trust). During the year, the Company contributed ₹ 0.50 crores (March 2020 : ₹3.81 crores).

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

Particulars		Parent	Joint ventures	Joint venturer of parent company	Subsidiary of joint venturer of parent company	Joint venture of joint venturer of parent company	Promoter company	₹ in crores)	
<b>D. Net outstanding balances:-</b>									
<b>Trade receivables</b>									
JSW Steel Limited	31 March 2021	-	-	18.43	-	-	-	-	-
	31 March 2020	-	-	5.91	-	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	-	-	-	-	-
	31 March 2020	-	-	-	0.03	-	-	-	-
JSW Techno Projects Management Limited	31 March 2021	-	-	-	-	-	-	55.49	-
	31 March 2020	-	-	-	-	-	-	-	-
Creixent Special steels Limited	31 March 2021	0.58	-	-	-	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-	-
<b>Advances to suppliers</b>									
JSW Steel Limited	31 March 2021	-	-	50.95	-	-	-	-	-
	31 March 2020	-	-	1.89	-	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	0.05	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-	-
Bhushan Power and Steel Limited	31 March 2021	-	-	-	-	0.81	-	-	-
	31 March 2020	-	-	-	-	-	-	-	-
<b>Advance received</b>									
Bhushan Power and Steel Limited	31 March 2021	-	-	-	-	0.42	-	-	-
	31 March 2020	-	-	-	-	-	-	-	-
<b>Interest payable</b>									
JSW Steel Limited	31 March 2021	-	-	44.67	-	-	-	-	-
	31 March 2020	-	-	21.48	-	-	-	-	-
<b>Reimbursement of expenses receivable</b>									
JSW Steel Limited	31 March 2021	-	-	7.75	-	-	-	-	-
	31 March 2020	-	-	2.53	-	-	-	-	-
Creixent Special steels Limited	31 March 2021	0.21	-	-	-	-	-	-	-
	31 March 2020	0.03	-	-	-	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	0.30	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-	-
Amba River Coke Limited	31 March 2021	-	-	-	0.04	-	-	-	-
	31 March 2020	-	-	-	-	-	-	-	-
<b>Reimbursement of expenses payable</b>									
JSW Steel Limited	31 March 2021	-	-	14.45	-	-	-	-	-
	31 March 2020	-	-	13.99	-	-	-	-	-
Amba River Coke Limited	31 March 2021	-	-	-	0.20	-	-	-	-
	31 March 2020	-	-	-	0.20	-	-	-	-

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

Particulars		Parent	Joint ventures	Joint venturer of parent company	Subsidiary of joint venturer of parent company	Joint venture of joint venturer of parent company	Promoter company
(₹ in crores)							
<b>Trade payables</b>							
JSW Steel Limited	31 March 2021	-	-	53.96	-	-	-
	31 March 2020	-	-	-	-	-	-
JSW Steel Coated Products Limited	31 March 2021	-	-	-	0.65	-	-
	31 March 2020	-	-	-	-	-	-
<b>Loan received</b>							
JSW Steel Limited	31 March 2021	-	-	214.50	-	-	-
	31 March 2020	-	-	214.50	-	-	-
<b>Loan given</b>							
Mandakini Coal Company Limited*	31 March 2021	-	6.41	-	-	-	-
	31 March 2020	-	6.41	-	-	-	-
MP Monnet Mining Company Limited*	31 March 2021	-	0.22	-	-	-	-
	31 March 2020	-	0.22	-	-	-	-
Monnet Ecomaister Enviro Pvt. Limited*	31 March 2021	-	7.88	-	-	-	-
	31 March 2020	-	7.88	-	-	-	-

## Notes:

\* Balances receivables from these related parties had been provided in books of accounts.

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Monnet Ispat & Energy Employees Group Gratuity Trust). As on 31 March 2021, the fair value of plan assets was as ₹17.50 crores. (As at 31 March 2020: ₹ 17.21 crores).

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### 44. Segment information

The Group is in the business of manufacturing steel products and allied products having similar characteristics and reviewed by the chief operating decision maker for assessment of Group's performance and resource allocation. Accordingly, the Group has only one reportable operating segment as per Ind AS 108 - Operating segments.

#### Revenue from operations:

Particulars	(₹ in crores)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
within India	3,895.20	2,391.69
outside India	292.54	246.47
<b>Total</b>	<b>4187.74</b>	<b>2638.16</b>

#### Non current assets of the Group as at 31 March 2021 are located as follows:

Particulars	(₹ in crores)		
	within India	Outside India	Total
Property, plant and equipment	3,124.57	-	3,124.57
Capital work-in-progress	175.14	-	175.14
Right of use assets	43.84	-	43.84
Other non-current assets	21.96	0.26	22.22
<b>Total</b>	<b>3,365.51</b>	<b>0.26</b>	<b>3,365.77</b>

#### Non current assets of the Group as at 31 March 2020 are located as follows:

Particulars	(₹ in crores)		
	Within India	Outside India	Total
Property, plant and equipment	3,219.70	4.22	3,223.92
Capital work-in-progress	237.63	-	237.63
Right of use assets	29.58	-	29.58
Other non-current assets	20.56	0.79	21.35
<b>Total</b>	<b>3,507.47</b>	<b>5.01</b>	<b>3,512.48</b>

### 45. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:

Particulars	(₹ in crores)	
	31 March 2021	31 March 2020
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	0.04	1.35
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 46. Financial Instruments

### 46.1 Capital risk management

The Group, being in a capital intensive industry, its objective is to maintain a strong credit rating and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group monitors its capital using gearing ratio which is net debt to total equity. Net debt includes borrowings less cash and cash equivalents and bank balances.

The objective of the Group's capital management structure is to ensure that there remains sufficient liquidity within the Group to carry out committed work programme requirements. The Group monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Group manages its capital structure and makes adjustments to it, based on underlying macro economic factors affecting business environment, financial market conditions and interest rates environment.

Particulars	(₹ in crores)	
	31 March 2021	31 March 2020
Long term borrowings (including current maturities)	2,317.55	2,553.07
Short term borrowings	224.73	367.63
<b>Total borrowings</b>	<b>2,542.28</b>	<b>2,920.70</b>
Less: Cash and cash equivalents	13.33	35.83
Less: Bank balances other than cash and cash equivalents	116.29	130.12
Less: Bank deposits (having maturity of more than 12 months)	59.19	4.69
<b>Net debts</b>	<b>2,353.47</b>	<b>2,750.06</b>
<b>Total equity</b>	<b>1,392.00</b>	<b>1,172.72</b>
<b>Gearing ratio (%)</b>	<b>169.07%</b>	<b>234.50%</b>

- (i) Equity includes all capital and reserves of the Group that are managed as capital.
- (ii) Debt is defined as long term borrowings (including current maturities) and short term borrowings as described in note 20.

### 46.2 Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2021

Particulars	(₹ in crores)				
	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
<b>Financial assets</b>					
Current investment	-	-	0.25	0.25	0.25
Non current investment	-	0.92	-	0.92	0.92
Trade receivables	188.68	-	-	188.68	188.68
Cash and cash equivalents	13.33	-	-	13.33	13.33
Bank balances other than cash and cash equivalents	116.39	-	-	116.39	116.39
Derivative assets	-	-	0.23	0.23	0.23
Other financial assets	80.26	-	-	80.26	80.26
<b>Total</b>	<b>398.66</b>	<b>0.92</b>	<b>0.48</b>	<b>400.06</b>	<b>400.06</b>
<b>Financial liabilities</b>					
Long term borrowings	2,273.33	-	-	2,273.33	2,273.33
Short term borrowings	224.73	-	-	224.73	224.73
Lease liabilities	27.62	-	-	27.62	27.62
Trade payables	780.57	-	-	780.57	780.57
Derivative liabilities	-	-	2.23	2.23	2.23
Other financial liabilities	179.88	-	-	179.88	179.88
<b>Total</b>	<b>3,486.13</b>	<b>-</b>	<b>2.23</b>	<b>3,488.36</b>	<b>3,488.36</b>



# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

As at 31 March 2020

Particulars	(₹ in crores)				
	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
<b>Financial assets</b>					
Current investment	-	-	0.16	0.16	0.16
Non current investment	-	0.59	-	0.59	0.59
Trade receivable	51.77	-	-	51.77	51.77
Cash and cash equivalents	35.83	-	-	35.83	35.83
Bank balances other than cash and cash equivalents	130.23	-	-	130.23	130.23
Derivative assets	-	-	7.75	7.75	7.75
Loans	0.36	-	-	0.36	0.36
Other financial assets	25.80	-	-	25.80	25.80
<b>Total</b>	<b>243.99</b>	<b>0.59</b>	<b>7.91</b>	<b>252.49</b>	<b>252.49</b>
<b>Financial liabilities</b>					
Long term borrowings	2,251.53	-	-	2,251.53	2,251.53
Short term borrowings	367.63	-	-	367.63	367.63
Lease liabilities	29.83	-	-	29.83	29.83
Trade payables	488.92	-	-	488.92	488.92
Derivative liabilities	-	-	0.20	0.20	0.20
Other financial liabilities	446.90	-	-	446.90	446.90
<b>Total</b>	<b>3,584.81</b>	<b>-</b>	<b>0.20</b>	<b>3,585.01</b>	<b>3,585.01</b>

## 46.3 Financial risk management objectives and policies

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures, wherever required. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The sensitivity analysis of the above mentioned risk in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

### A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

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

Particulars	(₹ in crores)	
	31 March 2021	31 March 2020
Fixed rate borrowings	-	-
Floating rate borrowings	2,542.28	2,920.70
<b>Total borrowings</b>	<b>2,542.28</b>	<b>2,920.70</b>
Total net borrowings	2,542.28	2,920.70
Add: Upfront fees	18.30	20.56
<b>Total borrowings</b>	<b>2,560.58</b>	<b>2,941.26</b>

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

The following table demonstrates the sensitivity to change in interest rates, all other variables held constant :

	Increase/ decrease in basis points	(₹ in crores) Effect on profit before tax
<b>31 March 2021</b>		
INR	+50	(12.71)
INR	-50	12.71
<b>31 March 2020</b>		
INR	+50	(14.60)
INR	-50	14.60

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

### B. Foreign currency risk management

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates.

The Group's functional currency is Indian Rupee (INR). The Group also undertakes transactions denominated in foreign currencies. Consequently, exposure to exchange rate fluctuations arises. Volatility in exchange rates affects the Group's revenue from export markets and the cost of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade portfolio.

A reasonably possible strengthening/weakening of the foreign currencies (USD / Euro) against INR would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit and loss by the amounts shown below. The analysis assumes that all other variables remain constant.

#### Exposure to currency risk

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

#### Currency exposure as at 31 March 2021

Particulars	USD	EURO	INR	(₹ in crores) Total
<b>Financial assets</b>				
Current investment	-	-	0.25	0.25
Non current investment	-	-	0.92	0.92
Trade receivables	44.29	1.88	142.51	188.68
Cash and cash equivalents	1.83	-	11.50	13.33
Bank balances other than cash and cash equivalents	-	-	116.39	116.39
Derivative assets	0.23	-	-	0.23
Loans	-	-	-	-
Other financial assets	-	-	80.26	80.26
<b>Total financial assets</b>	<b>46.35</b>	<b>1.88</b>	<b>351.83</b>	<b>400.06</b>
<b>Financial liabilities</b>				
Long term borrowings	-	-	2,273.33	2,273.33
Short term borrowings	-	-	224.73	224.73
Lease liabilities	-	-	27.62	27.62
Trade payables	180.31	-	600.26	780.57
Derivative liabilities	2.22	0.01	-	2.23
Other financial liabilities	2.44	27.26	150.18	179.88
<b>Total financial liabilities</b>	<b>184.97</b>	<b>27.27</b>	<b>3,276.12</b>	<b>3,488.36</b>

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### Currency exposure as at 31 March 2020

Particulars	(₹ in crores)			
	USD	EURO	INR	Total
<b>Financial assets</b>				
Current investment	-	-	0.16	0.16
Non current investment	-	-	0.59	0.59
Trade receivables	20.11	-	31.66	51.77
Cash and cash equivalents	0.63	-	35.20	35.83
Bank balances other than cash and cash equivalents	-	-	130.23	130.23
Derivative assets	7.75	-	-	7.75
Loans	-	-	0.36	0.36
Other financial assets	-	-	25.80	25.80
<b>Total financial assets</b>	<b>28.49</b>	<b>-</b>	<b>224.00</b>	<b>252.49</b>
<b>Financial liabilities</b>				
Long term borrowings	-	-	2,251.53	2,251.53
Short term borrowings	-	-	367.63	367.63
Lease liabilities	-	-	29.83	29.83
Trade payables	103.52	-	385.40	488.92
Derivative liabilities	0.04	0.16	-	0.20
Other financial liabilities	301.54	29.29	116.07	446.90
<b>Total financial liabilities</b>	<b>405.10</b>	<b>29.45</b>	<b>3,150.46</b>	<b>3,585.01</b>

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	(₹ in crores)			
	Increase		Decrease	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Receivables</b>				
USD/INR	0.46	0.13	(0.46)	(0.13)
EURO/INR	-	0.02	-	(0.02)
<b>Payables</b>				
USD/INR	(0.41)	(15.08)	0.41	15.08
EURO/INR	(1.36)	0.02	1.36	(0.02)

The forward exchange contracts entered into by the Group and outstanding are as under:

#### a) USD

As at	Nature	No. of Contracts	Type	(₹ in crores)		
				USD equivalent (in crores)	INR equivalent (in crores)	MTM
31 March 2021	Liabilities	11	Buy	1.88	138.04	(1.97)
	Assets	8	Buy	0.51	37.47	0.11
	Liabilities	8	Sell	0.64	47.34	(0.25)
	Assets	4	Sell	0.29	21.32	0.12
31 March 2020	Assets	10	Buy	2.52	190.04	7.75
	Liabilities	6	Sell	0.24	18.24	0.04

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## b) EURO

(₹ in crores)						
As at	Nature	No. of Contracts	Type	EURO equivalent (in crores)	INR equivalent (in crores)	MTM
31 March 2021	Liabilities	1	Sell	0.02	1.88	(0.01)
31 March 2020	Liabilities	1	Buy	0.34	27.82	0.16

## Unhedged currency risk position

### I) Amounts receivable in foreign currency

#### a) USD

	(₹ in crores)			
	As at 31 March 2021		As at 31 March 2020	
	US\$ equivalent	INR equivalent	US\$ equivalent	INR equivalent
Trade receivables	-	-	0.03	1.87
Cash & cash equivalents	0.02	1.83	-	-
Other recoverable	0.10	7.39	0.01	0.63

#### b) EURO

	(₹ in crores)			
	As at 31 March 2021		As at 31 March 2020	
	EURO equivalent	INR equivalent	EURO equivalent	INR equivalent
Trade receivables	-	-	0.0001	0.43

### II) Amounts payable in foreign currency

#### a) USD

	(₹ in crores)			
	As at 31 March 2021		As at 31 March 2020	
	US\$ equivalent	INR equivalent	US\$ equivalent	INR equivalent
Short term borrowings	-	-	4.00	301.54
Trade Payables and other financial liabilities	0.10	7.25	-	-
Other Payables	0.01	1.01	-	-

#### b) EURO

	(₹ in crores)			
	As at 31 March 2021		As at 31 March 2020	
	EURO equivalent	INR equivalent	EURO equivalent	INR equivalent
Other financial liabilities	0.32	27.26	-	-

The unhedged foreign currency exposure disclosed in table above does not include receivable / payable in foreign currency, to the extent, covered by the outstanding derivative contracts.

## 46.4 Credit risk management:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### A. Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Group does not have any significant concentrations of bad debt risk other than that disclosed in note 12.

At each reporting date, the Group computes the expected credit loss using simplified approach. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Group does not hold collateral as security. The Group has evaluated the concentration of risk with respect to trade receivables as low. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

### B. Financial instruments and bank deposits

Credit risk from deposits with banks is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assesses the Group's policy and updates the same as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

### III. Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinarily high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

#### Maturity pattern of financial assets and liabilities:

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

#### As at 31 March 2021

Particulars	(₹ in crores)			
	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Current investment	0.25	-	-	0.25
Non current investment	-	-	0.92	0.92
Trade receivables	188.68	-	-	188.68
Cash and cash equivalents	13.33	-	-	13.33
Bank balances other than cash and cash equivalents	116.39	-	-	116.39
Derivative assets	0.23	-	-	0.23
Other financial assets	14.79	59.19	6.28	80.26
<b>Total financial assets</b>	<b>333.67</b>	<b>59.19</b>	<b>7.20</b>	<b>400.06</b>
<b>Financial liabilities</b>				
Long term borrowings	-	832.00	1,441.33	2,273.33
Short term borrowings	224.73	-	-	224.73
Lease liabilities	0.46	1.71	25.45	27.62
Trade payables	780.57	-	-	780.57
Derivative liabilities	2.23	-	-	2.23
Other financial liabilities	179.88	-	-	179.88
Interest payout liability on borrowings	192.26	806.62	521.86	1,520.74
Interest payout liability on leases	0.23	0.88	10.06	11.17
<b>Total financial liabilities</b>	<b>1,380.36</b>	<b>1,641.21</b>	<b>1,998.70</b>	<b>5,020.27</b>

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

As at 31 March 2020

Particulars				(₹ in crores)
	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Current investment	0.16	-	-	0.16
Non current investment	-	-	0.59	0.59
Trade receivables	51.77	-	-	51.77
Loans	0.36	-	-	0.36
Cash and cash equivalents	35.83	-	-	35.83
Bank balances other than cash and cash equivalents	130.23	-	-	130.23
Derivative assets	7.75	-	-	7.75
Other financial assets	1.46	24.30	0.04	25.80
<b>Total financial assets</b>	<b>227.56</b>	<b>24.30</b>	<b>0.63</b>	<b>252.49</b>
<b>Financial liabilities</b>				
Long term borrowings	-	611.00	1,640.53	2,251.53
Lease liabilities	0.98	3.02	25.83	29.83
Short term borrowings	367.63	-	-	367.63
Trade payables	488.92	-	-	488.92
Derivative liabilities	0.20	-	-	0.20
Other financial liabilities	446.90	-	-	446.90
Interest payout liability on borrowings	219.42	828.62	471.55	1,519.59
Interest payout liability on leases	0.10	0.57	11.13	11.80
<b>Total financial liabilities</b>	<b>1,524.15</b>	<b>1,443.21</b>	<b>2,149.04</b>	<b>5,116.40</b>

## Collateral

The Group has pledged part of its trade receivables, cash and cash equivalents and bank balances in order to fulfill certain collateral requirements for the banking facilities extended to the Group. (refer note 20 & 27)

## 47. Level wise disclosure of financial instruments

Particulars				(₹ in crores)
	31 March 2021	31 March 2020	Level	Valuation Technique
Quoted investments in equity shares measured at FVTOCI	0.92	0.59	1	Quoted bid prices in an active market
Unquoted Investments at fair value through profit or loss	0.25	0.16	2	The mutual funds are valued using the closing NAV.
Derivative assets	0.23	7.75	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date.
Derivative liabilities	2.23	0.20		

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

There are no transfers between level 1 and level 2 during the year.

# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

### 48. Disclosure under Ind AS 7 'Statement of Cash Flows'

Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

Particulars	31 March 2020	Cash flows	Non-cash changes		31 March 2021
			Fair value changes	Other	
			(₹ in crores)		
Interest expenses	67.84	(249.84)	-	228.99	46.99
Lease liabilities	29.83	(0.48)	(1.73)	-	27.62
Long-term borrowings	2,553.07	45.39	(280.91)	-	2,317.55
Short term borrowings	367.63	(142.90)	-	-	224.73
<b>Total liabilities from financing activities</b>	<b>3,018.37</b>	<b>(347.83)</b>	<b>(282.64)</b>	<b>228.99</b>	<b>2,616.89</b>

Particulars	31 March 2019	Cash flows	Non-cash changes		31 March 2020
			Fair value changes	Other	
			(₹ in crores)		
Interest expenses	48.02	(234.22)	-	254.04	67.84
Lease liabilities	-	(1.04)	30.87	-	29.83
Long-term borrowings	2,044.10	207.09	301.88	-	2,553.07
Short term borrowings	430.90	213.42	(276.69)	-	367.63
<b>Total liabilities from financing activities</b>	<b>2,523.02</b>	<b>185.25</b>	<b>56.06</b>	<b>254.04</b>	<b>3,018.37</b>

### 49. Held for sale

	(₹ in crores)	
	31 March 2021	31 March 2020
<b>Assets</b>		
Assets of Monnet Ecomaister Enviro Private Limited (refer note I below)	0.001	0.001
Assets of Monnet Cements Limited (refer note II below)	-	0.17
Assets of PT Sarwa Sembada Karya Bumi (refer note III below)	7.37	32.34
Advance for properties	-	5.96
Aircraft (refer note IV below)	11.00	-
<b>Total assets</b>	<b>18.37</b>	<b>38.47</b>
<b>Liabilities</b>		
Liabilities of Monnet Cements Limited (refer note II below)	-	0.003
Liabilities of PT Sarwa Sembada Karya Bumi (refer note III below)	0.02	3.29
<b>Total liabilities</b>	<b>0.02</b>	<b>3.29</b>

#### Note:

- I. The Group had entered into a non binding MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having gross value of ₹14.21 crores (provision of ₹ 14.21 crores, hence net book value is zero) for a total consideration of ₹ 10,000 (Rupees Ten Thousand). Accordingly, the Group has measured the said investment at lower of its carrying amount and fair value less costs to sell and classified it as held-for-sale.
- II. Assets and liabilities of Monnet Cement Limited, resolved to be sold in previous year, have ceased to be classified as held for sale, pursuant to change in the plan during the current year.
- III. In the Board Meeting held on 21 October 2019, resolution was passed to sell entire stake in PT Sarwa Sembada Karya Bumi. Accordingly, the Group has re-classified its assets and liabilities as held for sale.
- IV. In the Board Meeting held on 19 January 2021, the Board had approved to sell the aircraft. Accordingly, the Company has entered into letter of intent with Nav Durga Aviation Private Limited and has measured the aircraft at lower of its carrying amount or fair value less costs to sell and has classified it as held-for-sale.

# Notes

To the Consolidated Financial Statements for the year ended 31 March 2021

## 50. Disclosure of additional information pertaining to the parent company and subsidiaries and joint venture as per Schedule III of Companies Act, 2013

Name of entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive loss	Amount	As % of consolidated total comprehensive loss	Amount
<b>Parent Company</b>								
JSW Ispat Special Products Limited (Formerly known as Monnet Ispat and Energy Limited)	99.39	1,383.51	(50.11)	(104.99)	25.72	2.51	(46.73)	(102.48)
<b>Subsidiaries</b>								
<b>Indian</b>								
Monnet Cement Limited	0.01	0.12	(0.02)	(0.04)	-	-	(0.02)	(0.04)
<b>Foreign</b>								
Monnet Global Limited - Group	(3.35)	(46.62)	150.63	315.60	-	-	143.93	315.60
<b>Non-controlling interest in all Subsidiaries</b>	(0.08)	(1.13)	(0.50)	(1.05)	-	-	(0.48)	(1.05)
<b>Joint Ventures</b>								
<b>Indian</b>								
Mandakini Coal Company Limited	-	-	-	-	-	-	-	-
Urtan North Mining Company Limited	-	-	-	-	-	-	-	-
MP Monnet Mining Company Limited	-	-	-	-	-	-	-	-
Monnet Ecomaster Enviro Private Limited	-	-	-	-	-	-	-	-
Solace Land Holding Limited	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	4.03	56.12	-	-	74.28	7.25	3.31	7.25
<b>Total</b>	<b>100.00</b>	<b>1,392.00</b>	<b>100.00</b>	<b>209.52</b>	<b>100.00</b>	<b>9.76</b>	<b>100.00</b>	<b>219.28</b>

(₹ in crores)



# Notes

## To the Consolidated Financial Statements for the year ended 31 March 2021

- 51.** The President has given his assent to the Code on Social Security, 2020 ("Code") in September 2020. On 13 November, 2020 the Ministry of Labour and Employment has released draft rules for the Code. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact once the subject rules are notified and will give appropriate impact to its financial statements in the period in which the Code becomes effective.
- 52.** The figures for the corresponding previous years have been reclassified / regrouped wherever necessary to make them comparable.

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana  
Whole Time Director  
DIN: 03298700

Nikhil Gahrotra  
Director  
DIN: 01277756

Place: Mumbai  
Date: 12 May 2021

J. Nagarajan  
Chief Financial Officer

Ajay Kadhao  
Company Secretary  
M. No. ACS-13444





**JSW Ispat Special Products Limited**  
(formerly known as Monnet Ispat & Energy Limited)

**CIN:** L02710MH1990PLC363582

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**Phone:** +91.22.42861000

**Email:** [isc\\_jispl@aionjsw.in](mailto:isc_jispl@aionjsw.in)

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