28th Annual Report

2017 - 18

Monnet Ispat & Energy Limited

(Joint Venture Company by AION and JSW Steel Limited)

what's inside

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Jyotin Kantilal Mehta
(Independent Director)

Non-Exceutive Directors
Kalpesh Pankaj Kikani
Sanjay Kumar
Seshagiri Rao MVS
Nikhil Omprakash Gahrotra

Non-Executive Independent Directors
Anuradha Ambar Bajpai
Sutapa Banerjee

Executive Director
Ravichandar Moorthy Dhakshana

Chief Financial Officer
Sanjay Kumar Garodia

Company Secretary
Hardeep Singh

INVESTOR SERVICE GRIEVANCE
Hardeep Singh (Compliance Officer)
Monnet House, 11, Masjid Moth, Greater
Kailash, Part-II, New Delhi-110048
Phone: +91-11-29218542/46
Fax: +91-11-29218541
E-mail: isc_miel@aionjsw.in

BANKERS
Induslnd Bank Limited

AUDITORS
APAS & Company, Chartered Accountants

REGISTERED OFFICE & RAIPUR WORKS
Monnet Ispat & Energy Limited
Monnet Marg, Mandir Hasaud, Raipur,
Chhattisgarh-492101
CIN: L02710CT1990PLC009826

RAIGARH WORKS
Village Naharpali, Tehsil Kharsia, Distt.
Raigarh, Chhattisgarh

CORPORATE OFFICE
Monnet House, 11, Masjid Moth, Greater
Kailash, Part-II, New Delhi-110048

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

CORPORATE WEBSITE
www.aionjsw.in

DIRECTORS' REPORT

To the Members,

The Reconstituted Board of Directors present the Twenty Eighth Annual Report of the Company, along with the financial statements for the financial year ended 31st March, 2018.

1. FINANCIAL SUMMARY

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

(Rs. in Crores)

S. No.	Particulars	Standalone		Consolidated	
		Year Ended 31.03.2018 Audited	Year Ended 31.03.2017 Audited	Year Ended 31.03.2018 Audited	Year Ended 31.03.2017 Audited
1	**Income from Operations**				
	(a) Net Sales/ Income from operations	1410.93	1372.80	1410.93	1375.08
	(b) Other Operating Income	8.16	2.28	8.16	0.00
2	**Total income from operations (net)**	**1419.09**	**1375.08**	**1419.09**	**1375.08**
3	Other Income	12.14	33.54	13.14	37.29
4	**Total income (2 + 3)**	**1431.23**	**1408.62**	**1432.23**	**1412.37**
5	**Expenses**				
	(a) Cost of Materials consumed	1144.79	943.43	1144.79	943.28
	(b) Purchase of stock-in-trade	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(24.19)	130.47	(24.19)	130.47
	(d) Employee benefits expense	94.07	101.55	98.89	108.76
	(e) Finance Costs	1181.66	1110.45	1193.26	1133.83
	(f) Depreciation and amortization expense	351.61	356.36	355.02	359.66
	(g) Excise Duty	35.83	137.05	35.83	137.05
	(h) Other expenses	107.89	148.21	124.40	463.60
	Total Expenses	**2891.66**	**2927.52**	**2928.00**	**3276.65**
6.	**Profit / (Loss) from operations before exceptional items and tax (4-5)**	(1460.43)	(1518.90)	(1495.77)	(1864.28)
7	Exceptional Items	440.53	209.90	263.52	262.98
8	**Profit / (Loss) from ordinary activities before extraordinary item and tax (6 ± 7)**	(1900.96)	(1728.80)	(1759.29)	(2127.26)
9	Extraordinary Items		-		-
10	**Profit / (Loss) from ordinary activities before tax (8 ±9)**	(1900.96)	(1728.80)	(1759.29)	(2127.26)
11	Tax expense:				
	(i) Current tax	-	5.06	-	5.06
	(ii) Deferred tax	-	-	-	-

12	**Net Profit / (Loss) from continuing operations (10 + 11)**	(1900.96)	(1733.86)	(1759.29)	(2132.32)
13	**Profit/ (loss) from discontinued operations**	-	-	-	-
14	**Tax expense of discontinued operations**	-	-	-	-
15	**Profit/ (loss) from discontinued operations (after tax) (13-14)**	-	-	-	-
16	**Profit/ (loss) for the period (12+15)**	(1900.96)	(1733.86)	(1759.29)	(2132.32)
17	**Other Comprehensive Income (after tax)**				
	A. (i) Items that will not be reclassified to profit or loss	(30.84)	(4.09)	(30.84)	(3.67)
	(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	-	-	(0.69)	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-
18	**Total Comprehensive Income for the period (16+17) comprising profit/ (loss) and other comprehensive income for the period.**	(1931.80)	(1737.95)	(1790.82)	(2135.99)
19	Paid-up equity share capital (Face Value Rs.10/- per Share fully paid-up)	200.79	200.79	200.79	200.79
20	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	(3278.48)	(1346.68)	(3277.25)	(1601.67)
21	**Earnings Per Share (EPS) (being same before and after extraordinary items) of Rs. 10/- each (not Annualized) (for continuing operations)**				
	(a) Basic	(94.68)	(86.39)	(87.63)	(106.39)
	(b) Diluted	(94.68)	(86.39)	(87.63)	(106.39)
22	**Earnings per share (for discontinued operations)**				
	(a) Basic	-	-	-	-
	(b) Diluted	-	-	-	-
23	**Earnings per share (for discontinued &continuing operations)**				
	(a) Basic	(94.68)	(86.39)	(87.63)	(106.39)
	(b) Diluted	(94.68)	(86.39)	(87.63)	(106.39)

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

2. FINANCIAL AND OPERATIONAL PERFORMANCE

The Financial Statements for the financial year ("FY" or "the Year") under review was approved by the Resolution Professional ("RP") pursuant to the powers vested in RP under CIRP process as defined later.

In so far as the business operations are concerned, the Company has two facilities namely, one at Raipur and the other at Raigarh. Raipur was running DRI Plant as also other facilities including Captive Power Plant and Ferro Alloys. However, the company's bigger facility at Raigarh which houses an integrated steel plant, was operating DRI Plant only, due to lack of working capital resources.

STANDALONE

The company's operational performance in terms of physical production and sales during the year ended on March 31, 2018, is as under –

Production Data are as under -

Particulars	FY'18	FY'17	Increase / (Decrease)
	MT	MT	+/(-) Variance [MT]
Sponge Iron	6,11,314	5,93,226	18,088
Billets	2,56,508	2,85,420	(28,912)
Structural Steel	1,06,176	1,62,086	(55,910)
Ferro Alloys	29,004	26,171	2,833
Pig Iron	Nil	69,169	(69,169)

Sales Data are as under–

Particulars	FY'18	FY'17	Increase / (Decrease)
	MT	MT	+/(-) Variance [MT]
Sponge Iron	4,58,332	4,93,106	(34,774)
Billets	32,861	44,988	(12,126)
Structural Steel	1,00,699	89,691	11,009
Ferro Alloys	24,896	19,517	5,379
Pig Iron	1,877	68,279	(66,402)

During the year under review, the Company's revenue from operations was Rs.1,419.09 crores as against Rs 1375.08 crores in the previous year. The Company's Earning Before Interest Depreciation and Tax ("EBIDTA") was Rs.72.84 crores in the Financial Year ended 31st March, 2018 as opposed to EBITDA loss of Rs. 52.09 crores in immediately preceeding year due to better market conditions as also efficient operational performance.

As the EBITDA earned during the year was not sufficient to cover depreciation and interest costs, profit before tax (PBT) was negative and stood at Rs. (-)1900.96 crores as against Rs. (-)1728.80 crores in the previous year and profit after tax (PAT) was Rs. (-)1900.96 crores against Rs. (-)1733.86 crores in the previous financial year.

During the year under review, there were exceptional items aggregating to Rs.(-) 440.53 crores as against Rs.(-) 209.90 crores in the year ended on March 31, 2017. The exceptional items include –

1. Rs.47.62 crores of certain non-recoverable advances written off;
2. Rs. 19.33 crores of inventory write-down and write-off based on physical verification of inventory and technical evaluation of inventory in non-operational divisions of the Company;
3. Rs. 196.57 crores towards impairment of investments in Monnet Power Company Ltd. (MPCL) as MPCL has been admitted to the Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code 2016;
4. Rs. 177.01 crores towards loss incurred due to appropriation of shares of Odisha Sponge Iron & Steel Limited pledged with the financial creditors of the Company.

CONSOLIDATED

During the year under review, the Company's revenue from operations was Rs. 1,419.09 crores as against Rs. 1375.08 crores in the previous year. Further, in the financial year ended 31st March, 2018, profit before tax (PBT) was negative and stood at Rs.(-)1759.29 crores as against Rs.(-)2127.26 crores in the previous year and profit after tax (PAT) was Rs.(-)1759.29 crores against Rs.(-)2132.32 crores in the previous financial year.

Further, there has been no change in the nature of business during the year under review.

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

CORPORATE INSOLVENCY RESOLUTION PLAN & CHANGE OF MANAGEMENT

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

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

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

Post-Acquisition, a new Board was constituted in the current financial year i.e. on August 31, 2018 **("Reconstituted Board" or "Board")** and a new management was put in place. In accordance with the provisions of the IBC and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

Members may kindly note that, the Directors of the Reconstituted Board **("Directors")** were not in office for the period to which this report primarily pertains. During the CIRP Process (i.e. between July 18, 2017 to July 24, 2018), the RP was entrusted with the management of the affairs of the Company. Prior to the Insolvency Commencement Date, the erstwhile Board of Directors had the oversight on the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder **("Act")** and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 **("SEBI Listing Regulations")**.

IBC is a new legislation in India and the Approved Resolution Plan of the Company is one of the few such resolution plans approved under the IBC. Members are requested to read this report in light of the fact that the Reconstituted Board and the new management is currently implementing the resolution plan.

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

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

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

Salient features of the Resolution Plan approved and implemented during the current financial year (2018-19) are as follows:

Pursuant to the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 initiated on 18 July 2017, the NCLT on 24 July 2018 (Order date) approved (with modifications), the Resolution Plan (the Plan) submitted by the consortium of AION Investments Private II Limited and JSW Steel Limited, which, inter alia, resulted in the following :

(a) Extinguishment of 5,07,32,841 equity shares of Rs. 10 each and 1,75,00,000 preference shares of Rs. 100 each held by the erstwhile promoters.

(b) Reduction in the face value of the balance 36,52,33,620 equity shares (including the equity shares issued under (c) and (d) below) held by the non- promoter equity shareholders to Rs. 3.30 per share and their consolidation into 12,05,27,534 equity shares of Rs. 10 each.

(c) Settlement of debts of financial creditors amounting to Rs. 10,247.86 crores, partly by issue of 20,00,56,892 equity shares of Rs. 10 each, partly by cash payment of Rs. 2,457.00 crores, and partly by the effective purchase of the remaining debt, (on deemed conversion into Optionally Convertible Preference shares), for a sum of Rs. 199.85 crores by a company of the Consortium, namely Milloret Steel Limited (**"MSL"**).

(d) Settlement of corporate guarantees issued to financial creditors amounting to Rs 767.05 crores, partly by issue of 1,51,41,327 equity shares of Rs. 10 each and cash payment of Rs. 20.07 crores.

(e) Settlement of operational creditors, (other than employees and workmen), amounting to Rs. 114.81 crores for a sum of Rs. 25 crores payable by the Company within one year from the NCLT Order date.

(f) Extinguishment of other current and non-current liabilities amounting to Rs. 128.36 crores standing as on the NCLT Order date.

(g) Extinguishment of all contingent liabilities, commitments and other claims and obligations including all taxes and other government dues standing as on the effective date (i.e. 31 August 2018).

(h) Merger of MSL into the Company, resulting in the extinguishment of the deemed Optionally Convertible Preference Shares, contemporaneously with (c) above. The shareholders of MSL were issued 34,90,20,000 equity shares of Rs. 10 each and 52,59,80,000 Compulsorily Convertible Preference Shares of Rs. 10 each. The compulsorily convertible preference shares issued to the shareholders of Milloret Steel Limited pursuant to the merger have a term of 20 (twenty) years and can be converted by the holders into an equivalent numbers of equity shares of the company at any time during their term.

Fractional entitlements of equity shares of the Company resulting from such consolidation of the equity shares has been consolidated into equity shares having a face value of INR 10 each and has been held by a director of the Company as a trustee ("**Trustee**") on behalf of the equity shareholders of the Company entitled to such fractional entitlements for the purpose of sale in the open market. The sale proceeds realized by the Trustee from such sale (less the costs incurred by the Trustee to carry out such sale) shall be distributed to the original equity shareholders entitled to such fractional entitlements in the same proportion as their respective fractional entitlements. Further, in terms of NCLT Order, every retail shareholder of the Company holding 3 (three) or less equity shares of the Company as on the date of NCLT order, i.e., July 24, 2018, has been allotted one Equity Shares.

4. SHARE CAPITAL

Authorised Share Capital of the Company as on 31st March, 2018 was Rs. 386,00,00,000/- (Rupees Three Hundred Eighty Six Crores Only), divided into 21,10,00,000 (Twenty One Crores Ten Lacs) equity shares of Rs. 10/- (Rupees Ten) each and 1,75,00,000 (One Crore Seventy Five Lacs) Preference Shares of Rs. 100/-(Rupees One Hundred) each.

Pursuant to the implementation of the Resolution Plan sanctioned by the NCLT, Authorized Share Capital of the Company has since been increased to Rs. 1550,00,00,000 (Rupees One thousand five hundred and fifty crore only) comprising 82,50,00,000 (Eighty Two Crore Fifty lakh only) Equity Shares of Rs. 10/- (Rupees Ten) each and 55,00,00,000 (Fifty Five Crore only) Preference Shares of Rs. 10/- (Rupees Ten) each and 175,00,000 (One Crore Seventy five Lakh) Preference Shares of Rs 100/- (Rupees Hundred) each.

Further, post implementation of the resolution plan the paid up capital stands at 46,95,47,534 equity shares of Rs. 10 (Rupees Ten) each and 52,59,80,000 Compulsory Convertible Preference Shares of Rs. 10 (Rupees Ten) each.

Considering the business plans and fund requirements of the Company, it is proposed to reclassify the Authorised Share Capital of the Company from the existing Authorised capital to Rs. 1550,00,00,000 (Rupees One thousand five hundred and fifty crore only) comprising 100,00,00,000 (One Hundred Crore only) Equity Shares of Rs. 10 (Rupees Ten) each and 55,00,00,000 (Fifty Five Crore) Preference Shares of Rs. 10/- (Rupees Ten) each.

The Company has sought the approval of members of the Company in respect of the aforesaid reclassification in ensuing Annual General Meeting.

5. CREDIT RATING

The Company was undergoing the CIRP under the provisions of the IBC. The Insolvency commencement date was July 18, 2017. During the said process, no credit rating was carried out for the FY 2017-18. Post implementation of the resolution plan, the Company is currently in the process of obtaining a credit rating.

6. NON-CONVERTIBLE DEBENTURES

As on 31st March, 2018, the Company had 9200 Secured Redeemable Non-Convertible Debentures (NCDs) of Rs. 10,00,000/- each aggregating to Rs. 920 crores, the details of which are given in Note No 16(b) of the Standalone Financial Statement.

As on the date of report, the Company does not have any outstanding debentures.

Pursuant to the implementation of the Resolution Plan sanctioned by the NCLT, debts of eligible financial creditors were also paid in the manner provided in the Approved Resolution Plan.

7. DIVIDEND AND RESERVES

The RP, in view of the losses incurred by the Company has not recommended any Dividend for the year under review. As the Company has incurred losses during the year, no amount has been transferred to Reserves.

8. PUBLIC DEPOSITS

The Company has not accepted or renewed any fixed deposits during the period under review. It has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Companies Act, 2013 and Rules made thereunder.

9. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on 31st March, 2018, the Company has seven subsidiary Companies (including 2 step-down subsidiaries), four joint ventures and an associate Company. The consolidated financial statements presented by the Company include financial information of its subsidiaries, joint ventures and associate companies and prepared in compliance with applicable Ind AS.

Further, during the year under review, Monnet Power Company Limited, ceased to be a subsidiary of the Company, however it continues to be an associate of the Company. Further, during the financial year under review, Odisha Sponge Iron and Steel Limited ceased to be an associate of the Company.

A gist of financial performance of these companies is contained in form AOC-1 and forms part of this report and annexed as **Annexure 1.** The separate unaudited financial statements of these subsidiaries are available on the website of the Company.

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

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

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

With the commencement of CIRP, no significant and material order was passed by any regulator or court or tribunal impacting the going concern status and its operations in future. However, Members attention is drawn to the statement of contingent liabilities, commitments in the note forming part of financial statement.

The Resolution Plan approved by Hon'ble NCLT provides for extinguishment of the pending litigation by and against the Company.

The Nominated Authority, Ministry of Coal Head, vide their letter dated 30th December, 2017 ("The Letter") issued for termination of coal mines development and production agreement and vesting order in respect of Gare Palma IV/7 coal mine, and the termination is effective on completion of notice period of 15 business days as stated in the letter i.e. on 19th January, 2018. The Hon'ble National Company Law Appellate Tribunal ("NCLAT") vide its order dated 08th February, 2018 has restrained the Nominated Authority Ministry of Coal, Government of India from allotting the mine in question, in favour of any person, without the permission of the Hon'ble NCLAT. As on date of this Report the matter is sub-judice and the mine is in possession of the Company.

11. INTERNAL FINANCIAL CONTROLS

The Reconstituted Board/ Management believes that based on the knowledge/ information gained by them about affairs of the company in a limited period of time from records of the company, the Company has effective internal financial control systems and policies and such controls are operating effectively. The 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 of the company are safeguarded; and all transactions entered into by company are authorized, recorded and reported properly. Post acquisition, the Reconstituted Board/ Management is in the process reviewing the internal controls framework of the company with an objective to have a robust internal control framework commensurate with the size, scale and nature of business of the company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

With effect from the Insolvency Commencement Date, Mr. Sumit Binani was appointed as the Interim Resolution Professional **("IRP")** to manage the affairs of the Company. Subsequently, Mr. Sumit Binani was confirmed as the Resolution Professional **("RP")** by the Committee of Creditors **("CoC").** On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended and were exercised by the IRP/RP.

Resignations During the year

During the year under review IDBI Bank Ltd. withdrew its Nominee Director Mr. Shantanu Prasad and accordingly Mr. Shantanu Prasad ceased to be a Director w.e.f. 05.08.2017. The Independent Directors of the erstwhile Board Ms. Ankita Wadhawan and Mr. Suman Jyoti Khaitan ceased to be Director w.e.f. 29.12.2017 and 06.02.2018 respectively.

Appointments

Upon approval of the Resolution Plan by the Hon'ble NCLT Mumbai, the then existing Board of Directors of the Company was deemed to have resigned and as provided in the approved Resolution Plan, a new Interim Board had been constituted for the purpose of implementation of the Resolution Plan. Subsequently, on the effective date of the Plan the Interim Board has been reconstituted and the present composition of the Board of Directors consists of:

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

All the Directors have been appointed as Additional Directors and shall hold office until the date of forthcoming Annual General Meeting. The Company has received notices under Section 160 of the Companies Act, 2013 from shareholders signifying intention to propose their candidature as Directors of the Company.

The Board recommends their appointment at the forthcoming Annual General Meeting.

The Brief Resume/Profile of each Director recommended by the Board for appointment is attached with the Notice for the ensuing Annual General Meeting.

Key Managerial Personnel

During the year under review, in terms of the provisions of Section 2(51) and 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company were as under: -

1. Mr. Sandeep Kumar Jajodia – Chairman & Managing Director
2. Mr. Sanjay Kumar Garodia– Chief Financial Officer
3. Mr. Hardeep Singh – Company Secretary

Post implementation of the resolution plan, the following are the Key Managerial Personnel, appointed by the Board of Directors of the Company:

1. Mr. Ravichandar Moorthy Dhakshana- Whole Time Director
2. Mr. Sanjay Kumar Garodia - Chief Financial Officer
3. Mr. Hardeep Singh - Company Secretary

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

The Reconstituted Board is submitting this report in compliance with the Act and Listing Regulations and the Directors, as on date, are not to be considered responsible for the fiduciary duties discharged with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the acquisition.

As pointed out above, the Reconstituted Board of Directors have been in office only since August 31, 2018. Consequently, the Reconstituted Board has only a limited overview of the effectiveness of the internal financial and other controls of the Company since then.

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

(a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed and a proper explanation has been provided in relation to any material departures;

(b) Such accounting policies have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a reasonably true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2018 and of the profit or loss of the Company for that period;

(c) the erstwhile directors of the Company (i.e. the directors of the Company prior to the Acquisition) had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts for the financial year ended March 31, 2018 have been prepared on a going concern basis;

(e) the erstwhile directors of the Company (i.e. the directors of the Company prior to the Acquisition) had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

(f) the erstwhile directors of the Company (i.e. the directors of the Company prior to the Acquisition) had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

14. BOARD PERFORMANCE EVALUATION

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 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.

Schedule IV to the Companies Act, 2013 also provides for the performance evaluation of Independent Directors by the entire Board of Directors, excluding the Directors being evaluated.

Since post appointment of Interim/Resolution Professional, there was no meeting of Directors, hence annual performance evaluation of the Board and its committees has not been carried out.

15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, till 18th July, 2017, i.e. commencement of Corporate Insolvency Resolution Process ("CIRP"), only 2(Two) Board Meetings were duly convened and held, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

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

16. COMMITTEES OF THE BOARD

Pursuant to the Resolution Plan approved by the Hon'ble NCLT, the Composition of Board of Directors of the Company and their committees were re - constituted.

AUDIT COMMITTEE

Only two meetings of the Audit Committee prior to commencement of CIRP were held during the year.

Post implementation of the resolution plan, the Audit Committee has been re-constituted, in accordance with the provisions of Companies Act, 2013 & SEBI Listing Regulations, with effect from 31st August, 2018, as detailed below:

1. Mr. Jyotin Kantilal Mehta, Non-Executive Independent Director - Chairman
2. Mr. Nikhil Omprakash Gahrotra, Non-Executive Director – Member
3. Mrs. Anuradha Ambar Bajpai, Non-Executive Independent Director - Member

The composition, terms of the reference and number of meetings of the Audit Committee during the year is covered in the Corporate Governance Report.

NOMINATION & REMUNERATION COMMITTEE:

Post implementation of the resolution plan, the Nomination and Remuneration Committee was re-constituted in accordance with Section 178 of the Act & SEBI Listing Regulations, w.e.f August 31, 2018, as under:-

1. Mrs. Anuradha Ambar Bajpai, Non-Executive Independent Director – Chairperson
2. Nikhil Omprakash Gahrotra, Non-Executive Director– Member
3. Mr. Jyotin Kantilal Mehta, Non-Executive Independent Director - Member

The composition, terms of the reference and number of meetings of the Nomination and Remuneration Committee during the year is covered in the Corporate Governance Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Post implementation of the resolution plan, the Stakeholder's Relationship Committee was re-constituted in accordance with Section 178 of the Act & SEBI Listing Regulations, w.e.f August 31, 2018, as under:-

1. Mrs. Anuradha Ambar Bajpai, Non Executive Independent Director – Chairperson
2. Mr. Nikhil Omprakash Gahrotra, Non-executive Director – Member
3. Mr. Jyotin Kantilal Mehta, Independent Directors – Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Post implementation of the resolution plan, the Corporate Social Responsibility Committee was re-constituted in accordance with Section 135 of the Act & SEBI Listing Regulations, w.e.f August 31, 2018, as under:-

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

The composition, terms of the reference and details on meetings of the Corporate Social Responsibility Committee during the year is covered in the Corporate Governance Report.

FINANCE COMMITTEE

Post implementation of the resolution plan, the Finance Committee was re-constituted w.e.f August 31, 2018 as under:-

1. Mr. Ravichandra Moorthy Dhakshana – Member
2. Mr. Seshagiri Rao MVS– Member
3. Mr. Kalpesh Pankaj Kikani– Member

INTERNATIONAL TRADE PRACTICES AND CORPORATE GOVERNANCE COMMITTEE

Post implementation of the resolution plan, the International Trade Practices and Corporate Governance Committee has been re-constituted w.e.f August 31, 2018 as under:-

1. Mrs. Anuradha Ambar Bajpai– Chairperson
2. Mr. Ravichandra Moorthy Dhakshana– Member
3. Mr. Nikhil Omprakash Gahrotra – Member

The details of the Committees along with their composition, number of meetings held during the year under review, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report. Further, during the year under review, the Board has accepted all the recommendations of the Audit Committee.

17. <u>STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS</u>

Post implementation of Approved Resolution Plan, the Company has received the necessary declaration from each Independent Director who are part of reconstituted Board confirming that he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made thereunder and Regulation 25 of SEBI Listing Regulations, 2015.

18. <u>NOMINATION AND REMUNERATION POLICY</u>

Pursuant to applicable provisions of Companies Act, 2013 & SEBI Listing Regulations, 2015, the erstwhile

Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report which forms part of this Annual Report.

The Nomination and Remuneration Policy, as approved by the erstwhile Board of Directors, has also been uploaded on the website of the Company viz:- https://www.aionjsw.in/documents/default.aspx?f=investor-relations/nomination-remuneration--board-diversity-policy-46.pdf

The reconstituted Board is in process of reviewing the policy and would carry out necessary changes as may be required in due course of time.

19. VIGIL MECHANISM *Cum* WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism Cum Whistle Blower Policy, framed by erstwhile Board of the Company, to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report.

The same has also been disclosed on the website of the Company viz : -
https://www.aionjsw.in/documents/default.aspx?f=investor-relations/vigil-mechanism-cum-whistle-blower-policy-50.pdf
The reconstituted Board is in process of reviewing the policy and would carry out necessary changes as may be required in due course of time.

20. RELATED PARTY TRANSACTIONS

There were no material related party transactions nor any related party transactions which are not on arms length basis between the Company and related parties during the year under review and hence disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required and does not form part of this report. The necessary disclosures for related party transactions as required by the Ind AS has been made in the notes to the accompanying Financial Statements. The secretarial auditor has made certain observations relating to related party transactions in their Secretarial Audit report. These observations pertain to period prior to commencement of CIRP process. Pursuant to the Acquisition and the IBC Order dated July 24, 2018 passed by the NCLT, there has been a change in the Board and the management of the Company. Given that the observations pertain to the prior period, the Board does not have any additional comments on the said observations.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz https://www.aionjsw.in/documents/default.aspx?f=investor-relations/material-related-party-policy-49.pdf

The reconstituted Board is currently in a process of reviewing the policy and carrying out necessary changes as may be required in due course of time.

21. CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the erstwhile Board of the Company has formed Corporate Social Responsibility ("CSR") Committee. Details of CSR Committee along with their composition, number of meetings, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report. The policy on CSR as approved by the erstwhile Board of Directors is also uploaded on the website of the Company i.e. www.aionjsw.in.

Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, it is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. 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 -2** and forms integral part of this Report.

The reconstituted Board is in process of reviewing the policy and would carry out necessary changes as may be required in due course of time.

22. AUDITORS

a) Statutory Auditor

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

The Statutory Auditors have in their report drawn attention to Note no 47 and 48 and certain matters relating to investments made in Monnet Power Company Limited of the Standalone and Consolidated Financial Statements of the Company. The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments.

Pursuant to the acquisition and the NCLT Order dated July 24, 2018 passed by the NCLT, there has been a change in the Board and the management of the Company. Given that the emphasis of matter pertains to the prior period, the reconstituted Board does not have any additional comments on the said matter. The Board is however working towards analyzing the financial and operational affairs of the Company and will take steps to address the relevant issues, if any.

b) Secretarial Auditor

Section 204 of the Act inter-alia requires every listed company to annex with its Board's report, a secretarial audit report given by a Company Secretary in practice, in the prescribed form. The erstwhile Board had appointed M/s Sanjay Grover & Associates, practicing Company Secretaries, as secretarial auditor to conduct a secretarial audit of the Company for the financial year 2017-18. The secretarial auditor has made certain observations in their report on certain non compliances. Pursuant to the NCLT Order dated July 24, 2018, there has been a change in the Board and the management of the Company. Given that the observations pertain to the prior period, the Board does not have any additional comments on the said observations and in the process of addressing these observations . The composition of Reconstituted Board is in accordance with applicable law and comprises of women directors and sufficient number of Independent Directors as required under the Act and SEBI Listing Regulations.

The Secretarial Audit report for financial year ended 31st March, 2018 is annexed to this report (Annexure – 3). Post-implementation of resolution plan, the Board, at its meeting held on October 15, 2018 has appointed M/s S. Srinivasan & Co., a Company Secretaries Firm to conduct a secretarial audit of the Company for the financial year 2018-19.

c) Cost Auditor

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a cost accountant. Cost records are made and maintained by the Company as required under Section 148(1) of the Act. The Board of Directors at its meeting held on May 30, 2017 appointed M/s. N. K. Jain and Associates (Firm Registration Number: 101952), Cost Auditors to conduct the Cost Audit for the Financial Year 2017-2018.

For the financial year ending March 31, 2019, the Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Shome & Banerjee, Cost Accountants (Firm Reg. No. 00001) as the cost auditors of the Company. M/s Shome & Banerjee, Cost Accountants (Firm Reg. No. 00001) have vast experience in the field of cost audit.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company.

Accordingly, an appropriate resolution for the proposed remuneration of Rs. 3,00,000 per annum plus applicable taxes and out-of-pocket expenses payable to the cost auditors for the Financial Year ending March 31, 2019, forms part of the notice of ensuing Annual General Meeting for ratification.

23. OTHER INFORMATION

a) Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Secretarial Auditors, Cost Auditors or Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

b) Stock Options Scheme

The Company does not have any Scheme of Stock Option for its employees, Directors etc.

c) Disclosure under Section 43(a)(iii) and Section 54(1)(d) of the Companies Act, 2013

During the year under review, the Company has not issued any shares with differential voting rights and sweat equity shares and hence, no information as required under Section 43(a)(iii) & Section 54(1)(d) of the Companies Act, 2013 read with applicable rules is required to be disclosed.

d) Risk Management

The Reconstituted Board/ management is reviewing the Risk management framework of the Company. The Company would put in place a suitable enterprise risk management framework for identifying and evaluating risks and opportunities that may have bearing on the organization. The Company recognises that these risks needs to be managed and mitigated to protect the shareholders and other stakeholders interest.

e) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

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

f) Particulars of Employees and Related Disclosures

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

g) Extract of Annual Return

In accordance with the provisions of the Companies Act, 2013 and amendments thereto, the extract of the annual return in Form No. MGT – 9 placed on the website of the Company and web link of the same is given below.
https://www.aionjsw.in/investors/mgt9

h) Management Discussion & Analysis Report

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report and annexed as **Annexure-6**

i) Particulars of Loans, Guarantees or Investments under Section 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no 5, 6 & 12 to the Financial Statements.

j) Corporate Governance Report

The Company has complied with requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on the Corporate Governance practices followed by the Company, together with a certificate from the Practicing Company Secretary regarding compliance are given as an **Annexure** 7 to this report.

k) 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. The following is a summary of sexual harassment complaints received and disposed of during the year under review-

- No. of complaints received: Nil
- No. of complaints disposed off : NA

l) 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.

24. CAUTIONARY NOTE

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.

25. ACKNOWLEDGEMENT

The Directors wish to place on record their gratitude to the Authorities, Banks, Business Associates, Debenture holders and Shareholders for their unstinted support, assistance and co-operation. The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The Board acknowledges the contribution made by Mr. Sumit Binani, RP during the CIRP Process.

By order of the Board
For Monnet Ispat and Energy Limited

Jyotin Kantilal Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 15 October, 2018

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

(Information in Respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	1	2	3	4		5	
Name of the subsidiary	Monnet Cement Ltd	Monnet Sports Foundation	Chomal Exports Pvt Ltd	Monnet Global Ltd (Consolidated)		Monnet Enterprises PTE Ltd.	
Date since when subsidiary was acquired	29/11/2007	12/12/2011	31/12/2010	17/09/2005		16/03/2011	
Reporting period for the subsidiary concerned	Same	Same	Same	Same		Same	
Reporting Currency and exchange rate as on last date of the financial year in case of foreign subsidiaries	Rupees	Rupees	Rupees	US Dollar	Rupees	US Dollar	Rupees
Share capital	2,19,00,000	1,00,000	9,54,000	50,07,797	326,190,870	1.00	65.14
Reserves and surplus	(1,95,84,264)	(1,23,909)	20,60,181	(3,05,75,485)	(1,991,583,136)	26,87,344	17,50,44,479
Total asset	23,30,345	25,079	36,41,000	3,15,52,006	2,055,190,394	27,09,287	17,64,73,743
Total liabilities	23,30,345	25,079	36,41,000	3,15,52,006	2,055,190,394	27,09,287	17,64,73,743
Investments	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-
Profit before taxation	(24,970)	(8,700)	67,000	(22,12,331)	(144,103,719)	(8,405)	(5,47,493)
Provision for taxation	-	-	-	-		-	-
Profit after taxation	(24,970)	(8,700)	67,000	(22,12,331)	(144,103,719)	(8,405)	(5,47,493)
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	99.97%	94.15%	51.00%	100%		100%	

Additional Disclosure	Name of Subsidiaries
Subsidiaries Yet to commence Operations	Monnet Cement Limited Monnet Sports Foundation Chomal Exports Private Limited Monnet Global Limited Monnet Enterprises PTE Limited
Subsidiaries Liquidated or Sold during the Year	Monnet Power Company Limited

Part "B": Associates/Joint ventures

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

Name of Associates/Joint Ventures	MP Monnet Mining Company Ltd.	Mandakini Coal Company Ltd.	Urtan North Mining Company Ltd.	Monnet Ecomaster Enviro Pvt. Ltd.	Monnet Power Co. Ltd. (till 23.02.2018)
1. Latest audited Balance Sheet Date	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2017
2. Date on which the Associate or Joint Venture was associated or acquired	20/06/2009	14/03/2008	04/03/2010	29/03/2011	23/02/2018
3. Shares of Associate/Joint Ventures held by the company on the year end					
No.	980000	39300000	5751347	14211363	220101460
Amount of Investment in Associates/Joint Venture	98,00,000	39,30,00,000	5,75,13,470	14,21,13,630	220,10,14,600
Extend of Holding %	49.00%	33.33%	33.33%	50.00%	28.31%
4. Description of how there is significant influence	% of shareholding	% of shareholding	% of shareholding	% of shareholding	% of shareholding
5. Reason why the associate/joint venture is not Consolidated	N.A.	N.A.	N.A.	N.A.	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	1,57,17,186	70,67,07,967	17,25,49,760	7,63,97,893	8,02,79,43,000
7. Profit / Loss for the year					
i. Considered in Consolidation	(20,450)	(71,76,983)	-	(4,46,72,996)	(4,13,80,161)
ii. Not Considered in Consolidation	(21,284)	(1,43,56,119)	-	(4,46,72,996)	(10,47,87,839)
Total	41,735	2,15,33,103	-	8,93,45,992	(14,61,68,000)

Additional Disclosure	**Name of Associates/Joint ventures**
Associates/Joint ventures Yet to commence Operations	MP Monnet Mining Company Ltd. Mandakini Coal Company Ltd Urtan North Mining Company Ltd. Monnet Power Company Limited
Associates/Joint ventures Liquidated or Sold during the Year	Orissa Sponge Iron & Steel Limited

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

Rajeev Ranjan
Partner
M.No.535395
DATED : 30th May, 2018

For and on behalf of the Board

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

__Annexure-2__

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (”CSR”) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs-**

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

Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, it is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. The average net profits for preceding three financial years was Rs. (-) 1461.40. 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.

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

Name of Members	**DIN**	**Composition of the CSR Committee**
Mr. Nikhil Omprakash Gahrotra	01277756	Chairman
Mr. Sutapa Banerjee	02844650	Member
Mr. Ravichandar Moorthy Dhakshana	03298700	Member

2. **Average net profit of the company for the last three financial years-**

Rs. In crores.

	F.Y.2014 -15	**F. Y. 2015 -16**	**F. Y. 2016 -17**
Net Profit as per section 198 of the companies act, 2013	**(988.04)**	**(1658.88)**	**(1737.27)**
Average Net Profit	**(1461.40)**		

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

4. **Details of CSR spent during the financial year**
   a. Total amount to be spent for the financial year - NIL
   b. Amount unspent, if any: - NIL
   c. Manner in which the amount spent during the financial year is detailed below. –

S.No.	CSR project or activity identified	Projects or programs (1) Local area or other (2)Specify the State and district where projects or program was undertaken	Sector in which the project is covered	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

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

By order of the Board
For Monnet Ispat and Energy Limited

Place: Mumbai
Date: 15 October, 2018

Jyotin Kantilal Mehta
Chairman
DIN: 00033518

__Annexure - 3__

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Monnet Ispat and Energy Limited
(CIN: L02710CT1990PLC009826)
Monnet Marg, Mandir Hasaud,Raipur,
Chattisgarh-492101

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Monnet Ispat and Energy Limited(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.

We report that-

a) 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.

b) We have followed the audit practices and processes as were 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.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

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

f) 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.

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 authorized 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 31stMarch, 2018 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) *The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(I The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015(Listing Regulations);

* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India with which the Company has generally complied with.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, except that:

- *Some of the related party transactions were not approved by the Audit Committee of the Board of Directors as required under Regulation 23 of the Listing Regulations.*

- *The Company did not have women director and sufficient number of Independent Directors on its Board as required under Section 149 and 152 of the Act due to their resignations on 29th December, 2017 and 06th February, 2018.* It is further being informed that during this period, the Company was under Corporate Insolvency Resolution Process.

(vi) The Company is engaged in the business of conducting coal mining operations, manufacturing coal based sponge iron and various other steel/ iron based products and having its plants at Raipur and Raigarh, Chhattisgarh. As informed by the Management, following are some of the laws which are specifically applicable to the company, viz.:

- Mines Act, 1952 and rules made thereunder;
- Mines and Minerals (Development & Regulation) Act, 1957;
- Coal Mines (Nationalization) Act, 1973;
- Coal Bearing Areas (Acquisition and Development) Act, 1957; and
- Coal Mines (Conservation and Development) Act, 1974.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

We further report that *as on 31st March, 2018 the composition of board of directors was not proper* as *the Company did not have women director and sufficient number of Independent Directors on its Board as required under Section 149 and 152 of the Act due to their resignations as Detailed above.*

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are 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, standards and guidelines.

We further report that the National Company Law Tribunal (NCLT) *vide* its order dated 24th July, 2018 approved the resolution plan (as amended and supplemented) under Section 31 of the Insolvency and Bankruptcy Code, 2016 (as amended from time to time) submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited ("Resolution Applicants") and approved by the committee of creditors of the Company with certain amendments ("Resolution Plan") in respect of the corporate insolvency resolution process of the Company and accordingly, upon implementation of the Resolution Plan, the Resolution Applicants (directly and through their affiliates) have taken control over the management and ownership of the Company.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sanjay Grover
Managing Partner
CP No.: 3850

Place: New Delhi
Date: 15 October,2018

Annexure - 4

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

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2018 is given below and forms part of the Directors' Report.

A. CONSERVATION OF ENERGY

The Company has taken a number of steps to improve the conservation of energy by increasing the efficiency of raw material inputs in power generation and by reducing/eliminating consumption wastages. The company also uses the alternative source of energy at its plant depending upon its availability. Conservation of energy and improving the efficiency of existing resources are continuing processes and form an integral part of responsibilities ofdepartmental heads.

Capital investment on energy conservation equipment's-.The Company is incurring losses for the last 3 financial years, which has affected the cash flow of the company. Due to mismatch in cash flow of the company the Company has not made any capital investment on energy conservation equipment during the year.

B. TECHNOLOGY ABSORPTION

Efforts are being made in technology absorption.	The Raigarh Plant is using 85% efficient TPH CFBC Boiler Technology in place of conventional 80% efficient AFBC Boiler Technology
Benefits derived as a result of the above efforts	The efficient Boiler Technology has resulted in saving of coal which is a scarce mineral
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**	A Slag Recycling Plant is being set up by Korean Technology to further extract from the slag and also Manufacture PS Balls that has varied uses in developed countries.
Expenditure incurred on Research and Development.	NA

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 2017-18 are as follow :-

Total Foreign Exchange used and earned	**2017-18**	**2016-17**
- Used	11.84	75.48
- Earned	68.87	69.25

By order of the Board
For Monnet Ispat and Energy Limited

Jyotin Kantilal Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 15 October, 2018

Annexure - 5

I. 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, AS AMENDED

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2017-18 and percentage increase in the median remuneration of employees in the financial year 2017-18:

(Amount in Rs.)

Sr. No.	Name & Designation of Director/KMP	Remuneration of Director / KMP for financial year 2017-18	Ratio of remuneration of each Director/KMP to median remuneration of employees	% increase in Remuneration of each Director, chief executive officer, chief financial officer, company secretary	% increase in the median remuneration of employees in the financial year 2017-18:
1	Sandeep Kumar Jajodia **(Chairman & Managing Director)**	Nil	NA	NA	**(24.89%)**
2	Suman Jyoti Khaitan **(Independent Director)***	Nil	NA	NA	
3	Jagdamba Prasad Lath **(Director)**	Nil	NA	NA	
4	Shantanu Prasad **(Nominee Director)****	Nil	NA	NA	
5	Ankita Wadhawan **(Independent Director)*****	Nil	NA	NA	
6	Kunal Sharma **(Independent Director)**	Nil	NA	NA	
7	Hardeep Singh **(Company Secretary)**	3,118,620	13:1	15.45%	
8	Sanjay Kumar Garodia **(Chief Financial Officer)**	6,048,152	26:1	NA	

*Mr. Suman Jyoti Khaitan has resigned as Independent Director w.e.f. February 06, 2018

**Mr. Shantanu Prasad has resigned as Nominee Director w.e.f. August 05, 2017

***Ms. Ankita Wadhawan has resigned as Independent Director w.e.f. December 29, 2017.

2. The median remuneration of employees of the Company was Rs. 2,35,500/- p.a.

i. For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.

ii. Figures have been rounded off wherever necessary.

The number of permanent employees on the rolls of Company	2110
Average Increase/ (decrease) in the salaries of employees other than the managerial personnel in FY 2017-18	(22.19)%
Comparison with the percentile increase in the managerial remuneration and justification thereof.	No managerial remuneration was paid during the FY2017-18

The key parameters for any variable component of remuneration availed by the directors.	Not Applicable as there is no remuneration paid to the directors
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.

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

A. The name of top 10 employees in terms of remuneration drawn:-

Name of the employee	Mr. P. Alagurajan	Mr. Bibhudutta Mohapatra	Mr. Amitabh Sharma Mudgal	Mr. Aniruddha Singh	Mr. Prashant S. Pathak	Mr. Sanjay Kumar Garodia	Mr. Guru Prasad Choudhary	Mr. Sunil Gupta	Mr. NK Maheshwari	Mr. Bhabesh Kumar Mohanty
Designation of the Employee;	Executive Director	CEO	President - Marketing &CA	Group President Human Resources	Head Commercial	CFO	Vice President Mining	Sr. Vice President Commercial	Chief Accounts Officer	Vice President (E&I)
Remuneration Received;(P.A.)	1,26,96,144	8,901,086	8,386,350	7,408,734	6,198,985	6,048,152	5,261,170	5,158,098	4,913,800	3,978,540
Qualifications and Experience of the Employee;	B.E (Mechanical) 42 years	B.E (Mechanical) 28 years	Diploma in Production Engg. & Dip. In Sales & Marketing. 34 years	M.B.A (HRM & IR) / LLB 22 years	B.E (Mechanical) & Dip. In Materials Mgmt. 26 years	C.A. / CS / ICWA 25 years	B.Tech. (Mining) 31 years	C.A. / ICWA 32 years	C.A. 34 years	B.E (Electrical) 26 years
Date of Commencement of Employment;	20.05.2015	21.07.2011	05.09.1994	01.12.2009	15.06.2015	26.12.2016	14.07.2012	01.09.2014	01.04.2014	27.02.2013
The Age of such Employee;	61 years	51 years	54 years	44 years	47 years	50 years	53 years	57 years	60 years	48 years
The last Employment held by such Employee before joining the Company;	ESSAR Steel Ltd., Hazira	Jindal India Thermal Power Ltd.	Prakash Industries Ltd.r	Polygenta Technologies Ltd.	Sidharth Group of Companies	Essar Steel Ltd	ERA Infra Engineering Ltd.	Usha Martin Ltd.	Falcon Tyres Ltd.	Balasore Alloys Limited

B. Employed throughout the year and were in receipt of remuneration of not less than Rs. 1,02,00,000 per annum

Sl. No	Name of the employee	Designation	Age	Gross Remuneration 2017-18 (In crores)	Qualification & Experience	Last employment	Commencement of employment
1	Mr. P.Allagurajan	Executive Director (Works)	60 years	Rs.1,26,96,144	B.E. (Mechanical) Exp: 37 Years	Chief Project- Essar Steel India	20.05.2015

Note :

1. Other than above, no employee of the Company was in receipt of remuneration in excess of Rs. 1.02 Crores per annum and there was no employee who were employed part of the year and in receipt of more than Rs. 8.5 lac per month during the financial year 2017-18 .
2. Remuneration includes basic salary, allowances, leave travel allowances, company's contribution to provident fund and other allowances, reimbursements & perquisites given to employees.
3. The appointment of the above employees is non-contractual and are governed by the company policy and rules.
4. Employee does not hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
5. Such employee is not a relative of any Director of the Company.

By order of the Board
For Monnet Ispat and Energy Limited

Jyotin Kantilal Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 15 October, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Monnet Ispat and Energy Limited – An overview

The Company has manufacturing facilities at two locations, Raigarh and Raipur in the state of Chhattisgarh. The sub units at each of these facilities and their respective capacities are detailed below-

	Raigarh Facility	Raipur Facility
Sinter plant	0.90 mtpa	-
Pellet Plant	2.00 mtpa	-
Sponge Iron	0.56 mtpa	0.30 mtpa
Blast Furnace	0.63 mtpa	-
Steel making unit	0.80 X 2 mtpa (with one unit under construction)	0.23 mtpa
Bar Mill	0.50 mtpa	0.15 mtpa
Plate Mill	0.80 mtpa (under construction)	
Power Plant	170 MW	60 MW
Ferro Alloys	-	46,400 tpa

During the year under review, the Corporate Insolvency Resolution Process **("CIRP Process")** of the company was initiated by the Financial Creditors of the Company. The Financial Creditors petition to initiate the CIRP Process was admitted by the National Company Law Tribunal**,** Mumbai Bench on July 18, 2017**.** Post the year under review, there has been a successful resolution of the CIRP process under which there has been a change in the management of the Company on August 31st, 2018. CIRP process is detailed in Directors report. A consortium of AION Investment Private II Limited & JSW Steel Limited ("Consortium")have invested in the equity share capital of the Company thereby bringing in the desired liquidity for smooth operation of the facilities of the Company.

During the year under review the DRI plants were in operation along with bar mill and ferro alloy plant in Raipur. The new management currently proposes to ramp up the DRI production to its rated capacity along with restarting operation of the pellet plant, blast furnace, sinter plant and bar mill in Raigarh during the third and fourth quarter of financial year 2019. In order to achieve the same the Company is currently in the process of estimating the capital expenditure required for the said purpose. The capital expenditure is proposed to funded by mix of debt, internal accruals and the equity capital bought in by the Consortium. The new management has a successful track record of executing projects within the planned time line as well as budget. Once these facilities commence operation the Company will have ability to produce 1mtpa of crude steel.

2. ECONOMIC ANALYSIS

2.1 Global economy

Global economic recovery gathered pace with the world economy growing at 3.8% in CY17, a 0.6 percentage point increase over CY16. This is the highest rate of global GDP growth after Cy11 aided by across the broad recovery in developed economies i.e. United States, European Union and Japan. The growth happened owing to an increase in manufacturing activity, private consumption and investments.

The growth was broad based, with growth increasing in more than half of the world's economies aided by benign global financing conditions, revival in investment sentiment, accommodative monetary policies and sustained increase in major commodity prices. The growth was higher as compared to the initial estimates with upside surprises in the second half of 2017 in advanced as well as emerging and developing countries aided by recovery in global demand. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 vis-à-vis previous year.

The advanced economies performed better than expected with a 0.6% growth in CY17 as compared to the previous year. The world is slowly coming out of low interest rate and abundant liquidity regime as advanced economies normalize monetary policy. After two years of uninspiring performance, global trade also picked up pace; and its impact was particularly pronounced in emerging markets. This happened owing to an improvement in investment growth.

On the other hand, emerging economies saw an upswing by 0.4 percentage point, primarily led by private consumption. In economies like India and China, resurgent exports too facilitated growth. The commodity exporting countries were largely benefitted by the global economic upswing during CY17, owing to firming up of prices of commodities. In terms of commodities, energy prices indices grew by 24% in CY17 (y-o-y) while the non- energy indices grew by 6%. The metal price indices grew by 24%. Accelerated global growth lifted the demand for commodities while a number of commodities faced supply side contractions. The global recovery offers a window of opportunity to strengthen policies and reforms that sustain the current upswing and raise medium-term growth for the benefit of all countries. According to the IMF, such policies should focus on reinforcing the potential for higher and more inclusive growth, building buffers to deal more effectively with future economic headwinds and fostering international cooperation.

Rising oil prices, increasing protectionism, rising trade barriers, geopolitical risks and escalating global debt and interest rates remain the key challenges to the global growth outlook.

Global growth projections remain firm for 2018 and expected to reach 3.9% with broad based recovery across regions. The positive momentum in the US continues with policy support, manufacturing focus, employment growth and strong consumer confidence. The Euro area is stabilising at a higher level with strong domestic demand, supportive monetary policy and robust trade. Japan's growth is expected to be supported by stronger exports, rising investments and budgetary support. China's growth rate is expected to soften as the rebalancing away from investment to private consumption and from industry to services continue. Commodity exporting countries are expected to perform better with increasing commodity prices. However, rising protectionism, hardening interest rates, increasing oil prices and geo-political concerns pose a risk to global growth.

2.2. Indian economy

The Indian economy continued to grow strongly as the economy recovered in the 2nd half post stabilization of the GST regime. India has achieved a growth of 6.7% in FY18 with a 7.1% growth in Q-4'18. India has bounced back as the fastest growing economy in the world during the third quarter for Fy18.

India's economic fundamentals continued to improve during the year. The investment cycle exhibited a growth of 7.6% in FY18 and 14.4% in the Q-4'18.

The Index of Industrial Production (IIP) touched 4.3% during the FY18 after a robust growth of 6.2% in the Q-4'18. Inflation figures are also largely in control, with the Consumer Price Inflation reducing to 3.6% in FY18 from a level of 4.5% in FY17, keeping the food prices under control.
The Government of India has put in place multiple enablers to bolster the country's consumption demand. Higher spending on social schemes such as NREGA, continued thrust on rural infrastructure projects, raising of minimum support prices, implementation of 7th Pay Commission pay hikes across states and One Rank, One Pension scheme are also likely to lead to robust disposable income leading to higher spend and consumption.

The major driver of India's consumption economy is the country's large younger population. Two consecutive years of favourable monsoon, addition of young working population and rising urbanisation are other major growth drivers.

The 2018-19 Union Budget has emphasised on India’s infrastructural requirements and the allocation on roads, railways and rural infrastructure has been significant. The Budget also focussed considerably on health and education sectors, which are instrumental in developing a sustainable economy and society.

Indian growth outlook is improving with effects of demonetisation and GST slowly fading away. India is expected to record a robust GDP growth of 7.4% aided by structural and wide ranging reforms such as Goods and Services Tax (GST) to widen the indirect tax base, Insolvency and Bankruptcy code to address asset quality of banks and formalization and digitization of the business ecosystem, thrust on infrastructure development and liberal FDI regime.

Structural reforms are expected to increase productivity and incentivise investments. Gross fixed capital (GFC) formation continues to grow with government spending on infrastructure. Vehicle sales remain robust while industrial production growth has been positive. Manufacturing PMI remains in the expansionary zone. Inflation has been creeping up with higher commodity prices and robust domestic demand. As a result, interest rate cycle poses an upward bias. Surging crude oil prices pose a risk to domestic inflation and Indian currency in the near term.

The strengthening global economy, spend on infrastructure and pick up in capital expenditure spends of private companies will provide the necessary stimulus to the India's GDP growth.

3. INDUSTRY ANALYSIS

3.1. Global Steel Sector

The global steel consumption, grew 4.7% to 1.59 billion tonnes in 2017, after a subdued growth of 1% in 2016. The low base-effect of 2016, along with improved steel consumption in China and investment-led recovery in advanced economies led to this growth. The government's stimulus measures and momentum in construction activities fuelled steel demand in China. Consumption in Europe (other than EU) too gathered pace in the year and grew ~2.5% with other countries like US with 6.4%, Brazil 5.3% Iran 4.5% follow the growth trajectory of rising global steel demand.

Global crude steel production grew by 5.3% or 63 million tonnes in 2017 to 1,691.2 million tonnes, as most economies registered good growth in steel production. Annual production grew between 4% and 6% for major economies of China, India, European Union and USA, among others. Turkey, South America and Brazil witnessed the highest growth in steel production at 13.1%, 8.7% and 9.9%, respectively.

The China's supply side reform through capacity cut, environment protection measures and closure of inefficient facilities uplifted market sentiments and bolstered pricing power and profitability of most steel producers in the World. Overall, steel exports from China fell by 30% to 75mt in the year.

Global steel prices remained buoyant in 2017 due to:
a) falling exports from China as it continues to reduce excess capacities;
b) firm iron ore prices; and
c) improving demand from China following the upswing in the infrastructure and construction sectors.

In the preceding couple of months, trade actions across economies aggravated to arrest imports, threatening the possibility of trade diversion.

The World Steel Association (WSA) forecasts global steel demand to reach 1,616 Million tonnes in 2018, an increase of 1.8% over 2017. Steel demand is benefitting from favourable global economic momentum. China has seen a strong growth in steel demand during the first quarter of CY 2018. Hence, there is an upside risk to global demand growth forecasts for 2018. Chinese exports are lower on YoY basis and are expected to taper further as they continue to shut inefficient capacities and focus on domestic consumption. Global steel prices are expected to remain buoyant with steady demand growth across regions, lower exports from China and steady raw material prices.

3.2. Indian Steel Sector

India’s steel production grew 4.5% to its highest ever level of 102 mt in FY18. The Government of India has been proactive in addressing the issues faced by domestic steel makers. It has taken major steps to stop unfair trade and to safeguard the interests of domestic players.

Riding high on an all-round improvement in the growth of key sectors, namely automobiles, infrastructure, and capital goods, among others, India’s steel demand grew at a high rate of 7.9% to 91 million tonnes in FY18. This pace may accelerate further as domestic steel demand growth is pegged at 8.3% to 98.2 million tonnes in the current fiscal year (Source: JPC). In FY18, India’s per capita steel consumption grew 6.2% to 69 kg, while share of flats improved from 42% to 44%.

India’s construction activity, particularly in highways, bridges and metro lines has bolstered the demand for long steel products in recent times. Given their size, long steel products are relatively difficult to ship and hence most contractors are sourcing them locally.

Domestic steel prices have started trending northwards since November 2017, owing to a surge in global prices, healthy recovery in domestic demand, and a weaker rupee. The prices though still trail international prices and hence there is a scope for further uptick in prices.

Governmental measures such as the National Steel Policy and extension of anti-dumping duty on steel products, imposition of quality standards are key facilitators for the growth of domestic steel sector in India. Additionally, the Government has earmarked Rs. 14.3 lakh crore towards infrastructure spending, which will also enhance steel demand in the domestic market.

Steel demand grew at a healthy rate of 8% in 4QFY18. However, imports of steel into the country remained at elevated levels in FY2018 indicating that the trade remedial measures in place are ineffective. Flat products imports in FY2018 increased by 8% - with imports of coated products surging by 93% and of colour coated products increasing by 169%. Imports from Korea and Japan increased by 13% YoY in FY2018 and constituted ~45% of total imports.

With imposition of Section 232 in the US and rising trade measures in other regions, there is a likelihood of surplus steel tonnages finding their way into India. This necessitates imposition of effective trade remedial measures in a timely manner by the Government of India.

Steel consumption in India is expected to grow by 5% - 5.5% in FY2019 on the back of government push for infrastructure projects and strengthening consumer demand.

The National Steel Policy, 2017 (NSP) aims to make India a self-sufficient steel producing nation by 2030 thereby promoting indigenous industry to eliminate steel imports in the country by 2030. Reduction in import dependence for procuring coking coal, emphasis on BF / BOF technology, sharper focus on pelletisation and installation of slurry pipelines and conveyors, promotion of domestically manufactured steel in government procurement and production of value-added steel indigenously are the key goals of this Policy.

Overall, the NSP will empower domestic steel makers by making them more competitive globally.

In the domestic market as well, there are multiple catalysts to drive steel industry growth. Relatively lower per capita steel consumption, healthy prospects of consumption demand on the back of buoyant infrastructure growth and strong growth in the automobile and railways sector being the prominent ones.

Domestic growth enablers

Rural steel demand

Rural India is expected to reach a per capita consumption from 12.11 kg to 14 kg for finished steel by CY20. The policies like Food for Work Programme (FWP) and Indira Awaas Yojana, Pradhan Mantri Gram Sadak Yojana and Affordable Housing, among others are expected to drive the demand.

Housing demand

The allocation towards building houses in rural and urban areas under the PMAY scheme stood at Rs 275 billion in the Union Budget 2018-19. Rising transparency in the real-estate sector following the implementation of The Real Estate (Regulation and Development) Act has bolstered the confidence of both investors and home buyers. In this scenario, housing demand is likely to accelerate going forward, leading to higher steel demand in the domestic market.

Renewable Energy

India aims to generate 275 GW of total renewable energy by CY27. Of the total pie, 72 GW will be from hydro-energy and 15 GW from nuclear energy. Nearly 100 GW is expected to come from 'other zero emission' sources. Both generation and transmission capacities are expected to raise steel demand from the sector.

Automobile

The automobile industry is estimated to grow by US$260- 300 billion by 2026. With increasing capacity addition, steel demand is expected to be robust.

Outlook

According to the World Steel Association, consumption of finished steel products in India is estimated at 92mt in 2018 – a growth of 5.5% over 2017. Of the total incremental demand of 28.7mt in 2018 worldwide, India alone is likely to add steel demand of 4.8mt.

Pegged at 5.5%, the domestic steel demand is likely to grow at a faster pace than the global steel demand. Steel demand worldwide is likely to grow by 1.8% in 2018. The nation's per capita steel consumption is likely to improve to 72-74 kgs in 2018-19. Clearly, Indian steel players are looking inwards to achieve higher growth. As China continues to trim its excess capacities in 2018 as well, and given the low-cost, higher quality products offered by Indian companies, opportunity to grow exports is also sizeable.

3. FINANCIAL PERFORMANCE

The Company is engaged mainly into steel business. Brief performance of the Company is as follows:

(Rs. in Crores)

Particulars	FY 2017-18	FY 2016-17	Variation
Turnover	1419.09	1375.08	44.01
PBDIT	72.84	(52.09)	124.93
Interest and Finance Charges	1181.66	1110.45	71.21
Depreciation	351.61	356.36	(4.75)
Exceptional Items	440.53	209.90	230.63
Profit / (Loss) BeforeTax	(1900.96)	(1728.80)	(172.16)
Other Comprehensive Income (OCI)	(30.84)	(4.09)	(26.75)
Profit / (Loss) After Tax	(1900.96)	(1733.86)	(167.10)

Exceptional items include

a. non -recoverable advances written off amounting to Rs 47.62 Crores
b. loss on appropriation of pledged shares amounting to Rs 177.01 Crores,
c. inventory written-down of Rs. 19.33 Crores,
d. impairment in non- current investments of Rs 196.57 Crores.

Financial Performance & State of Affairs

During the year, the Company recorded a net loss of Rs.1900.96 crores (previous year: Loss of Rs 1733.86 crores). The Company's EBIDTA was Rs. 72.84 crores in the Financial Year ended 31st March, 2018 as opposed to a EBITDA loss of Rs.52.09 crores due to better market conditions and also efficient operational performance.
As the EBITDA earned during the year was not sufficient to cover the depreciation and interest costs, the Profit Before Tax (PBT) was negative and stood at Rs. (-)1900.96 crores as against Rs. (-)1728.80 crores in the previous financial year and Profit After Tax (PAT) was Rs. (-)1900.96 crores against Rs. (-)1733.86 crores in the previous financial year.

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

a) Net sales and other operating income

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Sale of Products/ Services	1419.09	1375.08	3.20
Other Income	12.14	33.54	(63.80)
Total income	1431.23	1408.62	1.60

During the year, the overall turnover was higher primarily due to higher realizations for steel products.

GST has been implemented with effect from July 1, 2017 and therefore, revenue from operations for the year ended March 31, 2018 are net of GST. Revenue from operations and expenses for the year ended March 31, 2017 being inclusive of excise duty are not comparable with corresponding figures of year ended March 31, 2018.

b) Raw materials consumed

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Raw materials consumed	1144.79	943.43	21.34

During the year, raw material consumption increased, primarily due to higher costs of bulk raw materials namely, iron ore and Coal.

c) Employee benefits expense

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Employee benefits expense	94.07	101.55	(7.37)

The employee cost has decreased primarily on account of reduction in number of employees.

d) Depreciation and amortization expense

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Depreciation and amortization expense	351.61	356.36	(1.33)

The marginal decrease in depreciation is due to lower base of fixed assets as there was no capex incurred during the year under review.

e) Other Expenses

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Other Expenses	107.89	148.21	(27.20)

The details of other expenses are as below:

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Consumption of stores and spares	28.66	29.35	(2.35)
Power and fuel	9.27	15.83	(41.44)
Rent	0.35	0.41	(14.63)
Repairs & Maintenance	5.86	5.30	10.56
Administrative Expenses	48.69	55.08	(11.60)
Provision for doubtful debts	1.82	7.57	(75.96)
Other Manufacturing Expenses	9.95	28.86	(65.52)
Misc Expenses	3.29	5.81	(43.37)
Total Other Expenses	**107.89**	**148.21**	**(27.20)**

The savings in administrative expenses accrued due to lower incurrence of sales & distribution expenses.

The positive variance in other manufacturing expenses was primarily due to lower expenses incurred on account of Patherdih Coal Washery EPC contract.

f) Finance costs and Net Finance Costs

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Finance costs	1181.66	1110.45	6.41%

During the year, finance costs increased due to accrual of interest on un paid interest.

g) Exceptional Items

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Exceptional items	440.53	209.90	109.88

Exceptional items include certain non -recoverable advances written off amounting to Rs. 47.62 crores, loss on appropriation of pledged shares of Rs 177.01 crores, inventory written-down amounting to Rs. 19.33 crores, impairment of non current investments amounting to Rs 196.57 crores.

h) Fixed Assets

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Property, Plant and Equipment (PPE)	6017.26	6360.87	(5.40%)
Capital work-in-progress	166.14	157.10	5.75%

PPE is lower primarily due to charge of depreciation for the year and non-incurrence of capital expenditure during the financial year ended on March 31, 2018.

i) Investments

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Investment in Subsidiary, JVs and Associates	587.39	1057.80	(44.47)
Other Investments	35.36	1.38	2462.32
Total Investments	622.75	1059.18	(41.20)

The total investments are lower as compared to the previous year as the primarily due to loss on incurred due to appropriation of pledged shares of Odisha Sponge Iron & Steel Limited by the financial creditors of the Company and impairment of investments in Monnet Power Company Ltd. (MPCL) as MPCL has been admitted to the Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code 2016.

j) Inventories

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Raw Material	151.43	124.55	21.58
Finished Goods & WIP	105.81	96.66	9.47
Stores, Spares & Others	63.72	56.52	12.74
Total Inventory	320.96	277.72	15.57%

Increase in raw material inventory was due to increase in raw material prices in FY 17-18.

k) Trade Receivables

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Gross Debtors	97.28	132.66	(26.67)
Less: Provision for doubtful debts	36.98	35.53	4.08
Net Debtors	60.30	97.13	(37.92%)

The decrease in sundry debtors as compared to the previous year is primarily due to better credit control mechanism put in place during the year.

l) Cash Flow

(Rs. in Crores)

	FY 18	FY 17	Change (%)
Net Cash Flow from Operating activities	(28.05)	270.14	(110.38%)
Net Cash Flow from investing activities	(11.69)	(26.94)	56.61%
Net Cash Flow from financing activities	72.69	(205.91)	135.30%
Net increase / (decrease) in cash and cash equivalents	32.95	37.29	(11.64%)

The cash operating profit was Rs. (28.05) Crores as compared to Rs. 270.14 Crores during the previous year. Higher inflows in Fy17 were on account of funds released from current assets.
The cash outflow from Investing activities was Rs. (11.69) Crores as compared to Rs (26.94) Crores during the previous year. Higher outflows in FY 17 were towards mines allotted to the company.
The net cash outflow from financing activities was Rs 72.69 Crores as compared to Rs.(205.91) Crores during previous year. Higher outflows in Fy17 were on account of net repayments made to financial creditors.

4. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

5. RISKS AND CONCERNS

Risk Management and Control System to ensure that the risks of the Company are identified and managed effectively. The Company would put in place a suitable enterprise risk management framework for identifying and evaluating risks and opportunities that may have bearing on the organization. The Company recognises that these risks needs to be managed and mitigated to protect the shareholders and other stakeholders interest.

6.INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

7.HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

As on March 31, 2018, the Company had 2110 employees apart from employeesemployed through contractors and suppliers.
The Company strives to provide a safe working atmosphere in the Company, wherein every employee can develop his own strength and deliver his expertise in the interest of the Company.

CAUTIONARY STATEMENT

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

By order of the Board
For Monnet Ispat and Energy Limited

Jyotin Kantilal Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 15 October, 2018

Annexure 7

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

1) CORPORATE INSOLVENCY RESOLUTION PROCESS

Monnet Ispat & Energy Limited was undergoing the insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). The insolvency resolution process of the Company began on 18th July, 2017. During the said process, the powers of the Board of Directors of the Company were suspended and were being exercised by the Resolution Professional (RP) duly appointed by the Adjudicating Authority which in this case is NCLT, Mumbai. The Company continued to operate as a going concern and while the RP managed the affairs of the Company from the initiation of CIRP Proceeding till the approval of Resolution Plan. The control/business decisions were taken by the Committee of Creditors of the Company comprising of all the financial creditors. In the instant case, Mr. Sumit Binani was appointed as the RP and the Committee of Creditors comprises of 38 lenders of the Company.

As a part of the duty prescribed under the Code, the RP invited Expression of Interest (EOI) and submission of resolution plan in accordance with the provisions of the IBC. The resolution plan (as amended and supplemented) submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited ("**Resolution Applicants**") was approved by the committee of creditors of the Company. The RP submitted the CoC approved resolution plan to the Hon'ble National Company Law Tribunal ("NCLT") on April 12, 2018 for its approval and the NCLT approved the resolution plan submitted by the consortium with certain modifications ("**Resolution Plan**") on 24th July, 2018.

Pursuant to, and in accordance with the implementation of the Final Resolution Plan, the existing board of directors of the Company have been deemed to have resigned and the steering committee of the Company appointed Mr. Sumit Binani, Mrs. Anuradha Ambar Bajpai and Mr. Jyotin Kantilal Mehta, Directors of the Company till the Completion of acquisition of Control over the Company by the Resolution Applicant as contemplated in the Resolution Plan.

The implementation of the resolution plan has resulted in the following

(a) Extinguishment of 5,07,32,841 equity shares of Rs. 10 each and 1,75,00,000 preference shares of Rs. 100 each held by the erstwhile promoters.

(b) Reduction in the face value of the balance 36,52,33,620 equity shares (including the equity shares issued under (c) and (d) below) held by the non- promoter equity shareholders to Rs. 3.30 per share and their consolidation into 12,05,27,534 equity shares of Rs. 10 each.

(c) Settlement of debts of financial creditors amounting to Rs. 10,247.86 crores, partly by issue of 20,00,56,892 equity shares of Rs. 10 each, partly by cash payment of Rs. 2,457.00 crores, and partly by the effective purchase of the remaining debt, (on deemed conversion into Optionally Convertible Preference shares), for a sum of Rs. 199.85 crores by a company of the consortium, Milloret Steel Limited (MSL).

(d) Settlement of corporate guarantees issued to financial creditors amounting to Rs 767.05 crores, partly by issue of 1,51,41,327 equity shares of Rs. 10 each and cash payment of Rs. 20.07 crores.

(e) Settlement of operational creditors, (other than employees and workmen), amounting to Rs. 114.81 crores for a sum of Rs. 25 crores payable by the Company within one year from the NCLT Order date.

(f) Extinguishment of other current and non-current liabilities amounting to Rs. 128.36 crores standing as on the NCLT Order date.

(g) Extinguishment of all contingent liabilities, commitments and other claims and obligations including all taxes and other government dues standing as on the effective date (i.e. 31 August 2018).

(h) Merger of MSL into the Company, resulting in the extinguishment of the deemed Optionally Convertible Preference shares, contemporaneously with (c) above. The shareholders of MSL were issued 34,90,20,000 equity shares of Rs 10 each and 52,59,80,000 Compulsorily Convertible preference shares of Rs 10 each.

Upon implementation of the Resolution Plan, the Resolution Applicants comprising of a consortium of JSW Steel Limited and AION Investments Private II Limited (directly and through their affiliates) took control over the management and ownership of the Company.

2) BOARD OF DIRECTORS

A. Composition & Category of Directors

During the year, Corporate Insolvency Resolution Process was initiated in respect of the Company, vide order of the Hon'ble National Company Law Tribunal, Mumbai Bench dated 18th July, 2017, under Insolvency & bankruptcy Code, 2016. During the pendency of the proceedings, the powers of board of directors of the Company were suspended and all of the powers of the board were instead excercised by Mr. Sumit Binani, Resolution Professional appointed for the Company. The Corporate Insolvency Resolution Process came to an end on 24th July, 2018.

Pursuant to completion of Corporate Insolvency Resolution Process, on 24th July, 2018, Board of Directors of the Company was re-constituted and erstwhile Board of Directors were deemed to have resigned.

As on date, the Board of Directors consists of the following Directors:

1. Mrs. Anuradha Ambar Bajpai
2. Mr. Jyotin Kantilal Mehta
3. Mr. Kalpesh Pankaj Kikani
4. Mr. Nikhil Omprakash Gahrotra
5. Mr. Ravichandar Moorthy Dhakshana
6. Mr. Seshagiri Rao MVS
7. Mr. Sanjay Kumar
8. Mrs. Sutapa Banerjee

As on 31st March, 2018, the Board consists of three Directors with blend of Executive and Non-Executive Independent Directors.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018 dated 31st May, 2018, the provisions as specified in regulation 17 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency Code. However, the role and responsibilities of the board of directors as specified under regulation 17 shall be fulfilled by the Interim Resolution Professional or Resolution Professional in accordance with sections 17 and 23 of the Insolvency Code.

The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies as at March 31, 2018 are as follows

Name of directors	Category	Designation	No. of Directorships in other public companies	No. of Committee Memberships and Chairmanship in other Companies	
				Chairman	Member
Sandeep Kumar Jajodia DIN-00082869	Promoter- Non Independent Executive	Chairman & Managing Director & Chief Executive Officer	3	0	0
Jagdamba Prasad Lath DIN-00380076	Non Independent Non-Executive	Director	6	2	4
Kunal Sharma DIN: 07731660	Independent Non-Executive	Director	1	0	0

Notes:

- *The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI LODR Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Monnet Ispat & Energy Limited).*
- *Directorships in other public Companies and Committee Memberships details are based on the disclosures received from*

the directors, as on March 31, 2018.

- *Directorship in other Companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.*

B. Attendance of Directors

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

The details of attendance of Directors at the Board Meetings and Annual General Meeting held during the year ended March 31, 2018 are given below :—

Name of Director(s)	May 30, 2017	July 11, 2017	Whether attended AGM held on 28th September 2017
Sandeep Kumar Jajodia DIN: 00082869	P	P	A
Suman Jyoti Khaitan* DIN: 00023370	P	P	A
Jagdamba Prasad Lath DIN: 00380076	P	P	P
Shantanu Prasad* DIN: 06972253	P	A	-
Kunal Sharma DIN: 07731660	P	P	A
Ankita Wadhawan* DIN: 06971383	P	P	A

****Mr. Shantanu Prasad, Ms. Ankita wadhawan and Mr. Suman Jyoti Khaitan resigned from the directorship of the Company w.e.f. 05.08.2017, 29.12.2017 and 06.02.2018 respectively.***

Note:

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

C. During the year, two meetings of Board of Directors were held on 30.05.2017 and 11.07.2017. In view of commencement of CIRP, on 18th July, 2017, there was no meeting of Board of Directors of the Company after the aforesaid date.

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

E. In compliance with LODR Regulations, Directors, Key Managerial Personnel (KMP) and members of Senior Management of the Company, confirm their material interest in any transactions, directly affecting the Company.

F. Information placed before the Board:

Necessary information, as required under the Act and LODR Regulations, are placed before the Board from time to time. The draft minutes are circulated amongst the members/participants for their comments. The minutes of the proceedings of the Meeting are entered within thirty (30) days of the conclusion of the meeting and thereafter signed by the Chairman Number of Board Meetings/Resolution Professional (RP) Meeting held and attended by Director Corporate Insolvency Resolution Process was commenced as on 18th July 2017. During the tenure of CIRP period, powers of the Board was suspended and it vested with the Resolution Professional.

G. During the year, 2 (two) meetings of the Board of Directors were held and the gap between the consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present for all meetings. The dates on which the Board meeting were held are as follows :

Date	Meeting
30.05.2017	Meeting of Board of Directors
11.07.2017	Meeting of Board of Directors

H. All the Independent Directors fulfill the criteria of being independent as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Section 149(6) of the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013. The Independent Directors have also confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015.

I. During the year, a meeting of Independent Directors was held on May 30, 2017. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

J. The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment is disclosed on the website of the Company i.e. www.aionjsw.in

K. The Company has also formulated familiarization programs to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. The details of such familiarization programs are also available on the website of the Company i.e https://www.aionjsw.in/documents/default.aspx?f=investor-relations/familiarization-programme-for-independent-directors-44.pdf

L. 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 March 31, 2018 have been made by the Director. Also, none of the Independent Directors serve as Independent Director in more than seven listed companies.

M. Mr. J. P. Lath, Member of the Committee, attended the Annual General Meeting on behalf of Chairman of Audit Committee and Nomination & Remuneration Committee.

N. Mr. J. P. Lath, Chairman of Stakeholders Relationship Committee attended the Annual General Meeting.

O. There is no relationship between directors inter-se.

P. Annual Performance Evaluation & its criteria :-

BOARD EVALUATION

During the year, Corporate Insolvency Resolution Process (CIRP) was initiated in respect of the Company, vide order of the Hon'ble National Company Law Tribunal dated 18th July, 2017, under Insolvency And Bankruptcy Code 2016. During the pendency of the proceedings, the powers of the Board of Directors of the Company were suspended and all powers were instead exercised by Mr. Sumit Binani, Resolution Professional appointed for the Company.

Since post appointment of Interim/Resolution Professional, there was no Meeting of Directors, hence annual performance evaluation of the Board and its committees has not been carried out.

3) BOARD COMMITTEES

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at a regular interval and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are also placed before the Board in the next Board Meeting for noting. However, pursuant to initiation of CIRP Process, no committee Meeting was held after 18.07.2017, as powers of the Board and its committees were suspended thereafter

The Board currently has 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 Listing Regulation.

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

i Brief Description of Charter/terms of reference of Audit Committee-

The brief Description of Charter/terms of reference of Audit Committee is broadly as under**:**

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditor, the statutory auditor, the cost auditor and the secretarial auditor and notes the processes and safeguards employed by each of them. The terms of reference of the audit committee are as per the guidelines set out in Part C of Schedule II of the SEBI Listing Regulations:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and Approval of payment for any other services rendered by the statutory auditors;
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Indian Accounting Standards (Ind AS)
- Review the investments made by the Company.

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 March 31, 2018, the Composition of Audit Committee consists of Mr. J. P. Lath and Mr. Kunal Sharma as its members during the last financial year. Ms. Ankita Wadhawan and Mr. Suman Jyoti Khaitan resigned from the directorship w.e.f. 29.12.2017 and 06.02.2018 respectively. The Company Secretary of the Company acts as Secretary to the Committee.

The Audit Committee invites such executives, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meetings.

Pursuant to completion of Corporate Insolvency Resolution Process, on 24th July, 2018, the Audit Committee was re-constituted and consists of the following Directors :

1. Mr. Jyotin Kantilal Mehta, Non-Executive Independent Director – Chairman
2. Mr. Nikhil Gahrotra, Non-Executive Director - Member
3. Mrs. Anuradha Ambar Bajpai, Non-Executive Independent Director - Member

iii. Audit Committee Meetings and Attendance :

The Audit Committee met two times during the Financial Year 2017-18 before the initiation of CIRP Process. The maximum gap between two meetings was not more than 120 days. The necessary quorum was present in the meeting. The Table below provides the Attendance of the Audit Committee members:

Name of Members	May 30, 2017	July 11, 2017
Suman Jyoti Khaitan*	P	P
Jagdamba Prasad Lath	P	P
Mr. Kunal Sharma	P	P
Ms. Ankita Wadhawan*	P	P

**Ms. Ankita Wadhawan and Mr. Suman Jyoti Khaitan resigned from the directorship w.e.f. 29.12.2017 and 06.02.2018 respectively.*
"P" denotes Presence in the meeting

iv. Internal Controls and Governance Processes

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

v. Risk Management

The Reconstituted Board/ management is reviewing the Risk management framework of the Company. The Company would put in place a suitable enterprise risk management framework for identifying and evaluating risks and opportunities that may have bearing on the organization. The Company recognises that these risks needs to be managed and mitigated to protect the shareholders and other stakeholders interest.

B) Nomination and Remuneration Committee

i Composition of Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, the Board has constituted its Nomination and Remuneration Committee. As at March 31, 2018, the Nomination and Remuneration Committee consists of two member's i.e. Mr. Kunal Sharma and Mr. Jagdamba Prasad Lath as its members. Mr. Suman Jyoti Khaitan resigned from the directorship w.e.f. 06.02.2018. The Company Secretary of the Company acts as Secretary to the Committee.

The brief terms of reference of the Nomination and Remuneration Committee, *inter alia*, includes the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

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

Pursuant to completion of Corporate Insolvency Resolution Process, on 24th July, 2018, the Nomination & Remuneration Committee was re-constituted and consists of the following Directors :

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

ii. Nomination and Remuneration Policy :

The Company has the Nomination and Remuneration Policy for the Company in compliance with Regulation 19 of SEBI Listing Regulation read with Provisions of Section 178 of the Companies Act, 2013. The said policy of the Company is available on the website of the company i.e. www.aionjsw.in.

The Objective and Purpose of this policy is as follows:

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

  The reconstituted Board is in process of reviewing the policy and would carry out necessary changes as may be required in due course of time.

iii. Details of Remuneration Paid to Directors for the Year ended March 31, 2018

- **Non-Executive Directors**

The Non-Executive Directors are paid remuneration by way of Sitting Fees for each of the meeting of the Board or Committees of Directors attended by them. The Details of Sitting fees paid to them during the Financial year 2017-18 are as under:-

Name of Directors	Sitting Fees paid for Board Meetings (Rs.)	Sitting Fees paid for Committee Meetings (Rs.)	ESOP granted (No. of Shares)
Jagdamba Prasad Lath	40000	20000	NIL
Suman Jyoti Khaitan	150000	20000	NIL
Representative of IDBI Bank Shantanu Prasad*	20000	-	NIL
Kunal Sharma*	150000	20000	NIL
Ankita Wadhawan*	150000	20000	NIL

Note:
The meeting fees is paid to IDBI Bank Limited as Mr. Shantanu Prasad is nominee of the said Bank till August 05, 2017. Mr. Shantanu Prasad, Ms. Ankita wadhawan and Mr. Suman Jyoti Khaitan resigned from the directorship of the Company w.e.f. 05.08.2017, 29.12.2017 and 06.02.2018 respectively.

- **Executive Directors**

The Details of Remuneration paid to Executive Director during the Financial year 2017-18 are as under:-

Name of the Directors	Salary (Rs.)	Notice Period	ESOP granted (No. of Shares)
Sandeep Kumar Jajodia	Nil	1 Month	NIL

- -

iv. Shareholding and Pecuniary Relationship of Non-Executive Directors :

During the financial year 2017-18, none of non-executive directors hold any shares in the Company except Mr. Jagdamba Prasad Lath, who holds 1696 equity 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 2017-18 except the sitting fees paid for meetings of the Board & Committee(s) of Directors attended by them.

v. Details of appointment and remuneration payable to Mr. Ravichandar Moorthy Dhakshana as required as per Schedule V of the Companies Act 2013:

(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors; -

The Board of Directors was reconstituted on 31 August 2018 and Mr. Ravichandar Moorthy Dhakshana was appointed by the Board subject to approval of the shareholders of the Company, as the Whole-Time Director of the Company, designated as 'Director - Corporate In Charge', for a period of two years with effect from August 31, 2018, upon such terms and conditions including remuneration not exceeding an overall ceiling of Rs. 20,00,000/- (Rupees twenty lakhs only) per month, as are set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice of this Annual General Meeting.

(ii) details of fixed component. and performance linked incentives along with the performance criteria; -

The fixed component and performance linked incentives along with the performance criteria is as per the policy of the Company.

(iii) service contracts, notice period, severance fees; -

Appointment of Mr. Ravichandar Moorthy Dhakshana is for the period of Two years on the terms as set out in the Notice of ensuing Annual General Meeting and Notice period is Three months and severance fees, if any, is as per the policy of the Company.

(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable. –
The Company does not have any Stock Option Scheme for its employees and Directors hence Mr. Ravichandar Moorthy Dhakshana is not entitled to stock option.

vi. Stock Option Scheme :

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

C) Corporate Social Responsibility (CSR) 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

No meeting of the CSR Committee was held for the FY 2017-18. The composition of CSR Committee involves Mr. Sandeep Kumar Jajodia as Chairman, Mr. Jagdamba Prasad Lath and Mr. Suman Jyoti Khaitan* as members.

**Mr. Suman Jyoti Khaitan resigned from the directorship of the Company w.e.f. 06.02.2018.*

Pursuant to completion of Corporate Insolvency Resolution Process, on 24th July, 2018, the existing board of directors of the Company have been deemed to have resigned, the Corporate Social Responsibility (CSR) Committee was re-constituted and consists of the following Directors:

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

D) Stakeholders' Relationship Committee

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:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- issue and allot right shares/bonus shares pursuant to a Rights Issue/ Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;

- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture etc.

ii Composition and Attendance :

The composition of the Stakeholders Relationship Committee as at March 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Meetings Date	Jagdamba Prasad Lath	Sandeep Jajodia	Hardeep Singh
May 30, 2017	P	P	P
July 11, 2017	P	P	P

“P” denotes Presence in the meeting

On 24th July, 2018 pursuant to completion of CIRP, the Stakeholders' Relationship Committee was re-constituted and consists of the following Directors:

1. Mrs. Anuradha Ambar Bajpai, Non-Executive Independent director- Chairperson
2. Mr. Nikhil Omprakash Gahrotra, Non-Executive Director- Member
3. Mr. Jyotin Kantilal Mehta, Non-Executive Independent director – Member

E) International Trade Practices and Corporate Governance Committee

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

Pursuant to completion of Corporate Insolvency Resolution Process, on 24th July, 2018, the International Trade Practices and Corporate Governance Committee was constituted and consists of the following Directors:

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

Name and Designation of Compliance officer :

Name	:	Mr. Hardeep Singh
Designation	:	Company Secretary & Compliance Officer
Address	:	Monnet House, 11 Masjid Moth, Greater Kailash-II, New Delhi-110048
Phone	:	011-29218542/43/44/45/46
Fax	:	011-29218541
E-mail	:	isc_miel@aionjsw.in

Details of the Shareholder's complaints received, redressed/pending during the financial year 2017-18 :

The details of total number of complaints received; resolved/pending during the financial year 2017-18 is as follow:-

Particulars	No. of Complaints
Number of complaints received from the investors (including the opening Balance as on 01st April, 2017) 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	55
Number of complaints resolved	55
Complaints Pending as at March 31, 2018	0

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

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

F) Other Board Committees

i Executive Committee Meeting:

The Executive Committee was formed to deal with urgent matters requiring immediate action of the Board of Directors before a meeting of the Board could be convened. The Minutes of the Executive Committee are placed in front of Board for their review and noting. As on March 31, 2018, the Composition of Executive Committee of Directors comprised of Mr. Jagdamba Prasad Lath as Chairman and Mr. Sandeep Kumar Jajodia as Member. The details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Sandeep Jajodia	Jagdamba Prasad Lath
April 03, 2017	P	P
June 01, 2017	P	P
July 12, 2017	P	P

Pursuant to, and in accordance with the implementation of the Final Resolution Plan, the existing board of directors of the Company have been deemed to have resigned and the said committee is deemed to be dissolved and there is no Executive Committee post implementation of the Resolution Plan.

ii. Finance Committee Meeting:

The Finance Committee of the Board was constituted to consider and approve all types of loans and banking facilities upto the maximum limit of Rs. 10,000 Cr. outstanding at the given point of time and to meet the financing requirements of the Company requiring immediate action of the Board of Directors before a meeting of the Board could be convened. As on March 31, 2018, the Composition of Finance Committee of Directors comprises of Mr. Jagdamba Prasad Lath as Chairman and Mr. Sandeep Kumar Jajodia as member. The details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Sandeep Kumar Jajodia	Jagdamba Prasad Lath
June 01, 2017	P	P

Pursuant to completion of Corporate Insolvency Resolution Process, on 24th July, 2018 , the Finance Committee was re-constituted by the new board (consortium of AION and JSW STEEL) in its meeting held on 31st August, 2018 and consists of the following Directors :

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

4) GENERAL BODY MEETINGS

A. Details of Last Three Annual General Meetings (AGM) Held :

AGM	Date & Time	Place of Meeting	Details of Special Resolution Passed
27th	September 28, 2017, 2:30 P.M	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	No special resolution passed
26th	September 30, 2016, 2:30 P.M		• Adoption of new set of Memorandum of Association • Adoption of new set of Articles of Association
25th	September 30, 2015, 2:30 P.M		• To obtain waiver of the excess remuneration paid to Mr. Sandeep Kumar Jajodia (holding DIN: 00082869), Chairman and Managing Director, during the period of April 1, 2014 to March 31, 2015 • To reappoint and fix the remuneration of Mr. Sandeep Kumar Jajodia (holding DIN: 00082869) as Chairman and Managing Director of the Company • To obtain waiver of the excess remuneration paid to Mr. Chandra Prakash Baid (holding DIN:00466414), Dy. Managing Director, during the period of April 1, 2014 to March 31, 2015 • To reappoint Mr. Chandra Prakash Baid as Dy. Managing Director

The above Resolutions were passed with requisite majority. No Special Resolution was put through Postal Ballot at the last Annual General Meeting nor is proposed at the ensuing Annual General Meeting.

B. Details of Special Resolutions Passed during the Financial Year 2017-18 through Postal Ballot

During the year, the Company has conducted Annual General Meeting on September 28, 2017. No Special Resolution was passed throug Postal Ballot during the said period.

5) MEANS OF COMMUNICATION

A. The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulation, as amended from time to time.

B. The Company normally publishes quarterly results/ half yearly in leading Business Newspapers National daily of the country like Financial Express(English Language) and "The Raj express" (Vernacular Language) in accordance with the SEBI Listing Regulations and circulates the same to stock exchanges & the shareholders.;

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

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

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

6) GENERAL SHAREHOLDERS INFORMATION

A. Annual General Meeting

Day and Date	:	Thursday, 27th December, 2018
Time	:	01:30 p.m.
Venue	:	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101
Financial Year	:	2017-18
Book Closure / Record Date	:	Thursday, 20th December, 2018 to Thursday, 27th December, 2018 (Both Days Inclusive)

B. Financial Year Calendar (Tentative) :

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

First Quarter Results	:	on or before August 14, 2018
Second Quarter & Half Yearly Results	:	on or before November 14, 2018
Third Quarter Results	:	on or before February 14, 2019
Fourth & Audited Annual Results	:	on or before May 30, 2019

C. Dividend Payment	:	No dividend has been recommended for the Financial Year 2017-18.
D. Registered Office Address	:	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh - 492101.
CIN	:	L02710CT1990PLC009826

E. Listing on Stock Exchanges:

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

National Stock Exchange of India Ltd.
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai- 400051.
website : www.nseindia.com

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001
website : www.bseindia.com

The Company is in the process of getting itself delisted from Calcutta Stock Exchange. The Annual listing fee for the listed equity Shares and non-convertible debentures for the year 2018-19 have been paid to BSE Ltd and National Stock Exchange Limited.

F. Stock Codes/Symbol:

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

G. Non-Convertible Debentures :

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

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

As on the date of report, the Company does not have any outstanding debentures.

H. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 on NSE and BSE:

Month	BSE (Rs.)			NSE (Rs.)		
	High	Low	Volume	High	Low	Volume
April – 2017	40.50	33.80	20,63,294	40.50	34.00	1,01,55,304
May- 2017	44.50	35.05	32,75,235	44.50	34.50	1,49,93,050
June- 2017	44.40	27.50	41,50,587	44.40	27.50	1,94,69,023
July – 2017	36.65	30.55	20,34,442	36.70	30.60	97,15,138
August – 2017	34.00	25.95	9,47,187	34.10	26.00	49,91,530
September- 2017	34.00	27.50	25,36,306	32.50	27.15	56,31,069
October- 2017	34.70	29.00	12,82,591	34.85	29.20	68,37,918
November- 2017	35.20	31.00	21,21,183	35.20	30.75	1,12,75,458
December- 2017	38.50	29.65	28,65,871	38.50	29.65	1,86,68,890
January- 2018	38.50	24.15	1,07,73,900	38.25	25.10	6,31,31,416
February- 2018	31.40	22.90	51,93,592	31.60	22.55	3,21,39,287
March- 2018	27.40	14.90	35,84,134	27.50	14.80	1,93,80,173

I. Stock Performance

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

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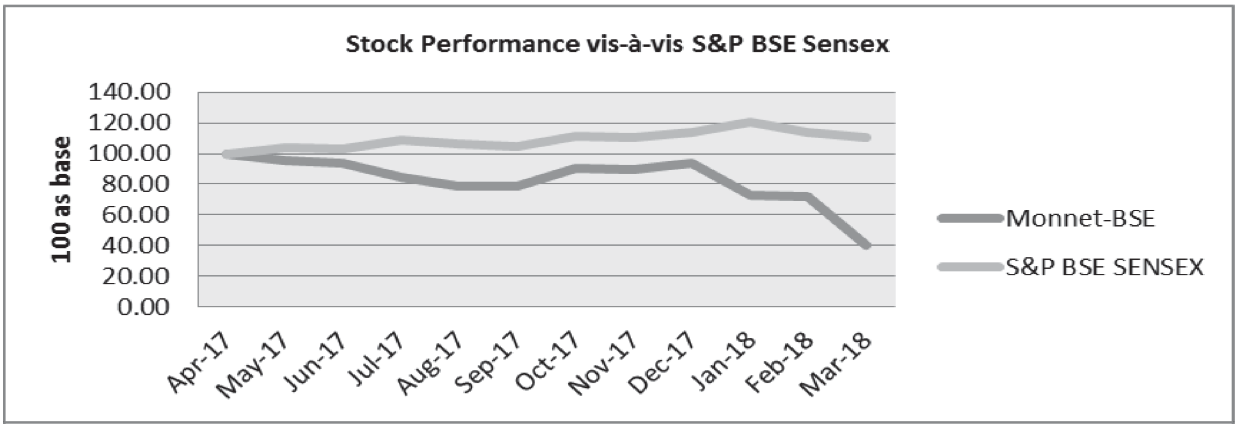
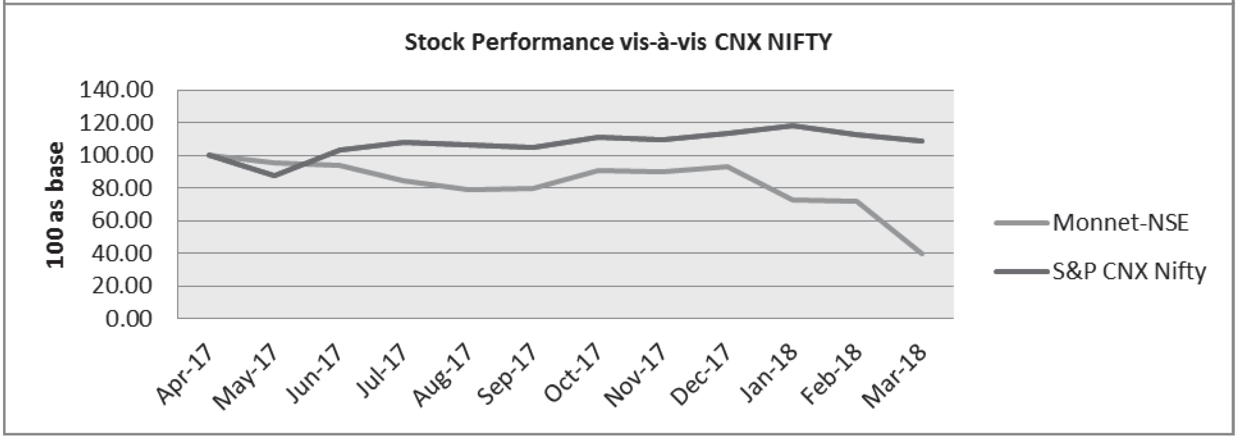




J. Registrar & Transfer Agent

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

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

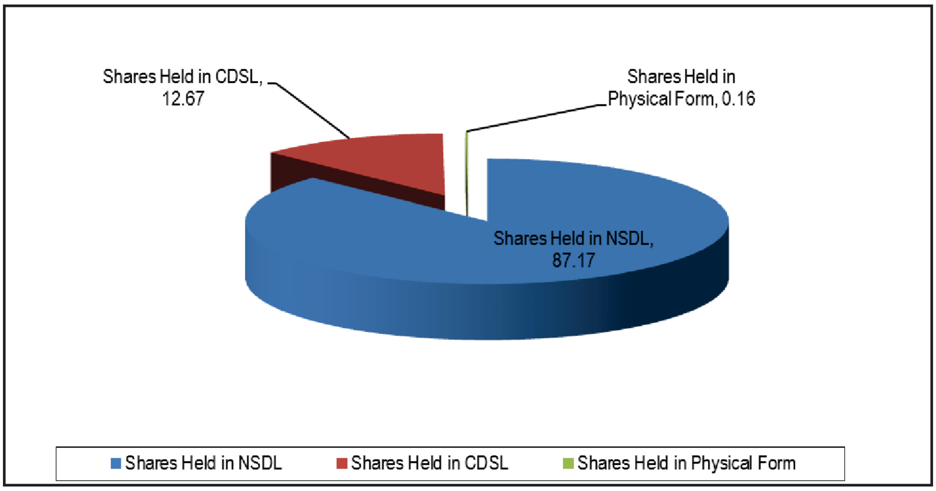
Share transfers system

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 NSDL/CDSL 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.

K. Dematerializations of Shares and liquidity

As at March 31, 2018, 99.84 % of Equity capital was held in Electronic form with NSDL and CDSL. Normally, requests of dematerialization of shares are processed and confirmed within 15 days of receipt to NSDL and CDSL



Further, 100 % of the Cumulative Non-Convertible redeemable preference shares of the Company are in electronic form held with NSDL. However, these have been extinguished pursuant to the NCLT order.

- **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.

L. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on March 31, 2018, the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.

M. Shareholding as on March 31, 2018

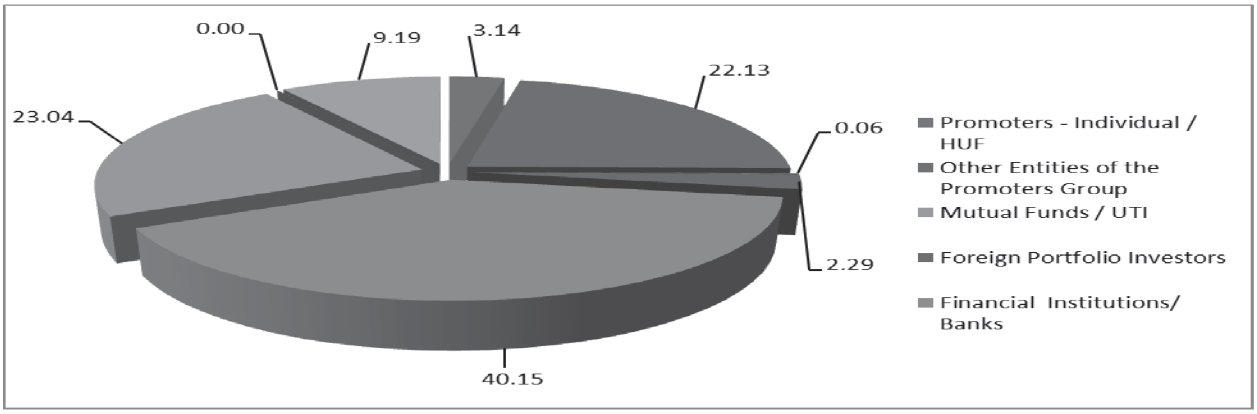
I Distribution of Shareholding as at March 31, 2018:

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 500	26111	67.89	4611526	2.30
501 - 1000	4922	12.80	4271635	2.13
1001 - 2000	3065	7.97	4945996	2.46
2001 - 3000	1265	3.29	3350506	1.67
3001 - 4000	628	1.63	2303315	1.15
4001 - 5000	638	1.66	3066137	1.53
5001 - 10000	931	2.42	7139599	3.56
10001-50000	726	1.89	15166376	7.55
50001-100000	82	0.21	5877266	2.93
Above 100000	91	0.24	150035886	74.73
TOTAL	**38459**	**100**	**200768242**	**100**

ii. Categories of equity shareholders as on March 31, 2018:

Shareholding pattern as on March 31, 2018 for the purpose of reporting in the Annual Report of the Company for the year 2017-18 is given as under:

Category	As On March 31, 2018	
	No. of Equity Shares	Percentage (%)
Promoters - Individual / HUF	6300616	3.14
Other Entities of the Promoters Group	44432225	22.13
Mutual Funds / UTI	116319	0.06
Foreign Portfolio Investors	4596336	2.29
Financial Institutions/ Banks	80610077	40.15
Individuals	46264993	23.04
NBFC	5600	0.00
NRI's / OCBs / Foreign Nationals/IEPF	18442076	9.19



Top Ten Shareholders as on March 31 , 2018:

List of Top Ten Shareholders as On March 31, 2018	Shares	% Age of Paid-up Capital
Umra Securities Limited	18750000	9.34
Udhyam Merchandise Private Limited	25123675	12.51
State Bank Of India	29587718	14.74
Punjab National Bank	5222222	2.60
Indian Overseas Bank	5087719	2.53
Blackstone GPV Capital Partners Mauritius VA Ltd	4567647	2.28
Oriental Bank Of Commerce	4511695	2.25
UCO Bank	4500000	2.24
Union Bank Of India	4345029	2.16
DENA Bank	4035087	2.01

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.aionjsw.in. Details of Unclaimed Dividend as on March 31, 2018 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 (Rs. Per share*)	Last date of claiming from the Company	Transfer to IEPF
Final Dividend	2010-11	30/09/2011	06/11/2011	5	30/09/2018	06/11/2018
Final Dividend	2011-12	29/09/2012	05/11/2012	2.5	29/09/2019	05/11/2019
Final Dividend	2012-13	30/09/2013	06/11/2013	1.5	30/09/2020	06/11/2020
Final Dividend	2013-14	27/09/2014	03/11/2014	1	27/09/2021	03/11/2021

* On the face value of Rs. 10 per share fully paid up.

O. Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

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

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

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

The company has not carried out any hedging activities related to the Commodity price risk or foreign exchange risk.

Q. Plant Location

Raipur Works : Monnet Marg, Mandir Hasaud,
Raipur, Chhattisgarh - 492101.

Raigarh Works : Village Naharpali, Tehsil Kharsia,
Distt. Raigarh, Chhattisgarh

R. Address for Correspondence

Corporate Office : Monnet House, 11, Masjid Moth
Greater Kailash Part-II, New Delhi-110048.
Phone: 011-29218542-46
Fax : 011-29218541
e-mail : isc_miel@aionjsw.in

DISCLOSURES:

A. Related party transactions

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No. 43 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2018. There were no material related party transactions which are not on arms length basis between the Company and related parties during the year under review and hence disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required and hence do not form part of this report.

The secretarial auditor has made certain observations relating to Related Party Transactions in their Secretarial Audit report. Pursuant to the Acquisition and the IBC Order dated July 24, 2018 passed by the NCLT, there has been a change in the Board and the management of the Company. Given that the observations pertain to the prior period, the Board does not have any additional comments on the said observations and is in the process of addressing these observations The erstwhile Board of Directors have approved and adopted a policy on Related Party Transactions and the same can be accessed at
https://www.aionjsw.in/documents/default.aspx?f=investor-relations/material-related-party-policy-49.pdf

B. Matters related to capital market

During the year 2015-16 the Company had paid penalty for non submission of the Annual Report on time under Clause 31 of Listing Agreement along with Form-A to the BSE.

Other than above there were no non-compliance by the Company, nor have any penalties or strictures been imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

C. Details of Vigil mechanism, Whistle blower Policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has adopted a Whistle Blower Policy through which vigil mechanism of the Company has been laid down.
The Company affirms that no personnel have been denied access to Audit Committee on any issue.

D. Compliance with mandatory requirements and adoption of Non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI Listing Regulations. The Company has not adopted any non-mandatory requirement of the SEBI Listing Regulations.

E. 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. The Company monitors performance of subsidiary companies in the following ways:

a) All minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company's Board;
b) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company;
c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

F. Code of Conduct

The powers of the board of directors of the Company were suspended on July 18, 2017 pursuant to the commencement of the corporate insolvency resolution process of the Company under the Insolvency and Bankruptcy Code, 2016 and continued to remain in suspension as on March 31, 2018. Accordingly the requirement under Regulation 26(3) of the Listing Regulations is not applicable to the then existing board of directors. The Reconstituted Board was not in place as on March 31, 2018 for the financial year under review to which this declaration primarily pertains and hence, the requirement under Regulation 26(3) of the Listing Regulations is not applicable to the members of the Reconstituted Board. The Company has, however, received declarations under Regulation 26(3) of the Listing Regulations from other members of the senior management of the Company to whom the code of conduct is applicable.

G. Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by its Directors and Designated Employees.

H. Certificate on Corporate Governance

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

I. CEO/CFO Certification

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

J. Disclosure of Accounting Treatment

The Financial statement of the Company is prepared as per the prescribed Indian Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance.

K. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Annual Report.

L. Disclosures with respect to Demat suspense account/unclaimed suspense account

As per Regulation 34(3) read with Schedule V of SEBI Listing Regulation, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
NA	NA	NA	NA	NA

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

By order of the Board
For Monnet Ispat and Energy Limited

Jyotin Kantilal Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 15 October, 2018

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO THE MEMBERS OF

MONNET ISPAT & ENERGY LIMITED,

We have examined the compliance of conditions of Corporate Governance by MONNET ISPAT & ENERGY LIMITED, for the year ended on March 31, 2018, as per Regulation 17-27, clause(b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2018.

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

Rahul Aggarwal
Company Secretary

Place: New Delhi
Date: 15 October, 2018

(Membership No. F4005)
C. P. No. 7052

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

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ravichandar Moorthy Dhakshana, Whole Time Director of the Company, hereby declare that, to the best of my knowledge and belief, the Company has fully complied with the code of conduct for senior management personnel for the financial year ending March 31, 2018.

For Monnet Ispat and Energy Limited

Place : Mumbai
Date : 15 October 2018

Ravichandar Moorthy Dhakshana
Whole Time Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MONNET ISPAT AND ENERGY LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **MONNET ISPAT AND ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors and the Resolution Professional (appointed by National Company Law Tribunal with effect from 18th July 2017 under Insolvency and Bankruptcy Code 2016) are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The audit of standalone financial statements for the year ended 31 March 2017, was carried out and reported by O.P. Bagla & Co., vide their unmodified audit report dated 30May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our opinion is not modified in respect of above matter.

Emphasis of Matter

i) We draw attention to the following matters in the Notes to the financial statements:

(a) Note no. 47 regarding cancellation of coal blocks of the Company impact whereof on the financial statements is uncertain.

(b) Note no. 48 in the financial statements which indicates that the Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. Upon application filed by the lenders, Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an Order of the National Company Law Tribunal (NCLT) with effect from 18th July 2017. The proceedings are still underway and final order or NCLT is pending. These conditions may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

c. The Company had pledged some shares out of its investment in Monnet Power Company Ltd (MPCL) to Lenders of MPCL. These shares were invoked by the Lenders. As per legal opinion, the ownership of these shares still vests with the Company. Pending appropriation, these shares, having a carrying value of Rs.504.22 crores continue to be classified as non current investment in the financial statements. The Company has also given loans & advances amounting to Rs. 117.55 crores to MPCL. MPCL has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by the Hon'ble National Company Law Tribunal, Mumbai with effect from 23rd February, 2018. These circumstances may lead to uncertainty regarding the recovery of the abovementioned amounts.

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) We are enclosing herewith a report in Annexure II for our opinion on adequacy of internal financial controls system in place in the company and the operating effectiveness of such controls.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 36 to the financial statements.

ii. In our opinion and as per the information and explanations provided to us, the Company has made appropriate provision regarding long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses during the year.

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

iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

PLACE : NEW DELHI
DATED : 30th May, 2018

(RAJEEV RANJAN)
PARTNER
M No. 535395

ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

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

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

i) In respect of its fixed assets:
   a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As in informed to us no material discrepancies were noticed on such physical verification.
   c) Title deeds In respect of all immovable properties are held in the name of the company.

ii) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials except ores & coal. We were informed that physical verification of the same was difficult due to its volume and loose nature. The physical verification of ores and coal was made on the basis of volume and density. As informed to us, discrepancies noticed on physical verification, wherever material, were duly dealt with in the books of account.

iii) As informed to us the company has granted unsecured loans to companies covered in the register maintained under section189 of the Companies Act 2013. In respect of such loans we have been informed that:
   a) the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
   b) the schedule of repayment of principal and payment of interest is not stipulated. Therefore no comments are offered on whether the repayments or receipts are regular.
   c) no amount is overdue as at the end of the year.

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

v) According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.

vi) The central government has prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act 2013, read with Rules framed thereunder in respect of the manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.

vii) a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. However, in some cases, there have been delays in deposit of statutory dues. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) We have been informed that following disputed demands in respect of Income Tax, Excise Duty, Sales Tax and Entry Tax have not been deposited on account of pending appeals as per details given below:-

S.No	Nature of Demand	Unpaid Amount* (Rs. In Crores)	Forum where appeal is pending
1.	Sales Tax/VAT	1.38	Deputy Commissioner of Sales Tax (Appeals)
2.	Entry Tax	30.87	Deputy Commissioner of Sales Tax (Appeals)
3.	Entry Tax	0.49	High Court
4.	Central Excise/ Service Tax	7.20	Commissioner Appeals (Central Excise)
5.	Central Excise	4.87	CESTAT
6.	Central Excise	0.06	High Court
7.	Income Tax	0.50	Commissioner Income Tax (Appeals)
8.	Income Tax	235.70	ITAT order passed and matter restored to AO
9.	Income Tax	2.60	ITAT

* Basic amount, excluding interest, if any.

viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, there is a default in repayment of loans to the banks, financial institutions / repayment of dues to debenture holders as at the year end, as per detail below :-

Particulars	Amount	Period of default
Repayment of Principal to banks / financial institutions	2611.72 Crores	Zero to Thirty Three months
Repayment of dues to Debenture Holders	625.00 Crores	Zero to Thirty Three months
Interest Accrued and due on borrowings	2344.53 Crores	Zero to Thirty Three months

ix) As explained to us, no term loans have been obtained during the year. The company has not raised any money during the year by way initial or further public offer.

x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31.03.2018.

xi) According to information and explanations given to us, no managerial remuneration has been paid or provided by the company during the year.

xii) The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.

xiii) According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of Companies Act 2013. Necessary disclosures has been made in the financial statements as required by the applicable accounting Standards.

xiv) According to information and explanations given to us the company has not made any preferential allotment or private placement of shares or debentures during the year.

xv) According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.

xvi) In our opinion, in view of its business activities, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934.

For APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

PLACE : NEW DELHI
DATED : 30th May, 2018

(RAJEEV RANJAN)
PARTNER
M No. 535395

ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **MONNET ISPAT AND ENERGY LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

PLACE : NEW DELHI
DATED : 30th May, 2018

(RAJEEV RANJAN)
PARTNER
M No. 535395

MONNET ISPAT & ENERGY LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

		Notes	As at 31 March 2018	As at 31 March 2017
ASSETS				
Non-current assets				
	Property, plant and equipment	3	6,017.26	6,360.87
	Capital work-in-progress		166.14	157.10
	Intangible assets	4	0.00	0.00
	Financial Assets			
a	Investments	5	622.75	1,059.18
b	Loans	6	24.44	22.35
c	Other financial assets	7	14.15	13.38
	Other non-current assets	8	0.00	0.00
			6,844.74	**7,612.88**
Current assets				
	Inventories	9	320.96	277.72
	Financial assets			
a	Trade receivables	10	60.30	97.13
b	Cash and cash equivalents	11 a	91.38	58.43
c	Bank balance other than 'b' above	11 b	11.78	18.39
d	Loans	12	772.87	900.37
e	Other financial assets	7	14.46	14.05
	Current Tax Assets (Net)	13	58.25	57.37
	Other current assets	8	35.01	40.77
			1,365.01	**1,464.23**
	Total Assets		**8,209.75**	**9,077.11**
EQUITY AND LIABILITIES				
Equity				
	Equity share capital	14	200.79	200.79
	Other equity	15	(3,278.48)	(1,346.68)
			(3,077.69)	**(1,145.89)**
LIABILITIES				
Non-current liabilities				
	Financial liabilities			
a	Borrowings	16	3,395.14	4,734.63
	Provisions	17	3.40	3.67
	Deferred tax liabilities (net)	18	0.00	0.00
	Other non current liabilities	19	22.76	24.04
Current liabilities				
	Financial liabilities			
a	Borrowings	16	1,908.85	1,831.94
b	Trade payables	20	110.05	156.70
c	Other financial liabilities	21	5,827.09	3,450.23
	Other current liabilities	19	20.15	21.79
	Provisions	17	0.00	0.00
	Total liabilities		**11,287.44**	**10,223.00**
	Total Equity and Liabilities		**8,209.75**	**9,077.11**

Significant accounting policies **1&2**

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

In terms of our report of even date annexed

For APAS & Co. Chartered Accountants FRN No. 000340C	**For and on behalf of the Board**	
Rajeev Ranjan **Partner** **M.No.535395**	**Sandeep Jajodia** **Chairman & Managing Director**	**Jagdamba Prasad Lath** **Director**
DATED : 30th May, 2018	**Sanjay Kumar Garodia** **Chief Financial Officer**	**Hardeep Singh** **Company Secretary**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Notes	31 March 2018	31 March 2017
INCOME			
Revenue From Operations	22	1,419.09	1,375.08
Other Income	23	12.14	33.54
Total Income (I)		**1,431.23**	**1,408.62**
EXPENSES			
Cost of material consumed	24	1,144.79	943.43
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, stock in trade and work-in-progress	25	(24.19)	130.47
Excise duty on sale of goods		35.83	137.05
Employee benefits expense	26	94.07	101.55
Finance costs	27	1,181.66	1,110.45
Depreciation and amortisation expense	28	351.61	356.36
Other expenses	29	107.89	148.21
Total Expenses (II)		**2,891.66**	**2,927.52**
Profit before tax from continuing operations before exceptional items (I-II)		**(1,460.43)**	**(1,518.90)**
Exceptional items	30	**440.53**	**209.90**
Profit before tax from continuing operations after exceptional items		**(1,900.96)**	**(1,728.80)**
Tax expense:			
Current Tax		0.00	0.00
Adjustment of tax relating to earlier periods		0.00	0.00
Deferred Tax		0.00	0.00
MAT Credit Entitlement written back		0.00	5.06
Profit for the year from continuing operations		**(1,900.96)**	**(1,733.86)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans	31	(7.31)	(4.34)
Equity instruments through other comprehensive income	31	(23.53)	0.25
Total other comprehensive income for the year, net of tax		**(30.84)**	**(4.09)**
Total comprehencive income for the year, net of tax		**(1,931.80)**	**(1,737.95)**
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic		(94.68)	(86.39)
(2) Diluted		(94.68)	(86.39)
Significant accounting policies	1&2		

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

In terms of our report of even date annexed

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

For and on behalf of the Board

Rajeev Ranjan
Partner
M.No.535395

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

DATED : 30th May, 2018

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

		Year ended 31 March 2018		31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		(1,900.96)		(1,728.80)
Adjusted for :				
Depreciation	351.61		356.36	
Interest Received	(5.31)		(21.24)	
Interest Paid	1,181.66		1,110.45	
Amortisation of deferred upfront fee	(1.28)		(1.28)	
Profit on Sale of Fixed Assets	-		(0.27)	
Profit on sale of financial assets	-		(0.53)	
Loss on sale of non-current investments	-		9.40	
Provision for impairment of inventory	-		121.17	
Reversal of Interest Recoverable From Subsidiary	-		59.80	
Provision for Arbitration Claim	-		19.53	
Stock correction / spoilage in non operational divisions	19.33		-	
Loss on appropriation of pledged shares	177.01		-	
Provision for impairment in non current investments	196.57		-	
Dividend received	(0.02)	1,919.57	(0.02)	1,653.37
Operating Profit before Working Capital Changes		18.61		(75.43)
Working capital adjustments:				
Increase in inventories	(62.57)		156.03	
Increase in trade and other receivables	173.43		394.88	
Movement in trade and other payables	(149.06)		(198.07)	
Movements in provisions	(7.58)		(7.27)	
		(45.78)		345.57
Cash Generated from Operations		(27.17)		270.14
Direct Taxes Paid		(0.88)		-
Exceptional / Extraordinary items		-		-
Net Cash from operating activities		**(28.05)**		**270.14**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / expenditure for CWIP	(17.04)		(48.47)	
Sale of Fixed Assets				
Purchase of Investments	-		0.27	
Sale of Investments	0.02		-	
Interest Received	5.31		21.24	
Dividend Received	0.02		0.02	
Net Cash used in Investing Activities		11.69		**(26.94)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(9.72)		(16.46)	
Proceeds/ (Repayment) of Long Term Borrowings (Net)	-		(282.55)	
Proceeds / (Repayment) of Short Term Borrowings (Net)	82.41		93.10	
Net each flow from financing Activities		72.69		(205.91)
net increase in cash and cash equivalents (A+B+C)		32.95		37.29

	Year ended	
	31 March 2018	31 March 2017
Cash and Cash Equivalents as on 1.4.2017	**58.43**	**21.14**
Cash and Cash Equivalents as on 31.3.2018	**91.38**	**58.43**
Components of cash and cash equivalents		
Cash on hand	0.08	0.26
Balance in current account with banks	91.30	58.17
	91.38	**58.43**

Significant accounting policies 1&2

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

In terms of our report of even date annexed

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

Rajeev Ranjan
Partner
M.No.535395

DATED : 30th May, 2018

For and on behalf of the Board

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

Statement of changes in equity for the year ended 31 March 2018

(Amount in Rupees crores, unless otherwise stated)

A. Equity share capital for issued, subscribed and paid up equity share of Rs. 10/- each

Particulars	Note	Amount
As at 1 April 2017	14	200.79
Changes during the year		-
As at 31 March 2018	14	200.79

B. Other equity (Refer note 15)

	Reserves and Surplus								Items of OCI		Total
	Capital Reserve	Share premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	General Reserve	Retained earnings	FVTOCI reserve	Re-measurement gains/ (losses) on defined	
As at 1 April 2017	77.77	1,114.46	86.02	1.89	19.68	3.31	164.07	(2,757.94)	(44.68)	(11.26)	(1,346.68)
Net income / (loss) for the year	-	-	-	-	-	-	-	(1,900.96)	-	-	(1,900.96)
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (Note 31)	-	-	-	-	-	-	-	-	(23.53)	(7.31)	(30.84)
Total comprehensive income	-	-	-	-	-	-	-	**(1,900.96)**	**(23.53)**	**(7.31)**	**(1,931.80)**
Addition due to issue of equity shares	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	**77.77**	**1,114.46**	**86.02**	**1.89**	**19.68**	**3.31**	**164.07**	**(4,658.90)**	**(68.21)**	**(18.57)**	**(3,278.48)**

Significant accounting policies 1&2

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

In terms of our report of even date annexed

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

For and on behalf of the Board

Rajeev Ranjan
Partner
M.No.535395

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

DATED : 30th May, 2018

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

Statement of changes in equity for the year ended 31 March 2017

(Amount in Rupees crores, unless otherwise stated)

A. Equity share capital for issued, subscribed and paid up equity share of Rs. 10/- each

Particulars	Note	Amount
As at 1 April 2016		**200.79**
Changes during the year		-
As at 31 March 2017	**14**	**200.79**

B. Other equity (Refer note 15)

	Reserves and Surplus								Items of OCI		Total
	Capital Reserve	Share premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	General Reserve	Retained earnings	FVTOCI reserve	Re-measurement gains/ (losses) on defined	
As at 1 April 2016	77.77	1,114.46	86.02	1.89	19.68	3.31	164.07	(1,024.08)	(44.93)		391.27
Net income / (loss) for the year								(1,733.86)		(6.92)	(1,733.86)
Transfer to general reserve	-							-			-
Other comprehensive income (Note 31)									0.25	(4.34)	(4.09)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,733.86)**	**0.25**	**(4.34)**	**(1,737.95)**
Addition due to issue of equity shares				-							-
Dividend											-
Dividend distribution tax											-
At 31 March 2017	**77.77**	**1,114.46**	**86.02**	**1.89**	**19.68**	**3.31**	**164.07**	**(2,757.94)**	**(44.68)**	**(11.26)**	**(1,346.68)**

Significant accounting policies 1&2

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

In terms of our report of even date annexed

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

Rajeev Ranjan
Partner
M.No.535395

DATED : 30th May, 2018

For and on behalf of the Board

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

Note No-1&2

Standalone Financial statements for the year ended 31March 2018
Accounting Policies under Ind AS

1. Corporate information

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

MIEL is engaged in manufacturing and marketing of Sponge Iron, Steel and Ferro Alloys. MIEL is also engaged in mining of minerals like coal and iron ore. MIEL is in the elite group of primary steel producers with a world class integrated steel plant at Raigarh that has a production capacity of 1.5 MTPA to produce HR plates, rebars and structure profiles to cater to the rapidly growing infrastructure & construction industry.

Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Monnet Ispat & Energy Limited ("Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an Order of the National Company Law Tribunal (NCLT) with effect from 18th July 2017. As per section 17 of the Insolvency and Bankruptcy Code, 2016 ('Code'), upon appointment of the Resolution Professional, the powers of the Board of Directors stand suspended and such powers shall be exercised by the Resolution Professional appointed for the Company. Hence, in this regard, pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Resolution Professional on 30th May, 2018 has considered and taken on record the financial statements of the company for the year ended 31st March 2018.

2. Significant accounting policies

2.1 Basis of preparation

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

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

The financial statements are presented in INR and all values arerounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

2.2 Significant accounting policies

a. Current versus non-current classification

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

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

The Company classifies all other liabilities as non-current.

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

b. Property, plant and equipment

a) Tangible assets

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, including exchange rate variations (in case of a qualifying asset) upto the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are the cost of the respective asset if the recognition recognized in the statement of profit and loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in criteria for a provision are met.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipment are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

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

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

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

b. Capital work in progress (CWIP)

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, including exchange rate variations, and recognized under CWIP.

c. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of six years.

d. Research & Development Costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

e. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

f. Impairment of non-financial assets

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

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

g. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, trading and other products are determined on FIFO basis.

h. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from operations includes sale of goods, services and excise duty, adjusted for discounts (net).

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

i. Foreign currency transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date of the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss, except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

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

j. Taxes on income

Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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.

k. Employee benefits

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

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

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

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

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

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

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

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

l. Leases

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset, other than lease hold land, is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

m. Provisions, Contingent liabilities and Contingent assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

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

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

n. Earnings per share

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

o. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

p. 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.

q. Fair value measurement

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r. **Financial instruments**

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

(a) **Financial assets**

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- **Financial assets carried at amortised cost**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

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

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries, joint ventures and associates

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

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial liabilities at amortised cost**

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

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

- **Financial liabilities at fair value through profit or loss**

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

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

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

s. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

2.3 Significant accounting judgements, estimates and assumptions

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

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

Judgements

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

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

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

(a) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

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

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of financial assets

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

MONNET ISPAT & ENERGY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

3. Property, plant and equipment

	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
Cost								
As at April 1, 2016	**46.01**	**36.85**	**786.67**	**7,001.83**	**12.17**	**13.88**	**44.61**	**7,942.02**
Additions	0.08	-	10.23	22.10	0.09	0.01	0.07	32.58
Disposals	-	-	-	2.91	-	0.01	2.12	5.04
As at March 31, 2017	**46.09**	**36.85**	**796.90**	**7,021.02**	**12.26**	**13.88**	**42.56**	**7,969.56**
Additions	-	-	0.07	8.00	0.12	0.01	-	8.20
Disposals	-	-	-	-	-	-	0.70	0.70
As at March 31, 2018	**46.09**	**36.85**	**796.97**	**7,029.02**	**12.38**	**13.89**	**41.86**	**7,977.06**
Depreciation								
As at April 1, 2016	**-**	**-**	**101.05**	**1,126.10**	**7.59**	**6.52**	**14.10**	**1,255.36**
Depreciation charge for the year	-	-	28.99	321.79	1.71	1.27	2.60	356.36
Disposals	-	-	-	1.24	-	-	1.79	3.03
As at March 31, 2017	**-**	**-**	**130.04**	**1,446.65**	**9.30**	**7.79**	**14.91**	**1,608.69**
Depreciation charge for the year	-	-	28.44	318.35	1.30	1.14	2.38	351.61
Disposals	-	-	-	-	-	-	0.50	0.50
As at March 31, 2018	**-**	**-**	**158.48**	**1,765.00**	**10.60**	**8.93**	**16.79**	**1,959.80**
Net book value :								
As at March 31, 2018	46.09	36.85	638.49	5,264.02	1.78	4.96	25.07	6,017.26
As at March 31, 2017	46.09	36.85	666.86	5,574.37	2.96	6.09	27.65	6,360.87
As at April 1, 2016	46.01	36.85	685.62	5,875.73	4.58	7.36	30.51	6,686.66

Notes:

I. Property, plant and equipment pledged as security

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

As per option exercised under para 46A of AS - 11 'The Effects of Changes in Foreign Exchange Rates' read with para D13AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards',exchange function gain on foreign currency loans of rs 35.21 crores was adjusted against addition of fixed assets

MONNET ISPAT & ENERGY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

4. Intangible assets

	Software	Total
Cost		
As at April 1, 2016	**0.56**	**0.56**
Additions	-	-
Disposals	-	-
As at March 31, 2017	**0.56**	**0.56**
Additions	-	-
Disposals	-	-
As at March 31, 2018	**0.56**	**0.56**
Amortisation		
As at April 1, 2016	**0.56**	**0.56**
Amortisation charge for the year	-	-
Disposals	-	-
As at March 31, 2017	**0.56**	**0.56**
Amortisation charge for the year	-	-
Disposals	-	-
As at March 31, 2018	**0.56**	**0.56**
Net book value :		
As at March 31, 2018	-	-
As at March 31, 2017	-	-
As at April 1, 2016	-	-

MONNET ISPAT & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

Financial Assets

	31 March 2018	31 March 2017
5. Investments		
(a) Investments in equity shares		
Investments in subsidiaries (unquoted)		
Monnet Global Ltd	20.54	20.54
1,83,786 (March 31, 2017 : 1,83,786) Equity shares of 100 AED each fully paid up		
Monnet Power Co Ltd	0.00	700.79
NIL (March 31, 2017 : 686,587,019) Equity shares of Rs.10 each fully paid up		
Monnet Cement Ltd	2.19	2.19
2,189,400 (March 31, 2017 : 2,189,400) Equity shares of Rs.10 each fully paid up		
Chomal Exports Pvt Ltd	0.19	0.19
48,654 (March 31, 2017 : 48,654) Equity shares of Rs.10 each fully paid up		
Monnet Sports Foundation	0.01	0.01
5,000 (March 31, 2017 : 5,000) Equity shares of Rs.10 each fully paid up		
Monnet Enterprises Pte Ltd	0.00	-
1 (March 31, 2017 : 1) Equity shares of USD 1 each fully paid up		
Investments in Joint Ventures (unquoted)		
Monnet Ecomaister Enviro Pvt Ltd	14.21	14.21
14,211,363 (March 31, 2017 : 14,211,363) Equity shares of Rs.10 each fully paid up		
Mandakini Coal Company Ltd	39.30	39.30
39,299,800 (March 31, 2017 : 39,299,800) Equity shares of Rs.10 each fully paid up		
MP Monnet Mining Company Ltd	0.98	0.98
980,000 (March 31, 2017 : 980,000) Equity shares of Rs.10 each fully paid up		
Urtan North Mining Company Ltd	5.75	5.75
5,751,347 (March 31, 2017 : 5,751,347) Equity shares of Rs.10 each fully paid up		
Investments in Associate Companies (quoted)		
Orrisa Sponge Iron & Steel Ltd.	0.00	273.84
NIL (March 31, 2017 : 9,494,633) Equity shares of Rs.10 each fully paid up		
Monnet Power Co Ltd	700.79	
686,587,019 (March 31, 2017 : NIL) Equity shares of Rs.10 each fully paid up		
Investments at fair value through OCI (unquoted)		
Rameshwaram Steel & Power Pvt Ltd	-	-
4,152,273 (March 31, 2017 : 4,152,273) Equity shares of Rs.10 each fully paid up		
Falcon Internal Forces and Fire Services Pvt Ltd	-	0.02
1,000 (March 31, 2017 : 1,000) Equity shares of Rs.10 each fully paid up		
Monnet Engineering & Infrastructure P Ltd	0.07	0.07
4,000 (March 31, 2017 : 4,000) Equity shares of Rs.10 each fully paid up		
Business India Publications Ltd	-	-
100,000 (March 31, 2017 : 100,000) Equity shares of Rs.10 each fully paid up		
Chattel Constructions Pvt Ltd (refer note II below)	-	-
9,999 (March 31, 2017 : 9,999) Equity shares of Rs.10 each fully paid up		

Investments at fair value through OCI (quoted)	31 March 2018	31 March 2017
IFSL	0.00	-
1,300,000 (March 31, 2017 : 1,300,000) Equity shares of Re.1 each fully paid up		
Aditya Birla Nuvo Ltd	-	0.15
1,000 (March 31, 2017 : 1,000) Equity shares of Rs.10 each fully paid up		
Aditya Birla Capital Ltd	0.03	-
2,100 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
Aditya Birla Fashion & Retail Ltd	0.08	-
5,200 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
Grashim Industries Ltd	0.16	-
1,500 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
XL Energy limited (formerly XL Telecom Ltd)	0.03	0.04
166,808 (March 31, 2017 : 166,808) Equity shares of Rs.10 each fully paid up		
Kamanwala Housing Construction Ltd	0.06	0.09
63,343 (March 31, 2017 : 63,343) Equity shares of Rs.10 each fully paid up		
Indiabulls Real Estate Ltd	0.45	0.22
25,000 (March 31, 2017 : 25,000) Equity shares of Rs.10 each fully paid up		
RattanIndia Infrastructure Limited	0.04	0.03
73,750 (March 31, 2017 : 73,750) Equity shares of Rs.10 each fully paid up		
Soril Holdings and Ventures Ltd (formerly Indiabulls Wholesale Services Ltd)	0.06	0.01
3,125 (March 31, 2017 : 3,125) Equity shares of Rs.10 each fully paid up		
Bellary Steel Ltd.	0.00	-
803,243 (March 31, 2017 : 803,243) Equity shares of Re.1 each fully paid up		
Pioneer Investment Ltd.	0.09	0.16
23,392 (March 31, 2017 : 23,392) Equity shares of Rs.10 each fully paid up		
Sujana Towers Ltd	0.00	0.01
12,500 (March 31, 2017 : 12,500) Equity shares of Rs.10 each fully paid up		
Orrisa Sponge Iron & Steel Ltd.	33.71	-
1,994,633 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
Nu Tek India Ltd	0.04	0.03
480,000 (March 31, 2017 : 480,000) Equity shares of Rs.5 each fully paid up		
	818.78	**1,058.63**

	31 March 2018	31 March 2017
(b) Investment in Mutual Funds (quoted)		
SBI MF Magnum Tax Gain 55,123 (March 31, 2017 : 55,123) units	0.21	0.21
(c) Capital Contribution in Partnership Firm		
Khasjamda Mining Company	0.33	0.34
Total	**819.32**	**1,059.18**
Less: Aggregate value of diminution in value of investment	196.57	-
	622.75	**1,059.18**
Aggregate book value of quoted investments	34.96	274.79
Aggregate market value of quoted investments	34.96	0.95
Aggregate value of unquoted investments	(113.00)	784.39
Investment in Partnership firm		
Capital contribution		
Monnet Ispat & Energy Ltd	0.33	0.34
Sanjay P Date	0.34	0.34
% in Profits		
Monnet Ispat & Energy Ltd	99%	99%
Sanjay P Date	1%	1%

Note:

I. The Following Investments have been pledged for availment of credit facilities

Monnet Power Co Ltd (49,40,00,000 ; PY 49,40,00,000 shares)	494.00	494.00
Orrisa Sponge Iron & Steel Ltd. (Nil; PY 75,00,000 shares)	-	7.50
Mandakini Coal Company Ltd (2,00,42,999 shares; PY 2,00,42,999 shares)	20.04	20.04

II. The Company holds 99.99% equity shares in Chattel Constructions Private Limited (CCPL). However, as per terms of the operation and management agreement with Moser Baer Clean Energy Limited (MBCEL), the Company's investment in CCPL has been classified as 'Investment in equity instruments in other entities' since the Company does not have control or significant. influence over the entity.

III. The Company had pledged shares of Monnet Power Company Limited (MPCL), held as investment in subsidiary, for availment of credit facilities by the Company/ its subsidiary company. Lenders have invoked the pledge over shares of MPCL. Details of the pledged shares are as below:

	31 March 2018	31 March 2017
Name of the Company	**Monnet Power Co Ltd (MPCL)**	
No. of Shares	49,40,00,000	–
Face Value	10.00	–
Average cost per share	10.21	–
Cost of Investment (Rs. in Crores)	504.22	–
Appropriation Value (Rs. in Crores)	Not available	–

Pursuant to invocation of pledge by lender of MPCL, the pledged shares stand transferred to the security trustee's depository participant account. However, pending appropriation, the ownership of the pledged shares continues to vest with the Company. In the absence of any appropriation value of the pledged shares, no adjustment has been made to the carrying value of the investment of INR 504.22 crore, referred above.

IV. Monnet Power Company Limited, upon application filed by the lender of MPCL, has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (‘Code’) by the Hon'ble National Company Law Tribunal, Mumbai with effect from 23rd February, 2018. As per Section 17 of the Code, upon appointment of the Interim Resolution Professional (IRP), the powers of the Board of Directors stands suspended and such powers shall be exercised by the Interim Resolution Professional appointed for the Company. Accordingly, in terms of provisions of Ind AS 110, since the control over the investee company now vests with the Resolution Professional and the Company no longer has the ability or power to affect the variable returns from its involvement with the investee company. Accordingly, investment in MPCL has been reclassified as investment in associates. In view of the commencement of CIRP, the management is of the opinion that it is improbable that any amount will be available for distribution to equity shareholders after settlement of financial and operational creditors of MPCL. Accordingly, a provision for impairment of investment has been recorded amounting to Rs.196.57 crores, equivalent to the value of the Company's investment in MPCL, (excluding shares pledged with IDFC as referred to in para 3 above).

6. Loans (non current) #

Loans to Related Parties		
Unsecured, Considered Good	24.44	22.35
Total	**24.44**	**22.35**

Notes:

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

MONNET ISPAT & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

7. Other financial assets

	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Bank deposits (having maturity more than 12 months)	8.68	8.43	-	-
Interest accrued on deposits and loans	-	-	1.46	1.05
Security Deposit (Unsecured, Considered Good)	5.47	4.95	13.00	13.00
	14.15	**13.38**	**14.46**	**14.05**

8. Other non-financial assets

	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Capital advances				
Unsecured, considered good	-	-		-
Other loans and advances (Unsecured, considered good)				
Advance to employees	-	-	-	0.08
Prepaid expenses	-	-	6.55	4.18
Balance with statutory authorities:				
Balances with Excise Authorities	-	-	10.21	18.26
MAT Credit Entitlement	-	-	18.25	18.25
	-	-	35.01	40.77
Total	**-**	**-**	**35.01**	**40.77**

9. Inventories

	31 March 2018	31 March 2017
Raw Materials	151.43	191.12
Work-in-progress	2.75	11.59
Finished Goods	103.06	139.66
Stock in trade	-	-
Stores and spares	63.72	56.52
	320.96	398.89
Less: Provision for diminution in inventory	-	121.17
Total	**320.96**	**277.72**

Note:

I. For mode of valuation refer Accounting policy number 2.2 (g)

II. Provision for diminution in raw materials is Nil (31 March 2017: Rs. 66.58 crores) and in finished goods is Nil (31 March 2017: Rs.54.59 crores). The provision for diminution in inventory as on 31 March 2017 was written off in FY ended 31 March 2018.

10. Trade receivables (unsecured)

	31 March 2018	31 March 2017
Considered good	60.30	97.13
Considered doubtful	36.98	35.53
Less: Provision for doubtful receivables	(36.98)	(35.53)
Total	**60.30**	**97.13**

Note:

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.

Trade receivables are non interest bearing and are generally on credit terms of 30 days.

11. Cash and bank balances

	31 March 2018	31 March 2017
11 a. Cash and cash equivalents :		
Balances with banks		
On current accounts	37.67	49.23
On Bank deposits with upto three months maturity	53.63	8.94
Cash on hand	0.08	0.26
	91.38	**58.43**
11 b. Bank balances other than above		
Earmarked bank balances	0.40	0.37
Bank deposits with upto three months maturity (lien marked)	-	-
Bank deposits with maturity for 3 to 12 months	11.38	18.02
	11.78	**18.39**

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

For the purpose of statement of cash flows, cash and cash equivalents comprises the following :

	31 March 2018	31 March 2017
Balance with banks :		
On current accounts	37.67	49.23
On deposit accounts	53.63	8.94
Cash on hand	0.08	0.26
Total	91.38	58.43

Notes:

Earmarked bank balances includes balance of Rs. 0.40 crores (31 March 2017: Rs.0.37 crores) pertaining to unclaimed dividend.

Deposits with banks include deposits provided as collateral against credit facilities of Rs. 11.38 crores (31 March 2017: Rs. 4.72 crores).

12. Loans (current)

	31 March 2018	31 March 2017
Loans to related parties *		
Unsecured, Considered Good	186.20	190.22
Other loans and advances		
Unsecured, Considered Good	586.67	710.15
Total	**772.87**	**900.37**

* disclosure with respect to related party transactions is given in note 37.

13. Current Tax Assets (Net)

	31 March 2018	31 March 2017
Income tax paid (net of provision for tax)	58.25	57.37
	58.25	**57.37**

Break-up of the financial assets carried at amortised cost :		
Loans to related parties (current)	186.20	190.22
Loans to related parties (non current)	24.44	22.35
Trade receivables	60.30	97.13
Cash and cash equivalents	91.38	58.43
Other bank balances	11.78	18.39
Other loans	586.67	710.15
Other financial assets (current)	14.46	14.05
Other financial assets (non current)	14.15	13.38
Total	**989.38**	**1,124.10**

MONNET ISPAT & ENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

14. Equity share capital

	31 March 2018	31 March 2017
Authorised:		
21,10,00,000 (31 March 2017: 21,10,00,000) equity shares of Rs 10 each	211.00	211.00
Issued subscribed and paid up:		
20,07,68,242 (31 March 2017: 20,07,68,242) equity shares of Rs 10 each	200.77	200.77
Add: Shares forfeited	0.02	0.02
Total	**200.79**	**200.79**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2018		31 March 2017	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	20.07	200.77	20.07	200.77
Issued during the year	-	-	-	-
Outstanding at the end of the year	**20.07**	**200.77**	**20.07**	**200.77**

B. Terms/Rights attached to equity shares

The company has only one class of equity share having face value of Rs. 10/- per share.The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing general meeting. The holder of share is entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company at the end of the period

Name of Shareholder	31 March 2018		31 March 2017	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Udhyam Merchandise Pvt Ltd	2.51	12.51%	2.51	12.51%
Oswal Greentech Limited	-	-	1.38	6.87%
Umra Securities Limited	1.88	9.34%	1.88	9.34%
State Bank of Patiala	-	-	1.35	6.72%
State Bank of India	3.25	16.18%	-	-

D. Preference share capital

The Company also has authorised preference share capital of 17,500,000 shares (31 March 2017: 17,500,000) of Rs 100 each

(Amount in Rupees crores, unless otherwise stated)

15. Other Equity

	Amount
a) Capital Reserve	
As at 1st April 2016	**77.77**
Changes during the year	-
As at 31 March 2017	**77.77**
Changes during the year	**-**
As at 31 March 2018	**77.77**
b) Share Premium	
As at 1st April 2016	**1,114.46**
Changes during the year	**-**
As at 31 March 2017	**1,114.46**
Changes during the year	**-**
As at 31 March 2017	**1,114.46**
c) Debenture Redemption Reserve	
As at 1st April 2016	**86.02**
Changes during the period	**-**
As at 31 March 2017	**86.02**
Changes during the period	**-**
As at 31 March 2018	**86.02**
d) Capital Redemption Reserve	
As at 1st April 2016	**1.89**
Changes during the period	**-**
As at 31 March 2017	**1.89**
Changes during the period	
As at 31 March 2018	**1.89**
e) Capital Reconstruction Reserve	
As at 1st April 2016	**19.68**
Changes during the period	**-**
As at 31 March 2017	**19.68**
Changes during the period	
As at 31 March 2017	**19.68**
f) Amalgamation Reserve	
As at 1st April 2016	**3.31**
Changes during the period	**-**
As at 31 March 2017	**3.31**
Changes during the period	
As at 31 March 2018	**3.31**

	Amount
g) General Reserve	
As at 1st April 2016	**164.07**
Changes during the period	-
As at 31 March 2017	**164.07**
Changes during the period	
As at 31 March 2018	**164.07**
h) FVTOCI reserve	
As at 1st April 2016	**(44.93)**
Other comprehensive income for the year 2016-17	0.25
As at 31 March 2017	**(44.68)**
Other comprehensive income for the year 2017-18	(23.53)
As at 31 March 2018	**(68.21)**
i) Re-measurement gains/ (losses) on defined benefit plans	
As at 1st April 2016	**(6.92)**
Other comprehensive income for the year 2016-17	(4.34)
As at 31 March 2017	**(11.26)**
Other comprehensive income for the year 2017-18	(7.31)
As at 31 March 2018	**(18.57)**
j) Retained Earnings	
As at 1st April 2016	**(1,024.08)**
Profit for the year 2016-17	(1,733.86)
Less: Dividend distributed	-
Less: Dividend distribution tax paid	-
Less: Transfer to general reserve	-
As at 31 March 2017	**(2,757.94)**
Profit for the year 2017-18	(1,900.96)
Less: Dividend distributed	**-**
Less: Dividend distribution tax paid	**-**
Less: Transfer to general reserve	**-**
As at 31 March 2018	**(4,658.90)**
Total other equity	
As at 31 March 2018	**(3,278.48)**
As at 31 March 2017	(1,346.68)
As at 1st April 2016	391.27

MONNET ISPAT & ENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

16. Borrowings

	Non-current		Current	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Debentures				
Secured				
Non-Convertible Redeemable Debentures redeemable at par	919.91	919.28	-	-
Liability component of financial liabilities				
6.5% Cumulative Non Convertible Redeemable Preference Shares	148.58	142.62	-	-
Term Loan				
Secured				
Foreign currency loans from Banks	1,357.44	1,349.13	-	-
Rupee loans from Banks	4,074.40	4,121.16	-	
Term loan from NBFCs	131.53	131.53	-	-
Hire Puchase loans from Banks	-	0.06	-	-
Less: current maturities of long term debt (refer note 21)	(3,236.72)	(1,929.15)	-	-
Short term loans				
Unsecured				
-foreign currency loans	-	-		-
-from banks	-	-	**354.46**	305.19
-from companies	-	-		-
Working capital facility				
Secured				
From Banks	-	-	**1554.39**	1,526.75
	3,395.14	**4,734.63**	**1,908.85**	**1,831.94**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

(a) Terms of Borrowings

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2018	As on 31st March 2017			
6.5% Cumulative Non Convertible Redeemable Preference Shares	148.58	142.62	6.5%	N.A.	Preference shares were issued on 30th March,2013 for the period of 9 years with periodical put and call options.
Non-Convertible Debentures	919.91	919.28	Refer note 16(b)	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Refer note 16(b)
Foreign currency loans from Banks	1357.44	1,349.13	LIBOR plus 4.25 to 4.6%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 14-15 to FY 19-20
Rupee loans from Banks	4074.40	4,121.16	11% To 13%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayeble in installments from FY 2014-15 to FY 2026-27
Term loan from NBFCs	131.53	131.53	12.25% to 12.50%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayeble in installments from FY 2014-15 to FY 2026-27
Hire Puchase loans from Banks	0.00	0.06	10.25% to 11.25%	Secured by Charge on Respective Vehicles financed	Repayble in 36 to 60 monthly installments
Short term loans (unsecured)	354.46	305.19	11.50% to 13%	N.A.	On demand
Working capital facility	1554.39	1,526.75	10.95% to 12.75%	Secured by first charge on movable current assets and second charge on all immovable assets of the company. Some of the loans are guaranteed by Managing Director of the company	On demand

(Amount in Rupees crores, unless otherwise stated)

16(b). Terms and conditions of issue and redemption of Debentures are as under:

No of Debenture	Rate	Amount *	Date of commencement of redemption
Non Convertible Debentures			
1000	11.00%	100	Issued on 18th January, 2013. Redeemable at par at the end of 7th, 8th, 9th and 10th Year.
250	11.25%	25	Issued on 28th March, 2013. Redeemable at par on 28th March, 2020.
800	10.50%	80	Issued on 30th January, 2010. Redeemable at par on 30th January 2020.
1000	10.50%	100	Issued on 24th December, 2009. Redeemable at par on 24th December, 2019.
150	11.25%	15	Issued on 28th June, 2013. Redeemable at par on 28th June, 2018.
500	11.25%	50	Issued on 30th May, 2013. Redeemable at par on 30th May, 2018.
150	11.25%	15	Issued on 28th March, 2013. Redeemable at par on 28th March, 2018.
150	11.50%	15	Issued on 28th March, 2013. Redeemable at par on 28th March, 2018.
1500	11.25%	150	Issued on 20th February, 2013. Redeemable at par on 20th February, 2018.
1200	12.50%	120	Issued on 4th November, 2008. Redeemable at par in the ratio of 35:35:30 at the end of 8th, 9th and 10th Year.
2500	14.50%	250	Issued on 31st March, 2014. Redeemable at par in 8 installments payable every 6 months starting from 30th September, 2015.

* In absolute amounts i.e. before applying effective interest rate method for amortisation of upfront fees.

17. Provisions

	Non-current		Current	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Provision for employee benefits				
Provision for gratuity	0.49	-	-	-
Provision for compensated absences	2.91	3.67	-	-
(Refer note 35 for Ind AS 19 disclosures)				
	3.40	3.67	-	-

MONNET ISPAT & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

18. Income Taxes

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

A. Statement of profit and loss:

(i) Profit or loss section

	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge		
Adjustments in respect of current income tax of previous year	-	-
MAT Credit Entitlement written back	-	5.06
Deferred tax:		
Relating to origination and reversal of temporary differences		
Income tax expense reported in the statement of profit or loss	**-**	**5.06**

(ii) OCI Section

Deferred tax related to items recognised in OCI during in the year:

	31 March 2018	31 March 2017
Net loss/(gain) on remeasurements of defined benefit plans		-
Income tax charged to OCI	**-**	**-**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

	31 March 2018	31 March 2017
Accounting loss before tax from continuing operations	(1,900.96)	(1,728.80)
Profit/(loss) before tax from a discontinued operation	-	-
Accounting loss before income tax	**(1,900.96)**	**(1,728.80)**
At India's statutory income tax rate of 30.90% (31 March 2016: 30.90%)	(587.40)	(534.20)
Adjustments in respect of current income tax of previous years	-	-
Deferred tax asset not recognised for the carry forward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	587.40	534.20
Unclaimed MAT Credit Entitlement written back	-	5.06
At the effective income tax rate of 0.00% (31 March 2017: -0.29%)	**-**	**5.06**
Income tax expense reported in the statement of profit and loss	-	5.06
Income tax attributable to a discontinued operation	-	-
Deferred tax	**-**	**5.06**

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Accelerated depreciation for tax purposes	1073.43	282.08	791.35	(469.04)
Disallowance u/s 43B	-	-	-	2.04
Ind AS adjustments	34.71	21.22	13.49	6.47
Less: Deferred tax asset not recognised for the carry forward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	(1,108.14)	(303.30)	(804.84)	460.53
Deferred tax expense/(income)			-	-
Net deferred tax assets/(liabilities)	-	-		

(Amount in Rupees crores, unless otherwise stated)

19. Other non-financial liabilities

	Non-current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Deferred upfront fee liability	22.76	24.04		-
Advance from customers	-	-	11.10	8.37
Statutory dues	-	-	9.05	13.42
	22.76	24.04	20.15	21.79

20. Trade payables

	31 March 2018	31 March 2017
Trade payables		
- total outstanding dues of micro and small enterprises;	5.57	3.79
- total outstanding dues of creditors other than micro and small enterprises	104.48	152.91
Total	**110.05**	**156.70**

Note:
Disclosure with respect to related party transactions is given in note 37.

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled within 90 days except for SME's which are settled within 45 days.
For explanations on the Company's credit risk management processes, refer to Note 41

21. Other Financial Liabilities
(at amortised cost)

	31 March 2018	31 March 2017
Current maturities of long term debt	3236.72	1,929.15
Interest payable:		
Interest accrued but not due on borrowings	101.24	80.64
Interest accrued and due on borrowings	2344.53	1,231.96
Unclaimed dividends	0.40	0.37
Security deposits and retention money	21.13	22.07
Payable for capital expenditures	51.12	44.52
Creditors for expenses	22.64	54.69
Oustanding liabilities	49.31	86.83
	5,827.09	**3,450.23**

Break-up of financial liabilities carried at amortised cost

Trade Payables	110.05	156.70
Other financial liabilities (current)	5,827.09	3,450.23
Borrowings (current)	1,908.85	1,831.94
Borrowings (non current)	3,395.14	4,734.63
	11,241.13	**10,173.50**

22. Revenue From Operations

	31 March 2018	31 March 2017
Sale of Products	2199.85	2,081.45
Sale of services	11.51	32.93
Less: Inter Division Transfers	(800.43)	(741.58)
	1410.93	1,372.80
Other operating revenues		
Sale of scrap	2.46	2.28
Export Incentives	5.70	-
Total	**1419.09**	**1375.08**

Sale of goods includes excise duty collected from customers of Rs. 35.83 crores (31 March 2017: Rs. 137.05 crores).

23. Other income

	31 March 2018	31 March 2017
Interest Income		
From Bank Deposits	3.13	11.65
Others	0.10	7.47
Unwinding of discount on financial assets	2.08	2.12
Dividend		
Non Current Investments	0.02	0.02
Amortisation of deferred upfront fee	1.28	1.28
Profit on sale of financial assets	0.00	0.53
Rent Received	1.08	2.20
Insurance Claim Received	0.02	2.74
Foreign Exchange fluctuation	0.12	5.20
Profit on Sale of Fixed Assets	0.00	0.27
Other Miscellaneous Income	4.31	0.06
Total	**12.14**	**33.54**

24. Cost of material consumed

	31 March 2018	31 March 2017
Iron Ore	508.92	440.23
Coke & Coal	442.54	417.17
Magnese Ore & Hi Mn Slag	84.94	53.87
Billets	302.20	235.26
Pig Iron & Hot Metal	15.59	35.77
M.S. Scrap	35.00	4.57
Ferro Alloys	16.35	10.77
Sponge Iron	243.88	159.38
Others	77.27	117.41
Less: Inter Division Transfers	(581.90)	(531.00)
	1,144.79	**943.43**

MONNET ISPAT & ENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

25. Changes in inventories of finished goods, stock in trade and work-in-progress

	31 March 2018	31 March 2017
Inventories at the beginning of the year		
Finished Goods	139.66	273.83
Work-in-process	11.59	7.91
Total Inventories at the beginning of the year	**151.25**	**281.74**
PY provision for impairment adjusted against opening inventory	54.59	-
	96.66	**281.74**
Finished Goods used for Fixed Assets	15.04	0.02
Inventories at the end of the year		
Finished Goods	103.06	139.66
Work-in-process	2.75	11.59
Total Inventories at the end of the year	**105.81**	**151.25**
Total	**(24.19)**	**130.47**

26. Employee benefits expense

	31 March 2018	31 March 2017
Salaries, wages and amenities	85.67	92.78
Contribution to provident fund and other funds	6.43	6.33
Staff welfare expenses	1.97	2.44
Total	**94.07**	**101.55**

27. Finance Costs

	31 March 2018	31 March 2017
Interest on borrowings	1175.45	1,048.52
Other ancillary borrowing costs	0.25	56.21
Unwinding of discount on financials liabilities	5.96	5.72
Total	**1181.66**	**1,110.45**

28. Depreciation and amortisation expense

	31 March 2018	31 March 2017
Depreciation of property, plant and equipments (refer note 3)	351.61	356.36
Amortisation of intangible assets (refer note 4)	-	-
	351.61	**356.36**

29. Other expenses

	31 March 2018	31 March 2017
MATERIAL, MANUFACTURING AND OTHERS		
Stores and Spares Consumed	28.66	29.35
Power and Fuel	227.81	222.44
Excise Duty on Stocks	(10.42)	(10.20)
Other Manufaturing Expenses	9.95	28.86
Less : Inter Division Transfers	(218.54)	(206.61)

MONNET ISPAT & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

ADMINISTRATION & OTHER EXPENSES		
Printing and Stationery	0.39	0.39
Rent	0.35	0.41
Rates & Taxes	0.64	0.25
Vehicle Expenses	3.73	3.85
Communication Expenses	0.81	1.15
Travelling & Conveyance	3.61	7.01
Insurance Charges	5.74	7.75
Legal & Professional Charges	17.31	8.76
Directors Sitting Fees	0.06	0.12
Auditors' Remuneration		
- As Audit Fees	0.35	0.35
- For Limited Review	0.03	0.03
- For Tax Matters	0.02	0.12
- For Certification & Other Matters	0.02	0.07
- Reimbursement of Expenses	0.01	0.02
Miscellaneous Expenses	3.29	5.81
Lease Rent & Hire Charges	0.43	0.43
Share Transfer Expenses	0.02	0.02
Internal Audit Fees & Expenses	0.26	0.59
Loss from Partnership Firm	0.01	0.02
Bank Charges	1.38	7.02
Security Service Charges	1.11	0.46
Provision For Doubtful Debts	1.82	7.57
Distribution & Marketing Expenses	23.18	26.87
REPAIR & MAINTENANCE		
Machinery	4.71	3.33
Building	0.28	1.35
Others	0.87	0.62
	107.89	**148.21**

30. Exceptional Items

	31-Mar-18	31-Mar-17	Remarks
Loss on sale of non-current investments	-	9.40	
Provision for impairment of inventory	-	121.17	
Reversal of Interest Recoverable From Subsidiary	-	59.80	
Provision for Arbitration Claim	-	19.53	
Non recoverable advances written off	47.62	-	Refer (i) below
Loss on appropriation of pledged shares	177.01	-	Refer (ii) below
Stock correction / spoilage in non operational divisions	19.33	-	Refer (iii) below
Provision for impairment in non current investments	196.57	-	Refer (iv) below
	440.53	**209.90**	

(i) Certain non recoverable advances, outstanding for a long period of time were written off.

(ii) The Company had pledged a part of its non current investment in equity shares of Orissa Sponge Iron and Steel Ltd with its lenders. These shares were invoked by the lenders. The difference between the cost and appropriation value amounting to Rs.177.01 crores was duly recognised in the statement of profit and loss as an exceptional item.

(iii) Based on annual physical verification and technical evaluation of inventory in non operational divisions, loss on account of stock correction / spoilage amounting to Rs.19.33 crores were recognised in the statement of profit and loss as an exceptional item

.(iv) Monnet Power Company Limited , a subsidiary of the Company,upon application filed by the lender of MPCL, has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by the Hon'ble National Company Law Tribunal, Mumbai with effect from 23rd February, 2018. In view of the commencement of CIRP, the management is of the opinion that it is improbable that any amount will be available for distribution to equity shareholders after settlement of financial and operational creditors of MPCL. Accordingly, a provision for impairment of investment has been recorded amounting to Rs.196.57 crores, equivalent to the value of the Company's nvestment in MPCL, (excluding shares pledged with IDFC).

i

31. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2018

	Other equity	Total
Remeasurement gains (losses) on defined benefit plans	(7.31)	(7.31)
Income tax effect	-	-
Equity instruments through other comprehensive income	(23.53)	(23.53)
Income tax effect	-	-
	(30.84)	**(30.84)**

During the year ended 31 March 2017

	Other equity	Total
Remeasurement gains (losses) on defined benefit plans	(4.34)	(4.34)
Income tax effect	-	-
Equity instruments through other comprehensive income	0.25	0.25
Income tax effect	-	-
	(4.09)	**(4.09)**

32. Earnings Per Share (EPS)

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

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

Particulars	**31-Mar-18**	**31-Mar-17**
Profit for the year as per Statement of Profit & Loss	(1,900.96)	(1,733.86)
Profit attributable to equityholders of the Company for basic earnings	**(1,900.96)**	**(1,733.86)**
	No. crores	**No. crores**
Weighted average number of equity shares in calculating basic EPS	20.07	20.07
Effect of dilution:		-
Weighted average number of equity shares in calculating diluted EPS	**20.07**	**20.07**
Earnings per equity share in Rs.		
Basic	(94.68)	(86.39)
Diluted	(94.68)	(86.39)
Face Value of each equity share	**10**	**10**

33. Disclosure of significant investments in subsidiaries:

1) Disclosure of investment in the following subsidiaries :

S.No.	**Name**	**Country of Incorporation**	**Ownership Interest of Monnet Ispat & Energy Limited (%) As on 31.03.18**	**As on 31.03.17**
1	Monnet Global Ltd	U.A.E.	100.00%	100%
2	Monnet Enterprises Pte. Ltd.	SINGAPORE	100.00%	100%
3	Monnet Power Company Ltd (Refer note below:)	INDIA	88.31%	88.31%
4	Monnet Daniel Coal Washeries Ltd.	INDIA	0.00%	0.00%
5	Monnet Cement Ltd.	INDIA	99.97%	99.97%
6	Chomal Exports Pvt Ltd	INDIA	51.00%	51.00%
7	Monnet Sports Foundation	INDIA	62.39%	50.00%

Note : Monnet Power Company Limited, upon application filed by the lender of MPCL, has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by the Hon'ble National Company Law Tribunal, Mumbai with effect from 23rd February, 2018. As per Section 17 of the Code, upon appointment of the Interim Resolution Professional (IRP), the powers of the Board of Directors stands suspended and such powers shall be exercised by the Interim Resolution Professional appointed for the Company. Accordingly, in terms of provisions of Ind AS 110, since the control over the investee company now vests with the Resolution Professional and the Company no longer has the ability or power to affect the variable returns from its involvement with the investee company. Accordingly, investment in MPCL has been reclassified as investment in associates even though there is no change in the shareholding.

34. In the opinion of the Management current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

35. Employee benefit plans

Defined Contribution Plans - General Description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the povident fund is Rs. 4.96 crores (31 March 2017 Rs. 5.50 crores)

Defined Benefit Plans - General Description

Gratuity:

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

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

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

	31 March 2018	31 March 2017
Defined benefit obligation at the beginning of the year	10.99	17.29
Current service cost	1.05	1.28
Interest cost	0.79	0.92
Benefits paid	(6.12)	(14.44)
Actuarial (gain)/ loss on obligations - OCI	7.04	5.94
Defined benefit obligation at the end of the year	**13.75**	**10.99**

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

	31 March 2018	31 March 2017
Fair value of plan assets at the beginning of the year	17.75	14.99
Contribution by employer		-
Benefits paid	(5.50)	(0.05)
Expected Interest Income on plan assets	1.28	1.21
Acturial gain/(loss) on plan asset	(0.27)	1.60
Fair value of plan assets at the end of the year	**13.26**	**17.75**

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

	31 March 2018	31 March 2017
Fair value of plan assets	13.26	17.75
Defined benefit obligation	13.75	10.99
Amount recognised in the Balance Sheet	**0.49**	**(6.76)**

Amount recognised in Statement of Profit and Loss:

	31 March 2018	31 March 2017
Current service cost	1.05	1.28
Interest expense	0.79	0.92
Expected return on plan asset	(1.28)	(1.21)
Amount recognised in Statement of Profit and Loss	**0.56**	**0.99**

Amount recognised in Other Comprehensive Income:

	31 March 2018	31 March 2017
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	1.82	0.92
Return on plan assets (excluding amounts included in net interest expense)	0.27	(1.60)
Experience adjustments	5.22	5.02
Amount recognised in Other Comprehensive Income	**7.31**	**4.34**

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

Gratuity	31 March 2018	31 March 2017
Investment Details	**Funded**	**Funded**
Investment with Insurance fund	100%	100%

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

	31 March 2018	31 March 2017
Discount rate	7.78%	7.20%
Expected rate of return on Plan assets	7.78%	7.20%
Future salary increases	7.00%	5.00%
Attrition Rate	2.00%	2.00%
Retigerment age	60 years	60 years

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Assumptions				
Discount rate	+ 0.25%	+ 0.25%	(0.34)	(0.27)
	- 0.25%	- 0.25%	0.35	0.28
Future salary increases	+ 0.25%	+ 0.25%	0.36	0.29
	- 0.25%	- 0.25%	(0.34)	(0.28)
Withdrawal rate	+ 0.25%	+ 0.25%	0.02	0.06
	- 0.25%	- 0.25%	(0.02)	(0.06)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Sensitivities due to mortality are insiginificant and hence ignored.
Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.Expected contributions to post-employment benefit plans for the year ending 31 March 2018 is Nil

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

	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	0.98	0.50
Between 2 and 5 years	2.29	2.04
Beyond 5 years	6.17	4.84
Total expected payments	**9.44**	**7.38**

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31 March 2017: 12 years).

36.Commitments and contingencies

(a)Leases

Operating lease commitments - Company as lessee

The Company has obtained office premises on operating leases. All leases are for less than twelve months. Further, there is a renewal clause in the lease agreements.

Lease payments of Rs. 0.35 crores (previous year – Rs. 0.41 crores) have been recognized as an expense in the statement of profit and loss during the year.

b)Commitments

i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) of Rs. NIL (March 31, 2017 - Rs. 4.02 crores)
(ii) Letters of Credit opened in favour of inland/overseas suppliers (Net) Rs. 3.26 crores (March 31, 2017 - Rs. 0.30 crores)
(iii)Rupee equivalent of export obligation to be completed by 23th August, 2021 under EPCG Scheme Rs. 152.13 crores (March 31, 2017 - Rs. 259.86 crores).

(c) Contingent Liabilities

	31 March 2018	31 March 2017
Counter guarantees issued in respect of guarantees issued by company's bankers	73.41	72.34
Guarantees provided on behalf of subsidiaries and joint ventures	1,050.25	388.47
Excise/ service tax demands	12.13	34.64
VAT demands	1.38	1.38
Entry tax demands	30.67	15.78
Income Tax Demands	238.8	291.93
Electricity Duty on generation of power	144.84	144.84
Cess on power generation	35.09	30.98
Risk purchase claim of customers	38.11	38.11
Other claims against the Company not acknowledged as debt	195.32	197.87
DMF&NMET liability for raw material purchased	5.87	5.87

(The above are basic amounts excluding interest, if any)

37. Related party disclosures

A. List of related parties

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

1 Monnet Global Ltd
2 Monnet Power Company Ltd (upto 22nd February, 2018)
3 Monnet Cement Ltd
4 Monnet Enterprises PTE LTD.
5 Chomal Exports Private Limited
6 Monnet Sports Foundation
7 Pt Monnet Global (step - subsidiary)
8 Pt. Sarwa Sembada Karya Bumi (step - subsidiary)
9 LLC Black Sea Natural Resources, Abkhazia (step - subsidiary)

(b) Joint Ventures

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

(c) Associates Orissa Sponge Iron & Steel Ltd (Upto 10th July, 2017)

(d) Partnership Firm Khasjamda Mining Company

(Amount in Rupees crores, unless otherwise stated)

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

1. Tirumala Balaji Alloys Pvt. Ltd.
2. M. K. Jajodia & Sons HUF
3. Monnet Project Developer Ltd.
4. Excello Fin Lea Ltd.

(f) Key Management Personnel:-

1. Shri Sandeep Kumar Jajodia - Chairman & Managing Director (upto 17.7.2017)
2. Mr.J.P.Lath - Independent director (upto 17.7.2017)
3. SBI Observer (upto 17.7.2017)
4. Suman Jyoti Khaitan - Independent director (upto 17.7.2017)
5. IDBI Representative (upto 17.7.2017)
6. Kunal Sharma - Independent director (upto 17.7.2017)
7. Ankita Wadhwan - Independent director (upto 17.7.2017)
8. Sumit Binani (Interim resolution professional / resolution professional) (w.e.f.18.7.2017)

B. Details relating to remuneration of Key Managerial Personnel

	31-Mar-18		31 March 2017	
Name of KMP	**Short-term employee benefits**	**Sitting fees**	**Short-term employee benefits**	**Sitting fees**
Mr. Sandeep Jajodia *	-	-	0.34	-
Mr.J.P.Lath	-	0.01	-	0.02
Ms. Bhawna Thakur	-	-	-	0.02
SBI Observer	-	0.01	-	-
Ms. Suman Jyoti Khaitan	-	0.02	-	0.05
Mr. Suresh Kishinchand Khatanhar	-	0.00	-	0.01
Mr. Kunal Sharma	-	0.02	-	0.02
Ms. Ankita Wadhwan	-	0.02	-	0.01

MONNET ISPAT & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

C. The following transactions were carried out with related parties in the ordinary course of business:-

Related Party Transactions		Relatives of Key Managerial Personnel	Subsidiaries	Joint Ventures	Partnership Firm	Associates	Enterprises over which KMP or their relatives are able to exercise significant influence
Sales of goods		-	-		-	-	-
Monnet Project Developer Ltd.	31st March 2018	-	-	-	-	-	0.42
	31st March 2017	-	-	-	-	-	0.80
Loan Given							
Monnet Global Limited	31st March 2018		-				
	31st March 2017	-	0.61	-	-	-	-
Mandakini Coal Company Limited	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	-	0.08	-	-	-
Monnet Power Company Ltd.	31st March 2018	-	3.53	-	-	-	-
	31st March 2017	-	41.07	-	-	-	-
Loan Received							
Urthan North Mining Co Ltd	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	-	0.91	-	-	-
Excello Fin Lea Ltd.	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	-	-	-	-	23.00
Loan Repaid							
Excello Fin Lea Ltd.	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	-	-	-	-	23.00
Monnet Global Ltd.	31st March 2018	-	8.08	-	-	-	-
	31st March 2017	-	186.78	-	-	-	-
Tirumala Balaji Alloys Pvt. Limited	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	-	-	-	-	5.00
Interest Paid on Loan							
Tirumala Balaji Alloys Pvt. Limited	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	-	-	-	-	0.34
Excello Fin Lea Ltd.	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	-	-	-	-	0.48
Rent Paid							
M.K.Jajodia & Sons HUF	31st March 2018	-	-	-	-	-	0.03
	31st March 2017	-	-	-	-	-	0.13

(Amount in Rupees crores, unless otherwise stated)

Purchase of Raw Material / stores / fixed assets

Monnet Power Company Ltd.	31st March 2018	-	-	-	-	-	-
	31st March 2017	-	0.16	-	-	-	-
Guarantees issued on behalf of other Body Corporates as on 31.3.2018							
Monnet Power Company Ltd.	31st March 2018		635.27				
	31st March 2017		635.27				
Mandakini Coal Co. Ltd.	31st March 2018			89.71			
	31st March 2017			86.93			
Urtan North Mining Co. Ltd.	31st March 2018			3.67			
	31st March 2017			3.67			
Monnet Global Ltd.	31st March 2018		260.55				
	31st March 2017		259.35				
Monnet Ecomaister Enviro Pvt .Ltd.	31st March 2018			24.30			
	31st March 2017			38.51			
Net outstanding balances:							
Monnet Global Ltd.	31st March 2018		55.95				
	31st March 2017		63.66				
Monnet Power Company Ltd.	31st March 2018		117.55				
	31st March 2017		114.02				
Monnet Enterprises PTE Ltd.	31st March 2018		0.07				
	31st March 2017		0.08				
Orissa Sponge Iron & Steel Ltd	31st March 2018					2.57	
	31st March 2017					2.41	
MP Monnet Mining Company Ltd	31st March 2018			0.21			
	31st March 2017			0.21			
Mandakini Coal Company Ltd	31st March 2018			3.09			
	31st March 2017			3.09			
Urtan North Mining Company Ltd.	31st March 2018			0.83			
	31st March 2017			0.83			
Monnet Ecomaister Enviro Pvt. Ltd.	31st March 2018			6.76			
	31st March 2017			6.79			
M.K. Jajodia & Sons HUF (payable)	31st March 2018						-
	31st March 2017						- 0.06
Khasjamda Mining Company	31st March 2018						0.33
	31st March 2017						0.34

(Amount in Rupees crores, unless otherwise stated)

38.Segment information

As per Indian Accounting Standard (Ind AS) 108 on "Operating Segments", segment information has been provided in the Notes to Consolidated Financial Statements.

39. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	31-Mar-18	31-Mar-17
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	5.57	3.79
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	-	-

40. Fair value hierarchy

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

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3 : valuation techniques for which the lowest level input which hass a significant effect on fair value measurement is not based on observable market data.

40. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

	Date of valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-18	24.44	-	24.44	-
Non current investments (FVTOCI)	31-Mar-18	35.03	1.25	33.71	0.07
Intangible assets under development	31-Mar-18	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018:

Rs in crores

	Date of valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-18	148.58	-	148.58	-

There have been no transfers between Level 1 and Level 2 during the period.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

MONNET ISPAT & ENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-17	22.35	-	22.35	-
Non current investments (FVTOCI)	31-Mar-17	1.04	0.95	-	0.09
Intangible assets under development	31-Mar-17	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

Rs in crores

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-17	142.62	-	142.62	-

There have been no transfers between Level 1 and Level 2 during the period.

41. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, employee liabilities. The Company's principal financial assets include trade and other receivables, loans given and cash and short-term deposits/ loan that derive directly from its operations.The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include , deposits.The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 34.The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

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.

	Increase/decrease in basis points	Effect on profit before tax
31-Mar-18		**INR Crores**
INR	+50	(27.82)
INR	-50	27.82
31-Mar-17		
INR	+50	(28.01)
INR	-50	28.01

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

B. Foreign currency sensitivity

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. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	(76.63)
	-5%	76.63
31-Mar-17	+5%	(75.91)
	-5%	75.91

	Change in EURO rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	(0.31)
	-5%	0.31
31-Mar-17	+5%	(0.31)
	-5%	0.31

	Change in YEN rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	-
	-5%	-
31-Mar-17	+5%	-
	-5%	-

	Change in AED rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	0.01
	-5%	(0.01)
31-Mar-17	+5%	3.19
	-5%	(3.19)

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

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 10.An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. In crores)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-18						
Borrowings*	4615.89	160.78	386.75	2563.75	974.37	8701.54
Trade payables	104.48	5.57	-	-	-	110.05
Other financial liabilities	2,489.13	101.24	-	-	-	2,590.37
	7,209.50	**267.59**	**386.75**	**2,563.75**	**974.37**	**11,401.96**
Year ended 31-Mar-17						
Borrowings*	3,199.90	334.24	676.89	2,017.69	2,749.32	8,978.04
Trade payables	152.91	3.79	-	-	-	156.70
Other financial liabilities	1,440.44	80.64	-	-	-	1,521.08
	4,793.25	**418.67**	**676.89**	**2,017.69**	**2,749.32**	**10,655.82**

* In absolute terms i.e. undiscounted and including current maturity portion

IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's marketing facilities are situated in different

geographies. Similarly the distribution network is spread PAN India.

42 . Capital Management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

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

No changes were made in the objectives, policies or processes during the year ended 31 March 2018.

	31 March 2018	31 March 2017
Total Liabilities	11,287.44	10,223.00
Less: Cash and cash equivalents	91.38	58.43
Net debts	**11,196.06**	**10,164.57**
Total equity	**(3,077.69)**	**(1,145.89)**
Gearing ratio (%)	**-363.78%**	**-887.05%**

43. Derivative instruments and unhedged foreign currency exposure

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

	31 March 2018	31 March 2018	31 March 2017	31 March 2017
Foreign payables for capital expenditure	**Foreign Currency**	**Amount (Rs. Crores)**	**Foreign Currency**	**Amount (Rs. Crores)**
CAD in crores	-	-	-	-
EURO in crores	-	-	-	-
GBP in crores	-	-	-	-
USD in crores	-	-	-	-
YEN in crores	-	-	-	-
Foreign trade payables			-	-
USD in crores	0.13	8.17	0.13	8.09
EURO in crores	0.08	6.46	0.08	5.50
CAD in crores	-	0.04	-	0.04
Foreign advances received			-	-
USD in crores	-	-	0.01	0.37
Borrowings			-	-
USD in crores	24.26	1,580.39	23.40	1,517.45
EURO in crores	-	-	0.01	0.80
Foreign advances recoverable			-	-
AUD in crores	-	-	-	-
EURO in crores	-	0.23	-	-
USD in crores	0.86	55.93	0.98	0.18
AED in crores	0.01	0.14	0.01	63.70
Foreign trade receivables			-	-
USD in crores	-	-	0.12	7.68
EURO in crores	-	-	-	0.29

Foreign fixed deposits receipts	-	-	-	-
USD in crores	-	-	-	-

44 In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet except where stated otherwise. Some of the balances of trade/ other receivables/ payables and loans and advances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact.

45 Disclosure of Movement in Provisions during the year as per Ind AS- 37, 'Provisions, Contingent Liabilities and Contingent Assets' :

(Rs. In crores)

Particulars	Balance As on 1.4.2017	Provided During the year	Paid/Adjusted During the year	Balance As on 31.3.2018
Non-current provisions				
Gratuity	(6.76)	7.87	0.62	0.49
Accumulated leaves	3.67	(0.55)	0.21	2.91
Total	**(3.09)**	**7.32**	**0.83**	**3.40**

46. Disclosure of significant investments in joint ventures and associates:

1) Disclosure of investment in the following joint ventures :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)			
			As on 31.03.18	As on 31.03.17	As on 31.03.16	As on 1.04.15
1	Mandakini Coal Company Ltd	India	33.33%	33.33%	33.33%	33.33%
2	Urtan North Mining Company Ltd	India	33.33%	33.33%	33.33%	33.33%
3	MP Monnet Mining Company Ltd	India	49.00%	49.00%	49.00%	49.00%
4	Monnet Ecomaister Enviro Pvt Ltd	India	50.00%	50.00%	50.00%	50.00%

2) Disclosure of investment in the following accociates :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)			
			As on 31.03.18	As on 31.03.17	As on 31.03.16	As on 1.04.15
1	Orissa Sponge Iron & Steel Ltd.	India	6.70%	35.17%	35.17%	35.17%

47. The Hon'ble Supreme Court of India by its Order dated 24th September, 2014 has cancelled a number of coal blocks allocated to various entities which includes five under development mines allotted to the Company or its joint venture companies. The Ministry of Law and Justice (Legislative Department), Government of India, has promulgated an Ordinance on October 21, 2014 for implementing the order of Hon'ble Supreme Court and fixation of compensation etc.

The Company had invested directly or through Joint Ventures in the following coal blocks which have been cancelled pursuant to the court order as mentioned here in above:

MONNET ISPAT & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

(Rs. In Crores)

Particulars	Expenditure on fixed assets	Investment in Shares	Other Current & Non-current assets / (liabilities)	Total
Coal Blocks in Company's books				
Utkal – B2	44.07			44.07
Rajgamar	13.96			13.96
Coal Block through JVs				
Mandakini		39.3	3.09	42.39
Urthan North		5.75	(0.82)	4.93
Morga-3		0.98	2.71	3.69
	58.03	**46.03**	**4.98**	**109.04**

The ministry of coal has, through its letter dated 1st February, 2018, asked erstwhile owners of deallocated coal blocks to submit further information / documents in order to carry out valuation / computation of compensation payable. No adjustment has been made against impairment of assets since the final compensation amount is not yet ascertained / under litigation.

48. The Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Monnet Ispat & Energy Limited ("Company")under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an Order of the National Company Law Tribunal (NCLT) with effect from 18th July 2017. The Resolution professional had invited interested Bidders, having adequate financial and technical capability, to submit resolution plan for the Company under CIRP and accordingly Resolution Plan has been submitted by the consortium of AION Capital and JSW Steel Ltd. The Resolution Plan has been approved by the Committee of Creditors (98.97% votes cast in favour of the resolution plan) and the same is currently in the process of evaluation by the NCLT. In view of the same, these financial statements have been prepared on going concern basis.

49.Disclosure under Ind AS 7 'Statement of Cash Flows'

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

	31-03-2017	Cash flows	Non-cash changes	**31-03-2018**
			Fair value changes	
Long-term borrowings	6,663.78	-	(31.92)	6,631.86
Short term borrowings	1,831.94	82.41	(5.50)	1,908.85
Total liabilities from financing activities	**8,495.72**	**82.41**	**(37.42)**	**8,540.71**

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

In terms of our report of even date annexed

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

Rajeev Ranjan
Partner
M.No.535395

DATED : 30th May, 2018

For and on behalf of the Board

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MONNET ISPAT & ENERGY LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **MONNET ISPAT & ENERGY LIMITED**(hereafter referred as the holding company) and its subsidiaries (collectively referred to as "the Group"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in para of the "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of other auditors of subsidiaries, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Group as at 31 March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

(a) *Note no. 47 regarding cancellation of coal blocks of the Company impact whereof on the financial statements is uncertain.*

(b) Note no. 48 in the financial statements which indicates that the Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. Upon application filed by the lenders, Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an Order of the National Company Law Tribunal (NCLT) with effect from 18th July 2017. The proceedings are still underway and final order or NCLT is pending. These conditions may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

(c) The Company had pledged some shares out of its investment in Monnet Power Company Ltd (MPCL) to Lenders of MPCL. These shares were invoked by the Lenders. As per legal opinion, the ownership of these shares still vests with the Company. Pending appropriation, these shares, having a carrying value of Rs.504.22 crores continue to be classified as non-current investment in the standalone financial statements. The Company has also given loans & advances amounting to Rs. 117.55 crores to MPCL. MPCL has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by the Hon'ble National Company Law Tribunal, Mumbai with effect from 23rd February, 2018. These circumstances may lead to uncertainty regarding the recovery of the abovementioned amounts.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of five subsidiaries whose financial results reflect total revenue of Rs. 0.00crores for the year ended March 31, 2018, total assets of Rs. 205.15crores, total net loss after tax of Rs.15.07crores and total comprehensive loss of Rs. 15.07 crores for the year ended on that date, as considered in the consolidated financial results.These consolidated financial results also include the parent's share of net loss after tax of Rs.12.09 crores and total comprehensive loss of Rs. 12.09 crores, in respect of four joint ventures companies, whose financial statements have not been audited by us.

These unaudited financial statements have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of these entities is based solely on such un audited financial statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of Other Matters as referred above.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable on Consolidated Financial Statements as referred in proviso to para 2 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and report of other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors of holding company as on 31st March, 2018 taken on record by the Board of Directors of Holding company and the reports of auditors of subsidiary companies, none of the directors is disqualified as on31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) We are enclosing herewith a report in Annexure I for our opinion considering the opinion of other auditors of subsidiary companies on adequacy of internal financial controls system in place and the operating effectiveness of such controls.

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

I The Group has disclosed the impact of pending litigation on its financial position in its Consolidated Ind AS financial statements. Refer Note 37 to the financial statements.

ii. According to the information and explanations provided to us, the Group has made appropriate provision regarding long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses during the year.

iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies wherever applicable.

iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

(RAJEEV RANJAN)
PARTNER
M No. 535395

PLACE : NEW DELHI
DATED : 30th May, 2018

ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **MONNET ISPAT & ENERGY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies (collectively referred to as "the Group"), its associates and jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, associates and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

(RAJEEV RANJAN)
PARTNER
M No. 535395

PLACE : NEW DELHI
DATED : 30th May, 2018

MONNET ISPAT & ENERGY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

		Notes	As at 31 March 2018	As at 31 March 2017
ASSETS				
Non-current assets				
Property, plant and equipment		3	6,036.04	6,421.39
Capital work-in-progress			167.96	5,585.64
Goodwill		4	0.09	2.11
Other Intangible assets		4	158.21	157.48
Intangible Assets under Development			-	1.74
Financial Assets				
a	Investments	5	572.34	46.24
b	Loans	6	24.44	81.61
c	Other financial assets	7	14.15	14.27
	Other non-current assets	8	0.00	0.00
			6,973.23	**12,310.48**
Current assets				
Inventories		9	320.96	277.72
Financial assets				
a	Trade receivables	10	60.71	97.13
b	Cash and cash equivalents	11 a	91.68	78.68
c	Bank balance other than 'b' above	11 b	11.78	18.39
d	Loans	12	742.85	757.23
e	Other financial assets	7	14.53	14.05
	Current Tax Assets (Net)	13	58.18	57.37
	Other current assets	8	35.04	41.12
			1,335.73	**1,341.69**
	Total Assets		**8,308.96**	**13,652.17**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		14	200.79	200.79
Other equity		15	(3,478.04)	(1,802.46)
Equity attributable to equity holder of the parent			**(3,277.25)**	**(1,601.67)**
Non-controlling interests			0.15	114.39
Total Equity			**(3,277.10)**	**(1,487.28)**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
a	Borrowings	16	3,481.99	8,414.94
b	Other financial liabilities		-	8.29
	Provisions	17	3.40	(4.40)
	Deferred tax liabilities (net)	18	-	-
	Other non current liabilities	19	22.76	52.20

Current liabilities				
	Financial liabilities			
a	Borrowings	**16**	1,908.85	1,918.39
b	Trade payables	**20**	110.05	157.95
c	Other financial liabilities	**21**	6,038.86	3,450.23
	Other current liabilities	**19**	20.15	1,141.66
	Provisions	**17**	0.00	0.19
	Total liabilities		**11,586.06**	**15,139.45**
	Total Equity and Liabilities		**8,308.96**	**13,652.17**
	Significant accounting policies	**1&2**		

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

In terms of our report of even date annexed

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

For and on behalf of the Board

Rajeev Ranjan
Partner
M.No.535395

DATED : 30th May, 2018

Sandeep Kumar Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

MONNET ISPAT & ENERGY LIMITED
STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Notes	31-03-2018	31 March 2017
INCOME			
Revenue From Operations	22	1,419.09	1,375.08
Other Income	23	13.14	37.29
Total Income (I)		**1,432.23**	**1,412.37**
EXPENSES			
Cost of material consumed	24	1,144.79	943.28
Purchase of stock-in-trade			0.00
Changes in inventories of finished goods, stock in trade and work-in-progress	25	(24.19)	130.47
Excise duty on sale of goods		35.83	137.05
Employee benefits expense	26	98.89	108.76
Finance costs	27	1,193.26	1,133.83
Depreciation and amortisation expense	28	355.02	359.66
Other expenses	29	124.40	463.60
Total Expenses (II)		**2,928.00**	**3,276.65**
Profit before tax from continuing operations before exceptional items (I-II)		**(1,495.77)**	**(1,864.28)**
Exceptional items (refer Note No. 30)		263.52	262.98
Profit before tax from continuing operations after exceptional items		**(1,759.29)**	**(2,127.26)**
Tax expense:			
Current Tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred Tax		-	-
MAT Credit Entitlement written back		-	5.06
Profit for the year from continuing operations		**(1,759.29)**	**(2,132.32)**
Profit from continuing operations for the period attributable to:			
Owners of the Company		**(1,758.33)**	**(2,129.58)**
Non controlling interests		**(0.96)**	**(2.74)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(7.31)	(3.92)
Equity instruments through other comprehensive income		(23.53)	0.25
Items that will be reclassified to profit or loss in subsequent periods			
Exchange differences in translating the financial statements of foreign operations		(0.69)	-
Total other comprehensive income for the year, net of tax		**(31.53)**	**(3.67)**
Total comprehensive income for the year, net of tax		**(1,790.82)**	**(2,135.99)**
Total comprehensive income for the period attributable to:			
Owners of the Company		**(1,789.86)**	**(2,133.25)**
Non controlling interests		**(0.96)**	**(2.74)**

Earnings per equity share (computed on the basis of profit for the year):		
(1) Basic	**(87.63)**	(106.39)
(2) Diluted	**(87.63)**	(106.39)

Significant accounting policies 1&2

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

In terms of our report of even date annexed

For APAS & Co. **Chartered Accountants** **FRN No. 000340C**	**For and on behalf of the Board**	
Rajeev Ranjan **Partner** **M.No.535395**	**Sandeep Jajodia** **Chairman & Managing Director**	**Jagdamba Prasad Lath** **Director**
DATED : 30th May, 2018	**Sanjay Kumar Garodia** **Chief Financial Officer**	**Hardeep Singh** **Company Secretary**

MONNET ISPAT & ENERGY LIMITED
STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

	Year ended			
		31 March 2018		**31 March 2017**
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		(1,759.29)		(2,127.26)
Adjusted for :				
Depreciation	355.02		359.66	
Interest Received	(5.72)		(24.31)	
Interest Paid	1,193.26		1,133.83	
Amortisation of deferred upfront fee	(1.28)		(1.28)	
Profit on Sale of Fixed Assets	(0.01)		(0.04)	
Profit on sale of financial assets	-		(0.53)	
Adjustment for Ceasation of Control in Subsidiary	6.20			
Exchange differences in translating the financial statements of foreign operations	(0.69)		-	
Stock correction / spoilage in non operational divisions	19.33			
Share in loss of Associate	12.04			
Provision for impairment in non current investments	196.57			
Reversal of Interest Recoverable From Subsidiary	-		0.56	
Provision for Arbitration Claim	-		19.53	
Dividend received	(0.02)	1,774.70	(0.02)	1,487.40
Operating Profit before Working Capital Changes		15.41		(639.86)
Working capital adjustments:				
Increase in inventories	(62.57)		277.20	
Increase in trade and other receivables	186.71		284.58	
Movement in trade and other payables	(147.33)		302.97	
Movements in provisions	(7.58)		66.66	
		(30.77)		931.41
Cash Generated from Operations		(15.36)		291.55
Direct Taxes Paid		(0.88)		-
Exceptional / Extraordinary items				-
Net Cash from operating activities		**(16.24)**		**291.55**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / expenditure for CWIP	(17.04)		142.16	
Sale of Fixed Assets	3.34			
Purchase of Investments	-		278.30	
Sale of Investments	0.02		-	
Interest Received	5.72		24.31	
Dividend Received	0.02		0.02	
Net Cash used in Investing Activities		**(7.94)**		**444.79**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(9.72)		(39.84)	
Proceeds/ (Repayment) of Long Term Borrowings (Net)	-		(849.87)	
Proceeds / (Repayment) of Short Term Borrowings (Net)	57.18		90.79	
Dividend and Dividend Tax Paid	-		-	

Net Cash flow from in Financing Activities		**47.46**		**(798.92)**
Net increase in Cash and Cash Equivalents (A+B+C)		**23.28**		**(62.58)**
Cash and Cash Equivalents as on 1.4.2017		**78.68**		**97.19**
Adjustment for Ceasation of Control in Subsidiary		(10.28)		
Cash and Cash Equivalents as on 31.3.2018		**91.68**		**78.68**
Components of cash and cash equivalents				
Cash on hand		0.16		0.38
Balance in current account and deposits with banks		91.52		78.30
	-	**91.68**		**78.68**
	-	-		

Significant accounting policies 1&2

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

In terms of our report of even date annexed

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

For and on behalf of the Board

Rajeev Ranjan
Partner
M.No.535395

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

DATED : 30th May, 2018

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

MONNET ISPAT & ENERGY LIMITED
Statement of consolidated changes in equity for the year ended 31 March 2018
(Amount in Rupees crores, unless otherwise stated)

A. Equity share capital for issued, subscribed and paid up equity share of Rs. 10/- each

Particulars	Note	Amount
As at 1st April 2017	**14**	**200.79**
Changes during the year		-
As at 31 March 2018	**14**	**200.79**

B. Other equity (Refer note 15)

	Attributable to the equity holders of the parent												Non-controlling interest	Total
	Reserves and Surplus									Items of OCI		Total		
	Capital Reserve	Share premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	General Reserve	Retained earnings	Foreign Exchange Translation Reserve (Net)	FVTOCI reserve	Re-measurement gains/ (losses) on defined			
As at 1 April 2017	77.77	1,262.83	86.02	1.89	19.68	3.31	163.97	(3,339.41)	(23.26)	(44.68)	(10.58)	(1,802.46)	114.39	(1,688.07)
Net income / (loss) for the year								(1,758.33)				(1,758.33)	(0.96)	(1,759.29)
Transfer to general reserve	-							-				-		-
Other comprehensive income (Note 31)										(23.53)	(7.31)	(30.84)		(30.84)
Total comprehensive income	-	-	-	-	-	-	-	**(1,758.33)**	-	**(23.53)**	**(7.31)**	**(1,789.17)**	**(0.96)**	**(1,790.13)**
Addition due to issue of equity shares				-								-		-
Adjustment on cessation of control in		**(148.33)**										114.28	(113.28)	
subsidiary								262.61						1.00
Exchange translation adjustment									(0.69)			(0.69)		(0.69)
Dividend												-		-
Dividend distribution tax												-		-
At 31 March 2018	**77.77**	**1,114.50**	**86.02**	**1.89**	**19.68**	**3.31**	**163.97**	**(4,835.13)**	**(23.95)**	**(68.21)**	**(17.89)**	**(3,478.04)**	**0.15**	**(3,477.89)**

Significant accounting policies 1&2

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

In terms of our report of even date annexed

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

For and on behalf of the Board

Rajeev Ranjan
Partner
M.No.535395

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

DATED : 30th May, 2018

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

MONNET ISPAT & ENERGY LIMITED
Statement of consolidated changes in equity for the year ended 31 March 2018
(Amount in Rupees crores, unless otherwise stated)

A. Equity share capital for issued, subscribed and paid up equity share of Rs. 10/- each

Particulars	Note	Amount
As at 1 April 2016		200.79
Changes during the year		-
As at 31 March 2017	14	200.79

B. Other equity (Refer note 15)

	Attributable to the equity holders of the parent												Non-controlling interest	Total equity
	Reserves and Surplus									Items of OCI		Total		
	Capital Reserve	Share premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	General Reserve	Retained earnings	Foreign Exchange Translation Reserve (Net)	FVTOCI reserve	Re-measurement gains/ (losses) on defined			
As at 1 April 2016	77.77	1,262.83	86.02	1.89	19.68	3.31	163.97	(1,331.54)	(19.59)	(44.93)		212.75	117.12	329.87
Net income / (loss) for the year								(2,129.58)			(6.66)	(2,129.58)	(2.74)	(2,132.32)
Transfer to general reserve	-							-				-		-
Other comprehensive income (Note 31)										0.25	(3.92)	(3.67)		(3.67)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,129.58)**	**-**	**0.25**	**(3.92)**	**(2,133.25)**	**(2.74)**	**(2,135.99)**
Addition due to issue of equity shares				-								-		-
Exchange translation adjustment									(3.67)			(3.67)		(3.67)
Dividend												-		-
Dividend distribution tax												-		-
At 31 March 2017	**77.77**	**1,262.83**	**86.02**	**1.89**	**19.68**	**3.31**	**163.97**	**(3,339.41)**	**(23.26)**	**(44.68)**	**(10.58)**	**(1,802.46)**	**114.39**	**(1,688.08)**

Significant accounting policies 1&2

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

In terms of our report of even date annexed

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

For and on behalf of the Board

Rajeev Ranjan
Partner
M.No.535395

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

DATED : 30th May, 2018

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

Note No. 1&2

MONNET ISPAT & ENERGY LIMITED

Consolidated financial statement for the year ended 31 March 2018

Accounting Policies under Ind AS

1. Corporate information

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

MIEL is engaged in manufacturing and marketing of Sponge Iron, Steel and Ferro Alloys. MIEL is also engaged in mining of minerals like coal and iron ore.MIEL is in the elite group of primary steel producers with a world class integrated steel plant at Raigarh that has a production capacity of 1.5 MTPA to produce HR plates, rebars and structure profiles to cater to the rapidly growing infrastructure & construction industry.

Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Monnet Ispat & Energy Limited ("Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an Order of the National Company Law Tribunal (NCLT) with effect from 18th July 2017. As per section 17 of the Insolvency and Bankruptcy Code, 2016 ('Code'), upon appointment of the Resolution Professional, the powers of the Board of Directors stand suspended and such powers shall be exercised by the Resolution Professional appointed for the Company. Hence, in this regard, pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Resolution Professional on 30th May, 2018 has considered and taken on record the financial statements of the company for the year ended 31st March 2018.

2. Significant accounting policies

2.1 Basis of preparation

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

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

The financial statements are presented in INR and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

2.2 Basis of Consolidation

The CFS relates to the company and its subsidiaries, joint ventures and associates ('the Group' or 'Group'). In the preparation of the CFS, investments in subsidiaries, associates and joint ventures are accounted for in accordance with the requirements of Ind AS 110 (Consolidated Financial Statements) and Ind AS 28 (Investments in Associates and Joint Ventures) vide notification dated 16 February 2015 under section 133 of the Companies Act 2013.

Investment in Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, 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 reassesses whether or not it controls an investee if facts and circumstances indicate there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over 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 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 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, 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 from the date the Company gains control until the date when the Company ceases to control subsidiary.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

When the Group do not loses control of subsidiary.

- Changes in the Group's ownership interests in subsidiaries are accounted for as equity transactions.

- The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

- Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

<u>When the Group loses control of a subsidiary,</u>

- derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet.
- a gain or loss is recognised in profit or loss and is calculated as the difference between

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

- All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).

- The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IndAS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The CFS is prepared on the following basis:

- Combining like items of assets, liabilities, equity, income, expenses and cash flows of the Company (The Parent) with those of its subsidiaries.
- Eliminating in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group
- Offsetting (eliminating) the carrying amount of the company's investment in each subsidiary (directly or indirectly) and the company's portion of equity of each subsidiary.
- Profit or loss and each component of other comprehensive income are attributed to the owners of Company and to the non-controlling interests. Total comprehensive income of subsidiaries attributed to the owners of the Company and to the non-controlling interests even if this results in non-controlling interests having a deficit balance.
- When necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies into line with the Group's accounting policies.
- The Company present's non-controlling interests in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are considered as equity transactions (i.e. transactions with owners in their capacity as owners).

- As far as possible, the CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements, Where it is not practicable to use uniform accounting policies, adjustments are made to the financial statements of subsidiaries to bring accounting policies into line with the Group's accounting policies.

- The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2018.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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 the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.
The Group continues to use the equity method when an investment in an associate becomes investment in a

joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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.

Business Combination

Acquisitions of businesses 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 of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment 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.

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 a bargain purchase, before recognising a 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 recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that IndAS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises 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 (as described above), 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 IndAS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The Group determines whether a transaction or other event is a business combination by applying the definition in Ind AS 103, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, the group accounts for the transaction or other event as an asset acquisition.

Where the acquisition of an asset or a group of assets does not constitute a business, the group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group is then allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase

Foreign currencies

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.3 Significant accounting policies

a. Current versus non-current classification

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

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non current assets and liabilities respectively.

b. Property, plant and equipment

i) Tangible assets

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, including exchange rate variations (in case of a qualifying asset) upto the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipment are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

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

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

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

ii) Capital work in progress (CWIP)

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, including exchange rate variations,and recognized under CWIP.

c. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of six years.

d. Research & Development Costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

e. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

f. Impairment of non-financial assets

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

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

g. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, trading and other products are determined on FIFO basis.

h. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from operations includes sale of goods, services and excise duty, adjusted for discounts (net).

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

i. Foreign currency transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss, except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

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

j. Taxes on income

<u>Current tax</u>

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

<u>Deferred tax</u>

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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.

k. Employee benefits

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

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

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

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

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

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

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

l. Leases

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset, other than lease hold land, is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

m. Provisions, Contingent liabilities and Contingent assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

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

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

n. Earnings per share

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

o. 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.

p. Fair value measurement

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q. Financial instruments

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

(a) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial as.

Subsequent measurement

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

- **Financial assets carried at amortised cost**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

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

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries, joint ventures and associates

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

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial liabilities at amortised cost**

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

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

- **Financial liabilities at fair value through profit or loss**

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

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

r. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

2.3 Significant accounting judgements, estimates and assumptions

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

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

Judgements

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

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

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

(a) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

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

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of financial assets

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

3. Property, plant and equipment

	Freehold Land & Site Development	Leasehold Land	Leasehold Buildings	Other Buildings	Plant and equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
As at April 1, 2016	**48.47**	**66.65**	**1.74**	**791.81**	**6,979.37**	**13.38**	**48.86**	**80.15**	**8,030.43**
Additions	0.08	-	-	10.24	22.11	0.09	0.01	0.21	32.74
Disposals	-	-	-	-	3.00	-	0.37	2.31	5.68
As at March 31, 2017	**48.55**	**66.65**	**1.74**	**802.05**	**6,998.48**	**13.47**	**48.50**	**78.05**	**8,057.49**
Additions	-	-	-	0.08	8.01	0.12	0.23	0.08	8.52
Disposals	2.30	29.80	1.74	5.26	7.65	1.23	1.44	2.09	51.51
As at March 31, 2018	**46.25**	**36.85**	**-**	**796.87**	**6,998.84**	**12.36**	**47.29**	**76.04**	**8,014.50**
Depreciation									
As at April 1, 2017	**0.28**	**-**	**0.19**	**104.58**	**1,110.46**	**8.53**	**27.12**	**28.58**	**1,279.74**
Depreciation charge for the year	0.07	-	0.05	29.17	322.24	1.86	1.39	4.88	359.66
Disposals	-	-	-	-	1.31	-	0.10	1.89	3.30
As at March 31, 2017	**0.35**	**-**	**0.24**	**133.75**	**1,431.39**	**10.39**	**28.41**	**31.57**	**1,636.10**
Depreciation charge for the year	0.07	0.20	0.05	28.60	318.80	1.44	1.26	4.60	355.02
Disposals	-	0.26	0.29	4.33	3.97	1.24	1.02	1.55	12.66
As at March 31, 2018	**0.42**	**(0.06)**	**-**	**158.02**	**1,746.22**	**10.59**	**28.65**	**34.62**	**1,978.46**
Net book value :									
As at March 31, 2018	45.83	36.91	-	638.85	5,252.62	1.77	18.64	41.42	6,036.04
As at March 31, 2017	48.20	66.65	1.50	668.30	5,567.09	3.08	20.09	46.48	6,421.39
As at April 1, 2016	48.19	66.65	1.55	687.23	5,868.91	4.85	21.74	51.57	6,750.69

Notes:

I. Property, plant and equipment pledged as security

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

II. As per option exercised under para 46A of AS - 11 'The Effects of Changes in Foreign Exchange Rates' read with para D13AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards', exchange fluctuation gain on foreign currency loans of Rs. 35.21 crores was adjusted against addition to fixed assets.

MONNET ISPAT & ENERGY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

4. Intangible assets

	Software	Goodwill	Mining rights	Total
Cost				
As at April 1, 2016	**0.56**	**2.11**	**156.57**	**159.24**
Additions	-	-	0.91	0.91
Disposals	-	-	-	-
As at March 31, 2017	**0.56**	**2.11**	**157.48**	**160.15**
Additions	-	-	0.73	0.73
Disposals	-	-	-	-
As at March 31, 2018	**0.56**	**2.11**	**158.21**	**160.88**
Amortisation				
As at April 1, 2016	**0.56**	**-**	**-**	**0.56**
Amortisation charge for the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2017	**0.56**	**-**	**-**	**0.56**
Amortisation charge for the year	-	-	-	-
Disposals	-	(2.02)	-	(2.02)
As at March 31, 2018	**0.56**	**2.02**	**-**	**2.58**
Net book value :				
As at March 31, 2018	-	0.09	158.21	158.30
As at March 31, 2017	-	2.11	157.48	159.59
As at April 1, 2016	-	2.11	156.57	158.68

(Amount in Rupees crores, unless otherwise stated)

Financial Assets

	31 March 2018	31 March 2017
5. Investments		
(a) Investments in equity shares		
Investments in Joint Ventures (unquoted)		
Monnet Ecomaister Enviro Pvt Ltd	2.68	8.29
14,211,363 (March 31, 2017 : 14,211,363) Equity shares of Rs.10 each fully paid up		
Mandakini Coal Company Ltd	23.56	29.92
39,299,800 (March 31, 2017 : 39,299,800) Equity shares of Rs.10 each fully paid up		
MP Monnet Mining Company Ltd	0.77	0.77
980,000 (March 31, 2017 : 980,000) Equity shares of Rs.10 each fully paid up		
Urtan North Mining Company Ltd	5.75	5.86
5,751,347 (March 31, 2017 : 5,751,347) Equity shares of Rs.10 each fully paid up		
Mandakini Exploration & Mining Ltd	0.00	0.01
13,500 (March 31, 2017 : 13,500) Equity shares of Rs.10 each fully paid up		
Investments in Associate Companies (quoted)		
Orrisa Sponge Iron & Steel Ltd.	0.00	-
Nil (March 31, 2017 : 9,494,633) Equity shares of Rs.10 each fully paid up		
Monnet Power Co Ltd	700.79	-
686,587,019 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
Investments at fair value through OCI (unquoted)		
Rameshwaram Steel & Power Pvt Ltd	-	-
4,152,273 (March 31, 2017 : 4,152,273) Equity shares of Rs.10 each fully paid up		
Falcon Internal Forces and Fire Services Pvt Ltd	0.00	0.02
1,000 (March 31, 2017 : 1,000) Equity shares of Rs.10 each fully paid up		
Monnet Engineering & Infrastructure P Ltd	0.07	0.07
4,000 (March 31, 2017 : 4,000) Equity shares of Rs.10 each fully paid up		
Business India Publications Ltd	0.00	-
100,000 (March 31, 2017 : 100,000) Equity shares of Rs.10 each fully paid up		
Chattel Constructions Pvt Ltd (refer note II below)	0.00	-
9,999 (March 31, 2017 : 9,999) Equity shares of Rs.10 each fully paid up		
Investments at fair value through OCI (quoted)		
IFSL	-	-
1,300,000 (March 31, 2017 : 1,300,000) Equity shares of Re.1 each fully paid up		
Aditya Birla Nuvo Ltd	0.00	0.15
1,000 (March 31, 2017 : 1,000) Equity shares of Rs.10 each fully paid up		
Aditya Birla Capital Ltd	0.03	-
2,100 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
Aditya Birla Fashion & Retail Ltd	0.08	-
5,200 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
Grashim Industries Ltd	0.16	-
1,500 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		

MONNET ISPAT & ENERGY LIMITED

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(Amount in Rupees crores, unless otherwise stated)	31 March 2018	31 March 2017
XL Energy limited (formerly XL Telecom Ltd)	0.03	0.04
166,808 (March 31, 2017 : 166,808) Equity shares of Rs.10 each fully paid up		
Kamanwala Housing Construction Ltd	0.06	0.09
63,343 (March 31, 2017 : 63,343) Equity shares of Rs.10 each fully paid up		
Indiabulls Real Estate Ltd	0.45	0.22
25,000 (March 31, 2017 : 25,000) Equity shares of Rs.10 each fully paid up		
RattanIndia Infrastructure Limited	0.04	0.03
73,750 (March 31, 2017 : 73,750) Equity shares of Rs.10 each fully paid up		
Soril Holdings and Ventures Ltd (formerly Indiabulls Wholesale Services Ltd)	0.06	0.01
3,125 (March 31, 2017 : 3,125) Equity shares of Rs.10 each fully paid up		
Bellary Steel Ltd.	0.00	-
803,243 (March 31, 2017 : 803,243) Equity shares of Re.1 each fully paid up		
Pioneer Investment Ltd.	0.09	0.16
23,392 (March 31, 2017 : 23,392) Equity shares of Rs.10 each fully paid up		
Sujana Towers Ltd	0.00	0.01
12,500 (March 31, 2017 : 12,500) Equity shares of Rs.10 each fully paid up		
Orrisa Sponge Iron & Steel Ltd.	33.71	-
1,994,633 (March 31, 2017 : Nil) Equity shares of Rs.10 each fully paid up		
Nu Tek India Ltd	0.04	0.03
480,000 (March 31, 2017 : 480,000) Equity shares of Rs.5 each fully paid up		
	768.37	**45.68**
(b) Investment in Mutual Funds (quoted)		
SBI MF Magnum Tax Gain	0.21	0.21
55,123 (March 31, 2017 : 55,123) units		
(c) Capital Contribution in Partnership Firm		
Khasjamda Mining Company	0.33	0.34
Total	**768.91**	**46.24**
Less: Aggregate value of diminution in value of investment	196.57	**-**
	572.34	**46.24**
Aggregate book value of quoted investments	735.75	0.95
Aggregate market value of quoted investments	735.75	0.95
Aggregate value of unquoted investments	33.16	45.28
Aggregate amount of impairment in value of investments	**31 March 2018**	**31 March 2017**

Investment in Partnership firm	**31 March 2018**	**31 March 2017**
Capital contribution		
Monnet Ispat & Energy Ltd	0.33	0.34
Sanjay P Date	0.34	0.34
% in Profits		
Monnet Ispat & Energy Ltd	99%	99%
Sanjay P Date	1%	1%

Note:

I. The Following Investments have been pledged for availment of credit facilities

Monnet Power Co Ltd (49,40,00,000 ; PY Nil shares)	494.00	
Orrisa Sponge Iron & Steel Ltd. (Nil; PY 75,00,000 shares)	-	7.50
Mandakini Coal Company Ltd (2,00,42,999 shares; PY 2,00,42,999 shares)	20.04	20.04

II. The Company holds 99.99% equity shares in Chattel Constructions Private Limited (CCPL). However, as per terms of the operation and management agreement with Moser Baer Clean Energy Limited (MBCEL), the Company's investment in CCPL has been classified as 'Investment in equity instruments in other entities' since the Company does not have control or significant influence over the entity.

III. The Company had pledged shares of Monnet Power Company Limited (MPCL), held as investment in subsidiary, for availment of credit facilities by the Company/ its subsidiary company. Lenders have invoked the pledge over shares of MPCL.

Details of the pledged shares are as below:

Name of the Company	Monnet Power Co Ltd (MPCL)
No. of Shares	49,40,00,000
Face Value	10.00
Average cost per share	10.21
Cost of Investment (Rs. in Crores)	504.22
Appropriation Value (Rs. in Crores)	Not available

Pursuant to invocation of pledge by lender of MPCL, the pledged shares stand transferred to the security trustee's depository participant account. However, pending appropriation, the ownership of the pledged shares continues to vest with the Company. In the absence of any appropriation value of the pledged shares, no adjustment has been made to the carrying value of the
investment of INR 504.22 crore, referred above.

IV. Monnet Power Company Limited, upon application filed by the lender of MPCL, has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by the Hon'ble National Company Law Tribunal, Mumbai with effect from 23rd February, 2018. As per Section 17 of the Code, upon appointment of the Interim Resolution Professional (IRP), the powers of the Board of Directors stands suspended and such powers shall be exercised by the Interim Resolution Professional appointed for the Company. Accordingly, in terms of provisions of Ind AS 110, since the control over the investee company now vests with the Resolution Professional and the Company no longer has the ability or power to affect the variable returns from its involvement with the investee company. Accordingly, investment in MPCL has been reclassified as investment in associates. In view of the commencement of CIRP, the management is of the opinion that it is improbable that any amount will be available for distribution to equity shareholders after settlement of financial and operational creditors of MPCL. Accordingly, a provision for impairment of investment has been recorded amounting to Rs.196.57 crores, equivalent to the value of the Company's investment in MPCL, (excluding shares pledged with IDFC as referred to in para III above).

	31 March 2018	31 March 2017
6. Loans (non current) #		
Loans to Related Parties		
Unsecured, Considered Good	24.44	22.35
Other loans		
Secured, Considered good	-	57.28
Unsecured, Considered good	-	1.98
Total	**24.44**	**81.61**

Notes:

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

MONNET ISPAT & ENERGY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

7. Other financial assets

	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Bank deposits (having maturity more than 12 months)	8.68	8.43	-	-
Security Deposits (unsecured, considered good)	5.47	5.84	13.00	13.00
Interest accrued on deposits and loans	-	-	1.53	1.05
	14.15	**14.27**	**14.53**	**14.05**

8. Other non-financial assets

	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Capital advances				
Unsecured, considered good	-	-	-	-
Other loans and advances (Unsecured, considered good)				
Advance to employees	-	-	-	0.09
Prepaid expenses	-	-	6.58	4.53
Balance with statutory authorities:				
Balances with Excise Authorities	-	-	10.21	18.25
MAT Credit Entitlement	-	-	18.25	18.25
	-	-	35.04	41.12
Total	**-**	**-**	**35.04**	**41.12**

9. Inventories

	31 March 2018	31 March 2017
Raw Materials	151.43	191.12
Work-in-progress	2.75	11.59
Finished Goods	103.06	139.66
Stores and spares	63.72	56.52
	320.96	398.89
Less: Provision for diminution in inventory	-	121.17
Total	**320.96**	**277.72**

Note:

I. For mode of valuation refer Accounting policy number 2.2 (g)

II. Provision for diminution in raw materials is Rs. Nil (31 March 2017: Rs. 66.58 crores) and in finished goods is Rs. Nil (31 March 2017: 54.59 crores)

10. Trade receivables (unsecured)

	31 March 2018	31 March 2017
Considered good	61.33	97.13
Considered doubtful	36.36	35.53
Less: Provision for doubtful receivables	(36.98)	(35.53)
Total	**60.71**	**97.13**

Note:

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.

Trade receivables are non interest bearing and are generally on credit terms of 30 days.

11. Cash and bank balances

	31 March 2018	31 March 2017
11 a. Cash and cash equivalents :		
Balances with banks		
On current accounts	37.89	59.58
On Bank deposits with upto three months maturity	53.63	18.72
Cash on hand	0.16	0.38
	91.68	**78.68**
11 b. Bank balances other than above		
Earmarked bank balances	0.40	0.37
Bank deposits with upto three months maturity (lien marked)		-
Bank deposits with maturity for 3 to 12 months	11.38	18.02
	11.78	**18.39**

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

For the purpose of statement of cash flows, cash and cash equivalents comprises the following :

	31 March 2018	31 March 2017
Balance with banks :		
On current accounts	37.89	59.58
On deposit accounts	53.63	18.72
Cash on hand	0.16	0.38
Total	91.68	78.68

Notes:

Earmarked bank balances includes balance of Rs. 0.40 crores (31st March 2017: Rs.0.37 crores) pertaining to unclaimed dividend.

Deposits with banks include deposits provided as collateral against credit facilities of Rs. 11.38 crores (31st March 2017: Rs. 14.50 crores).

12. Loans (current)	**31 March 2018**	**31 March 2017**
Loans to related parties *		
Unsecured, Considered Good	130.17	34.36
Other loans and advances		
Unsecured, Considered Good	612.68	722.87
Total	**742.85**	**757.23**

* disclosure with respect to related party transactions is given in note 38.

13. Current Tax Assets (Net)	**31 March 2018**	**31 March 2017**
Income tax paid (net of provisions for tax)	58.18	57.37
Total	**58.18**	**57.37**

Break-up of the financial assets carried at amortised cost :		
Security deposits (current)	-	-
Security deposits (non current)	-	-
Loans to related parties (current)	130.17	34.36
Loans to related parties (non current)	24.44	22.35
Other loans (non current)	-	59.26
Trade receivables	60.71	97.13
Cash and cash equivalents	91.68	78.68
Other bank balances	11.78	18.39
Other loans	612.68	722.87
Other financial assets (current)	14.53	14.05
Other financial assets (non current)	14.15	14.27
Total	**960.14**	**1,061.36**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

14. Equity share capital	**31 March 2018**	**31 March 2017**
Authorised:		
21,10,00,000 (31 March 2017: 21,10,00,000) equity shares of Rs 10 each	211.00	211.00
Issued subscribed and paid up:		
20,07,68,242 (31 March 2017: 20,07,68,242) equity shares of Rs 10 each	200.77	200.77
Add: Shares forfeited	0.02	0.02
Total	**200.79**	**200.79**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2018		31 March 2017	
	No of shares	**Amount**	**No of shares**	**Amount**
At the beginning of the year	20.07	200.77	20.07	200.77
Issued during the year	-	-	-	-
Outstanding at the end of the year	**20.07**	**200.77**	**20.07**	**200.77**

B. Terms/Rights attached to equity shares

The company has only one class of equity share having face value of Rs. 10/- per share.The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing general meeting. The holder of share is entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company at the end of the period

Name of Shareholder	**31 March 2018**		**31 March 2017**	
	Number of shares held	**% of holding in class**	**Number of shares held**	**% of holding in class**
Udhyam Merchandise Pvt Ltd	2.51	12.51%		12.51%
Blackstone GPV Capital Partners Mauritius V-ALTD	-	-	2.51	-
Deutsche Securities Mauritius Ltd			-	-
Oswal Greentech Limited	-	-	1.38	6.87%
Umra Securities Limited	1.88	9.34%	1.88	9.34%
State Bank of Patiala	-	0.00%	1.35	6.72%
State Bank of India	3.25	16.18%		

D. Preference share capital

The Company also has authorised preference share capital of 17,500,000 shares (31 March 2017: 17,500,000) of Rs 100/- each

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

15. Other Equity

	Amount
a) Capital Reserve	
As at 1 April 2016	77.77
Changes during the year	-
As at 31 March 2017	77.77
Changes during the year	-
As at 31 March 2018	77.77
b) Share Premium	
As at 1 April 2016	1,262.83
Changes during the year	-
As at 31 March 2017	1,262.83
Changes during the year	(148.33)
As at 31 March 2018	1,114.50
c) Debenture Redemption Reserve	
As at 1 April 2016	86.02
Changes during the period	-
As at 31 March 2017	86.02
Changes during the period	-
As at 31 March 2018	86.02
d) Capital Redemption Reserve	
As at 1 April 2016	1.89
Changes during the period	-
As at 31 March 2017	1.89
Changes during the period	-
As at 31 March 2018	1.89
e) Capital Reconstruction Reserve	
As at 1 April 2016	19.68
Changes during the period	-
As at 31 March 2017	19.68
Changes during the period	-
As at 31 March 2018	19.68
f) Amalgamation Reserve	
As at 1 April 2016	3.31
Changes during the period	-
As at 31 March 2017	3.31
Changes during the period	-
As at 31 March 2018	3.31

	Amount
g) General Reserve	
As at 1 April 2016	163.97
Changes during the period	-
As at 31 March 2017	163.97
Changes during the period	-
As at 31 March 2018	163.97
h) FVTOCI reserve	
As at 1 April 2016	(44.93)
Other comprehensive income for the year 2016-17	0.25
As at 31 March 2017	(44.68)
Other comprehensive income for the year 2017-18	(23.53)
As at 31 March 2018	(68.21)
i) Re-measurement gains/ (losses) on defined benefit plans	
As at 1 April 2016	(6.66)
Other comprehensive income for the year 2016-17	(3.92)
As at 31 March 2017	(10.58)
Other comprehensive income for the year 2017-18	(7.31)
As at 31 March 2018	(17.89)
j) Foreign Exchange Translation Reserve (Net)	
As at 1 April 2016	(19.59)
Changes during the period	(3.67)
As at 31 March 2017	(23.26)
Changes during the period	(0.69)
As at 31 March 2018	(23.95)
k) Retained Earnings	
As at 1 April 2016	(1,331.54)
Profit for the year 2016-17	(2,129.58)
Less: Dividend distributed	-
Less: Dividend distribution tax paid	-
Less: Transfer to general reserve	-
As at 31 March 2017	(3,339.41)
Profit for the year 2017-18	(1,758.33)
Add: Adjustment on cessation of control in subsidiary & Associate	262.61
Less: Dividend distributed	-
Less: Dividend distribution tax paid	-
Less: Transfer to general reserve	-
As at 31 March 2018	(4,835.13)
Total other equity attributable to equity holders of the parent	
As at 31 March 2018	(3,478.04)
As at 31 March 2017	(1,802.46)
As at 1 April 2016	212.75
Non-controlling interests	
As at 31 March 2018	0.15
As at 31 March 2017	114.39
As at 1 April 2016	117.12

MONNET ISPAT & ENERGY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

16. Borrowings

	Non-current		Current	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Debentures				
Secured				
Non-Convertible Redeemable Debentures redeemable at par	919.91	919.28	-	-
Liability component of financial liabilities				
6.5% Cumulative Non Convertible Redeemable Preference Shares	148.58	142.62	-	-
Term Loan				
Secured				
Foreign currency loans from Banks	1,617.98	2,000.08	-	-
Rupee loans from Banks	4,074.40	7,150.52		
Term loan from NBFCs	131.53	131.53	-	-
Hire Puchase loans from Banks		0.06	-	-
Less: current maturities of long term debt (refer note 21)	(3,410.41)	(1,929.15)	-	-
Short Term loan				
Unsecured				
-foreign currency loans	-	-	-	-
-from banks	-	-	**354.46**	391.64
-from companies	-	-	**-**	-
-from related parties	-	-	**-**	-
Working capital facility				
Secured				
From Banks	-	-	**1,554.39**	1,526.75
	3,481.99	**8,414.94**	**1,908.85**	**1,918.39**

(Amount in Rupees crores, unless otherwise stated)

(a) Terms of Borrowings

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2018	As on 31st March 2017			
6.5% Cumulative Non Convertible Redeemable Preference Shares	148.58	142.62	6.5%	N.A.	Preference shares were issued on 30th March,2013 for the period of 9 years with periodical put and call options.
Non-Convertible Debentures	919.91	919.28	Refer note 16(b)	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Refer note 16(b)
Foreign currency loans from Banks	1357.44	1,349.13	LIBOR plus 4.25 to 4.6%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 14-15 to FY 19-20
Foreign currency loans from Banks	-	478.05	6 month LIBOR plus spread of 450 to 500 bsp	Foreign currency loans from Banks are secured by first charge in favour of Security Trustees on behalf of all the lenders. The loans are secured with the English Mortgage & assignment of Project Rights and also secured inter-alia on first charge basis by mortgage of deposit of original title deed of land of the company.	Repayable in 10 semi-annual installments after a moratorium period of three/four years.
Foreign currency loans from Banks	260.55	172.90		i. First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Company. ii. Corporate guarantee of ultimate Parent Company and PT Sarwa Sembada Karya Bumi. iii. Assignment and charge over the Shareholder's loan extended by Company to PT Sarwa Sembada Karya Bumi. iv. Assignment and charge over the coal sale contract entered into between the Company and PT Sarwa Sembada Karya Bumi.	Repayable in three equal yearly installments from FY 2017-18

MONNET ISPAT & ENERGY LIMITED

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(Amount in Rupees crores, unless otherwise stated)

(a) Terms of Borrowings

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2018	As on 31st March 2017			
Rupee loans from Banks	4074.4	4,121.16	11% To 13%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayeble in installments from FY 2014-15 to FY 2026-27
Rupee loans from Banks	-	3,029.37	13.03% to 15%	Rupee Terms loans from Banks are secured by second charge on all movable and immovable assets, both present and future, created in favour of the Security Trustee on behalf of all the mezzanine lenders. The loans are further secured by English Mortgage & assignment of Project Rights on second charge basis. The loans are further secured by personal guarantee of one of Director of the company.	Repayable in equal quarterly instalments over a period of 12.5 years after a moratorium period of 1.5 years which generally falls in June 2017.
Term loan from NBFCs	131.53	131.53	12.25% to 12.50%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayeble in installments from FY 2014-15 to FY 2026-27
Hire Puchase loans from Banks	-	0.06	10.25% to 11.25%	Secured by Charge on Respective Vehicles financed	Repayble in 36 to 60 monthly installments
Short term loans (unsecured)	354.46	305.19	11.50% to 13%	N.A.	On demand
Working capital facility	1554.39	1,526.75	10.95% to 12.75%	Secured by first charge on movable current assets and second charge on all immovable assets of the company. Some of the loans are guaranteed by Managing Director of the company	On demand

(Amount in Rupees crores, unless otherwise stated)

16(b). Terms and conditions of issue and redemption of Debentures are as under:

No of Debenture	Rate	Amount *	Date of commencement of redemption
Non Convertible Secures Redeemable Debentures			
1000	11.00%	100	Issued on 18th January, 2013. Redeemable at par at the end of 7th, 8th, 9th and 10th Year.
250	11.25%	25	Issued on 28th March, 2013. Redeemable at par on 28th March, 2020.
800	10.50%	80	Issued on 30th January, 2010. Redeemable at par on 30th January 2020.
1000	10.50%	100	Issued on 24th December, 2009. Redeemable at par on 24th December, 2019.
150	11.25%	15	Issued on 28th June, 2013. Redeemable at par on 28th June, 2018.
500	11.25%	50	Issued on 30th May, 2013. Redeemable at par on 30th May, 2018.
150	11.25%	15	Issued on 28th March, 2013. Redeemable at par on 28th March, 2018.
150	11.50%	15	Issued on 28th March, 2013. Redeemable at par on 28th March, 2018.
1500	11.25%	150	Issued on 20th February, 2013. Redeemable at par on 20th February, 2018.
1200	12.50%	120	Issued on 4th November, 2008. Redeemable at par in the ratio of 35:35:30 at the end of 8th, 9th and 10th Year.
2500	14.50%	250	Issued on 31st March, 2014. Redeemable at par in 8 installments payable every 6 months starting from 30th September, 2015.

* In absolute amounts i.e. before applying effective interest rate method for amortisation of upfront fees.

17. Provisions

	Non-current		Current	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Provision for employee benefits				
Provision for gratuity	0.49	0.22	-	-
Provision for compensated absences	2.91	3.67	-	0.19
Other provisions	-	(8.29)		-
(Refer note 36 for Ind AS 19 disclosures)				
	3.40	(4.40)	-	0.19

(Amount in Rupees crores, unless otherwise stated)

18. Income Taxes

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

A. Statement of profit and loss:

(i) Profit or loss section	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge		
Adjustments in respect of current income tax of previous year	-	-
MAT Credit Entitlement written back	-	5.06
Deferred tax:		
Relating to origination and reversal of temporary differences		-
Income tax expense reported in the statement of profit or loss	**-**	**5.06**

(ii) OCI Section	31 March 2018	31 March 2017
		-
Deferred tax related to items recognised in OCI during in the year:	**-**	**-**
Net loss/(gain) on remeasurements of defined benefit plans		
Income tax charged to OCI		

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

	31 March 2018	31 March 2017
Accounting loss before tax from continuing operations	(1,759.29)	(2,127.26)
Profit/(loss) before tax from a discontinued operation	-	-
Accounting loss before income tax	**(1,759.29)**	**(2,127.26)**
At India's statutory income tax rate of 30.90% (31 March 2017: 30.90%)	(543.62)	(657.32)
Adjustments in respect of current income tax of previous years	-	-
Deferred tax asset not recognised for the carryforward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	543.62	657.32
Unclaimed MAT Credit Entitlement written back	-	5.06
At the effective income tax rate of 0.00% (31 March 2017: -0.25%)	**-**	**5.06**
Income tax expense reported in the statement of profit and loss	-	5.06
Income tax attributable to a discontinued operation		-
	-	**5.06**

Deferred tax

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Accelerated depreciation for tax purposes	1073.43	282.08	791.35	(469.04)
Disallowance u/s 43B	-	-	-	2.04
Ind AS adjustments	34.71	33.64	1.07	7.30
Less: Deferred tax asset not recognised for the carryforward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	(1,108.14)	(315.72)	(792.42)	459.70
Deferred tax expense/(income)			-	-
Net deferred tax assets/(liabilities)	-	-		

Reflected in the balance sheet as follows:

	31 March 2018	31 March 2017
Deferred tax assets (continuing operations)	-	-
Deferred tax liabilities (continuing operations)	-	-
Deferred tax liabilities, net	-	-

Reconciliation of deferred tax liabilities (net):

	31 March 2018	31 March 2017
Opening balance as of 1 April	-	-
Tax (income)/expense during the period recognised in profit or loss	-	-
Tax (income)/expense during the period recognised in OCI	-	-
Discontinued operation	-	-
Deferred taxes acquired in business combinations	-	-
Closing balance as at 31 March	-	-

19. Other non-financial liabilities

	Non-current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Deferred upfront fee liability	22.76	52.20	-	-
Advance from customers	-	-	11.10	8.38
Statutory dues	-	-	9.05	49.57
Other liabilities	-	-	-	1,083.71
	22.76	52.20	20.15	1,141.66

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20. Trade payables	31 March 2018	31 March 2017
Trade payables		
- total outstanding dues of micro and small enterprises;	5.57	3.79
- total outstanding dues of creditors other than micro and small enterprises	104.48	154.16
Total	**110.05**	**157.95**

Note:
Disclosure with respect to related party transactions is given in note 38.

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled within 90 days except for SME's which are settled within 45 days.
For explanations on the Company's credit risk management processes, refer to Note 41

21. Other Financial Liabilities	Non-current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Derivatives not designated as hedges:				
Cross currency swaps	-	8.29	-	-
(at amortised cost):				
Current maturities of long term debt	-	-	3,410.41	1,929.15
Interest payable:				
Interest accrued but not due on borrowings	-	-	101.24	80.64
Interest accrued and due on borrowings	-	-	2,382.24	1,231.97
Unclaimed dividends	-	-	0.40	0.37
Security deposits and retention money	-	-	21.13	22.07
Payable for capital expenditures	-	-	51.12	44.52
Creditors for expenses	-	-	23.00	54.69
Oustanding liabilities	-	-	49.32	86.82
	-	**8.29**	**6,038.86**	**3,450.23**

Break-up of financial liabilities carried at amortised cost

Trade Payables	110.05	157.95
Other financial liabilities (current)	6,038.86	3,450.23
Borrowings (current)	1,908.85	1,918.39
Borrowings (non current)	3,481.99	8,414.94
	11,539.75	**13,941.51**

22. Revenue From Operations

	31 March 2018	31 March 2017
Sale of Products	2,199.85	2,081.45
Sale of services	11.51	32.93
Less: Inter Division Transfers	(800.43)	(741.58)
	1,410.93	1,372.80
Other operating revenues		
Sale of scrap	2.46	2.28
Export Incentives	5.70	
Coal Beneficiation Charges		-
Total	**1,419.09**	**1,375.08**

Sale of goods includes excise duty collected from customers of Rs. 35.83 crores (31 March 2017: Rs. 137.05 crores).

23. Other income

	31 March 2018	31 March 2017
Interest Income		
From Long Term Investments	-	-
From Bank Deposits	3.54	12.58
Others	0.10	9.61
Unwinding of discount on financial assets	2.08	2.12
Dividend		
Current investments		-
Non Current Investments	0.02	0.02
Amortisation of deferred upfront fee	1.28	1.28
Profit on sale of financial assets	-	0.53
Net gain on sale of Investments	-	-
Rent Received	1.45	2.90
Insurance Claim Received	0.02	2.74
Foreign Exchange fluctuation	0.12	0.27
Profit on Sale of Fixed Assets	0.01	0.04
Other Miscellaneous Income	4.52	5.20
Total	**13.14**	**37.29**

24. Cost of material consumed

	31 March 2018	31 March 2017
Iron Ore	508.92	440.23
Coke & Coal	442.54	417.01
Magnese Ore & Hi Mn Slag	-	53.87
Billets	302.20	235.26
Pig Iron & Hot Metal	15.59	35.77
M.S. Scrap	35.00	4.57
Ferro Alloys	16.35	10.77
Sponge Iron	243.88	159.38
Others	162.21	117.41
Less: Inter Division Transfers	(581.90)	(530.99)
	1,144.79	**943.28**

25. Changes in inventories of finished goods, stock in trade and work-in-progress

	31 March 2018	31 March 2017
Inventories at the beginning of the year		
Finished Goods	139.66	273.83
Work-in-process	11.59	7.91
Total Inventories at the beginning of the year	**151.25**	**281.74**
Revaluation of off grade stock	54.59	-
Finished Goods used for Fixed Assets	15.04	0.02
Inventories at the end of the year		
Finished Goods	103.06	139.66
Work-in-process	2.75	11.59
Total Inventories at the end of the year	**105.81**	**151.25**
Total	**(24.19)**	**130.47**

26. Employee benefits expense

	31 March 2018	31 March 2017
Salaries, wages and amenities	90.19	99.62
Contribution to provident fund and other funds	6.64	6.60
Staff welfare expenses	2.06	2.54
Total	**98.89**	**108.76**

27. Finance Costs

	31 March 2018	31 March 2017
Interest on debt and borrowings	1,192.19	1,070.15
Other ancillary borrowing costs	1.07	57.55
Unwinding of discount on financials liabilities		6.13
Total	**1,193.26**	**1,133.83**

28. Depreciation and amortisation expense

	31 March 2018	31 March 2017
Depreciation of property, plant and equipments (refer note 3)	355.02	359.66
Amortisation of intangible assets (refer note 4)	-	-
	355.02	**359.66**

29. Other expenses

	31 March 2018	31 March 2017
MATERIAL, MANUFACTURING AND OTHERS		
Stores and Spares Consumed	28.66	29.35
Power and Fuel	228.25	223.14
Excise Duty on Stocks	(10.42)	(10.20)
Other Manufaturing Expenses	9.95	28.86
Less : Inter Division Transfers	(218.54)	(206.61)

(Amount in Rupees crores, unless otherwise stated)

ADMINISTRATION & OTHER EXPENSES		
Printing and Stationery	0.39	0.40
Rent	0.39	0.45
Rates & Taxes	1.62	1.76
Vehicle Expenses	4.52	6.83
Communication Expenses	0.86	1.29
Travelling & Conveyance	3.62	7.21
Insurance Charges	5.78	7.81
Legal & Professional Charges	18.03	9.81
Directors Sitting Fees	0.10	0.20
Auditors' Remuneration		
- As Audit Fees	0.35	0.48
- For Limited Review	0.03	0.13
- For Tax Matters	0.02	0.12
- For Certification & Other Matters	0.02	0.07
- Reimbursement of Expenses	0.01	0.02
Miscellaneous Expenses	4.43	6.10
CSR Expenses	0.01	0.01
Lease Rent & Hire Charges	0.43	0.43
Share Transfer Expenses	0.02	0.02
Internal Audit Fees & Expenses	0.26	0.59
Loss from Partnership Firm	0.01	0.02
Bank Charges	1.39	7.05
Security Service Charges	1.11	0.46
Provision For Doubtful Debts	1.82	7.57
Bad Debts written off	-	27.78
Loss on sale of Construction assets	-	0.32
Distribution & Marketing Expenses	23.18	26.87
Share in loss of Associate	12.09	16.69
Impairment of Investment in Associate	-	261.29
REPAIR & MAINTENANCE		
Machinery	4.71	3.32
Building	0.28	1.35
Others	1.02	2.61
	124.40	**463.60**

30. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2018

	Other equity	Total
Remeasurement gains (losses) on defined benefit plans	(7.31)	(7.31)
Income tax effect	-	-
Equity instruments through other comprehensive income	(23.53)	(23.53)
Income tax effect	-	-
Exchange differences in translating the financial statements of foreign operations	(0.69)	(0.69)
Income tax effect	-	-
	(31.53)	**(31.53)**

During the year ended 31 March 2017

	Other equity	Total
Remeasurement gains (losses) on defined benefit plans	(3.92)	(3.92)
Income tax effect	-	-
Equity instruments through other comprehensive income	0.25	0.25
Income tax effect	-	-
	(3.67)	**(3.67)**

31. Earnings Per Share (EPS)

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

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

Particulars	**31-Mar-18**	**31-Mar-17**
Profit for the year as per Statement of Profit & Loss	(1,759.29)	(2,135.99)
Profit attributable to equityholders of the Company for basic earnings	**(1,759.29)**	**(2,135.99)**
	No. crores	**No. crores**
Weighted average number of equity shares in calculating basic EPS	20.07	20.07
Effect of dilution:	-	-
Weighted average number of equity shares in calculating diluted EPS	**20.07**	**20.07**
Earnings per equity share in Rs.		
Basic	(87.63)	(106.39)
Diluted	(87.63)	(106.39)
Face Value of each equity share	**10**	**10**

32. Some of the balances of trade/other receivables/payables and loans and advances are subject to confirmation /reconciliation. of the same, Adjustments, if any will be accounted for on confirmation/reconciliation which in the opinion of the management will not have a material impact.

33. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:
Proportion of equity interest held by non-controlling interests:

(Amount in Rupees crores, unless otherwise stated)

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)	
			As at 31 March 2018	As at 31 March 2017
1	Monnet Global Ltd	U.A.E.	100%	100%
2	Monnet Enterprises Pte. Ltd.	SINGAPORE	100%	100%
3	Monnet Power Company Ltd (Refer note below:)	INDIA	NA	88.31%
4	Monnet Cement Ltd.	INDIA	99.97%	99.97%
5	Chomal Exports Pvt Ltd	INDIA	51.00%	51.00%
6	Monnet Sports Foundation	INDIA	62.39%	50.00%

Note : Monnet Power Company Limited, upon application filed by the lender of MPCL, has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by the Hon'ble National Company Law Tribunal, Mumbai with effect from 23rd February, 2018. As per Section 17 of the Code, upon appointment of the Interim Resolution Professional (IRP), the powers of the Board of Directors stands suspended and such powers shall be exercised by the Interim Resolution Professional appointed for the Company. Accordingly, in terms of provisions of Ind AS 110, since the control over the investee company now vests with the Resolution Professional and the Company no longer has the ability or power to affect the variable returns from its involvement with the investee company. Accordingly, investment in MPCL has been reclassified as investment in associates even though there is no change in the shareholding.

Information regarding non-controlling interest	As at 31 March 2018	As at 31 March 2017
Accumulated balances of material non-controlling interest:		
Monnet Global Ltd	-	0.01
Monnet Enterprises Pte. Ltd.	-	-
Monnet Power Company Ltd	-	114.23
Monnet Daniel Coal Washeries Ltd.	-	-
Monnet Cement Ltd.	-	-
Chomal Exports Pvt Ltd	0.15	0.15
Monnet Sports Foundation	-	-
Profit/(loss) allocated to material non-controlling interest:		
Monnet Global Ltd	-	-
Monnet Enterprises Pte. Ltd.	-	-
Monnet Power Company Ltd	(0.96)	(2.74)
Monnet Daniel Coal Washeries Ltd.	-	-
Monnet Cement Ltd.	-	-
Chomal Exports Pvt Ltd	-	-
Monnet Sports Foundation	-	-

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The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended 31 March 2018:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Revenue	0.36	-	NA	-	-
Cost of raw material and components consumed			NA		
Other expenses	4.61	0.05	NA	-	-
Finance costs	10.78		NA		
Profit before tax	(15.03)	(0.05)	NA	-	-
Income tax			NA		
Profit for the year from continuing operations	(15.03)	(0.05)	NA	-	-
Total comprehensive income	(15.03)	(0.05)	NA	-	-
Attributable to non-controlling interests	-	-	NA	-	-
Dividends paid to non-controlling interests	-	-	NA	-	-

Summarised statement of profit and loss for the year ended 31 March 2017:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Revenue	2.82	-	0.94	-	0.01
Cost of raw material and components consumed	-	-	-	-	-
Other expenses	(26.66)	0.04	15.00	-	0.01
Finance costs	10.48	-	12.48	-	-
Profit before tax	19.00	(0.04)	(26.54)	-	-
Income tax	-	-	-	-	-
Profit for the year from continuing operations	19.00	(0.04)	(26.54)	-	-
Total comprehensive income	19.00	(0.04)	(26.12)	-	-
Attributable to non-controlling interests	-	-	(2.74)	-	-
Dividends paid to non-controlling interests	-	-	-	-	-

(Amount in Rupees crores, unless otherwise stated)

Summarised balance sheet as at 31 March 2018:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Inventories and cash and cash equivalents and other current assets (current)	8.64	17.65	NA	0.07	0.30
Property, plant and equipment and other non-current assets (non-current)	178.64	-	NA	0.16	-
Trade and other payable (current)	267.64	0.14	NA	-	-
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	86.85		NA		
Total equity	(167.21)	17.51	NA	0.23	0.30
Attributable to:			NA		
Equity holders of parent	(167.21)	17.51	NA	0.23	0.15
Non-controlling interest	-	-	NA	-	0.15

Summarised balance sheet as at 31 March 2017:

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Inventories and cash and cash equivalents and other current assets (current)	31.75	0.05	21.91	0.07	0.30
Property, plant and equipment and other non-current assets (non-current)	184.19	-	5,539.77	0.16	-
Trade and other payable (current)	194.44	(17.43)	1,236.65	-	-
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	172.90	-	3,507.64	-	-
Total equity	(151.40)	17.48	817.39	0.23	0.30
Attributable to:					
Equity holders of parent	(151.41)	17.48	703.16	0.23	0.15
Non-controlling interest	0.01	-	114.23	-	0.15

Summarised cash flow information as at 31 March 2018

	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Cement Ltd.	Chomal Exports Pvt Ltd
Operating	11.03	-	NA	-	-
Investing	3.34	-	NA	-	-
Financing	(24.04)	-	NA	-	-
Net increase/(decrease) in cash and cash equivalents	(9.67)	-	NA	-	-

(Amount in Rupees crores, unless otherwise stated)

34. Disclosure of significant investments in joint ventures and associates:

1) Disclosure of investment in the following joint ventures :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)	
			As on 31.03.18	As on 31.03.17
1	Mandakini Coal Company Ltd	India	33.33%	33.33%
2	Urtan North Mining Company Ltd	India	33.33%	33.33%
3	MP Monnet Mining Company Ltd	India	49.00%	49.00%
4	Monnet Ecomaister Enviro Pvt Ltd	India	50.00%	50.00%
5	Mandakini Exploration & Mining Ltd	India	NA	23.84%

2) Disclosure of investment in the following accociates :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)	
			As on 31.03.18	As on 31.03.17
1	Orissa Sponge Iron & Steel Ltd.	India	NA	35.17%
2	Monnet Power Company Ltd (Refer note below:)	India	88.31%	NA

Note : Monnet Power Company Limited, upon application filed by the lender of MPCL, has been admitted for the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (‘Code’) by the Hon'ble National Company Law Tribunal, Mumbai Bench with effect from 23rd February, 2018. As per Section 17 of the Code, upon appointment of the Interim Resolution Professional (IRP), the powers of the Board of Directors stands suspended and such powers shall be exercised by the Interim Resolution Professional appointed for the Company. Accordingly, in terms of provisions of Ind AS 110, since the control over the investee company now vests with the Resolution Professional and the Company no longer has the ability or power to affect the variable returns from its involvement with the investee company. Accordingly, investment in MPCL has been reclassified as investment in associates even though there is no change in the shareholding.

MONNET ISPAT & ENERGY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
(Amount in Rupees crores, unless otherwise stated)

Summarised statement of profit and loss for the year ended 31 March 2018:

	Mandakini Coal Company Ltd	Monnet Power Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Revenue	-	0.63	-	-	0.14	NA	NA
Cost of raw material and components consumed	-		-	-	-	NA	NA
Other expenses	0.25	7.99	-	-	5.15	NA	NA
Finance costs	-	0.82	-	-	6.20	NA	NA
Profit before tax and exceptional items	(0.25)	(8.18)	-	-	(11.21)	NA	NA
Income tax	-	-	-	-	-	NA	NA
Exceptional Items	1.90	-	-	-	-		
Profit for the year from continuing operations	(2.15)	(8.18)	-	-	(11.21)	NA	NA
Total comprehensive income	(2.15)	(8.18)	-	-	(11.21)	NA	NA
Group's share of profit for the year	-6.37	-0.06	-0.11	0.00	-5.60		

Summarised statement of profit and loss for the year ended 31 March 2017:

	Mandakini Coal Company Ltd	Monnet Power Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Revenue	Not available	NA	0.39	-	1.34	Not available	3.46
Cost of raw material and components consumed	Not available	NA	-	-		Not available	-
Other expenses	Not available	NA	0.05	0.05	5.00	Not available	19.19
Finance costs	Not available	NA	-	-	1.25	Not available	70.87
Profit before tax	Not available	NA	0.34	(0.05)	(4.91)	Not available	(86.60)
Income tax	Not available	NA	-	-	-	Not available	12.79
Profit for the year from continuing operations	Not available	NA	0.34	(0.05)	(4.91)	Not available	(99.39)
Total comprehensive income	Not available	NA	0.34	(0.05)	(4.91)	Not available	(99.39)
Group's share of profit for the year	Not available	NA	0.11	(0.03)	(2.45)	Not available	-

Summarised balance sheet as at 31 March 2018:

	Mandakini Coal Company Ltd	Monnet Power Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Inventories and cash and cash equivalents and other current assets (current)	240.72	13.57	5.78	-	5.23	NA	NA
Property, plant and equipment and other non-current assets (non-current)	2.52	5,583.41	11.61	1.78	66.22	NA	NA
Trade and other payable (current)	172.57	1,739.69	0.13	0.21	61.00	NA	NA
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	-	3,034.81	-	-	5.09	NA	NA
Total equity	70.67	822.48	17.26	1.57	5.36	NA	NA
Proportion of the Group's ownership	33.33%	88.31%	33.33%	49.00%	50.00%	NA	NA
Carrying amount of the investment	23.56	700.79	5.75	0.77	2.68	NA	NA

Summarised balance sheet as at 31 March 2017:

	Mandakini Coal Company Ltd	Monnet Power Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Inventories and cash and cash equivalents and other current assets (current)	Not available	NA	5.55	0.01	5.20	Not available	49.03
Property, plant and equipment and other non-current assets (non-current)	Not available	NA	12.12	1.78	71.13	Not available	506.41
Trade and other payable (current)	Not available	NA	0.07	0.21	47.65	Not available	647.11
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	Not available	NA	-	-	12.11	Not available	0.92
Total equity		NA	17.60	1.58	16.57	Not available	(92.59)
Proportion of the Group's ownership	33.33%	NA	33.33%	49.00%	50.00%	23.84%	35.17%
Carrying amount of the investment	29.92	NA	5.86	0.77	8.29	0.01	-

35. In the opinion of the Management current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

36. Employee benefit plans

Defined Contribution Plans - General Description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the povident fund is Rs. 5.17 crores (31 March 2017 Rs. 5.77 crores)

Defined Benefit Plans - General Description

Gratuity:

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

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

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

	31 March 2018	31 March 2017
Defined benefit obligation at the beginning of the year	11.30	18.08
Less: Adjustment on cessation of control in subsidiary & Associate	(0.31)	-
Current service cost	1.05	1.40
Interest cost	0.79	0.98
Benefits paid	(6.12)	(14.68)
Actuarial (gain)/ loss on obligations - OCI	7.04	5.52
Defined benefit obligation at the end of the year	**13.75**	**11.30**

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

	31 March 2018	31 March 2017
Fair value of plan assets at the beginning of the year	17.86	15.31
Less: Adjustment on cessation of control in subsidiary & Associate	(0.11)	-
Contribution by employer		-
Benefits paid	(5.50)	(0.29)
Expected Interest Income on plan assets	1.28	1.24
Acturial gain/(loss) on plan asset	(0.27)	1.60
Fair value of plan assets at the end of the year	**13.26**	**17.86**

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

	31 March 2018	31 March 2017
Fair value of plan assets	13.26	17.86
Defined benefit obligation	13.75	11.30
Amount recognised in the Balance Sheet	**0.49**	**(6.56)**

Amount recognised in Statement of Profit and Loss:

	31 March 2018	31 March 2017
Current service cost	1.05	1.40
Interest expense	0.79	0.98
Expected return on plan asset	(1.28)	(1.24)
Amount recognised in Statement of Profit and Loss	**0.56**	**1.14**

Amount recognised in Other Comprehensive Income:

	31 March 2018	31 March 2017
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	1.82	0.94
Return on plan assets (excluding amounts included in net interest expense)	0.27	(1.60)
Experience adjustments	5.22	4.58
Amount recognised in Other Comprehensive Income	**7.31**	**3.92**

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

Gratuity	**31 March 2018**	**31 March 2017**
Investment Details	**Funded**	**Funded**
Investment with Insurance fund	100%	100%

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

	31 March 2018	31 March 2017
Discount rate	7.78%	7.20%
Expected rate of return on Plan assets	7.78%	7.20%
Future salary increases	7.00%	5.00%
Attrition Rate	2.00%	2.00%
Retirement age	60 years	60 years

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Gratuity Plan	**Sensitivity level**		**Impact on DBO**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Assumptions				
Discount rate	+ 0.25%	+ 0.25%	(0.34)	(0.28)
	- 0.25%	- 0.25%	0.35	0.29
Future salary increases	+ 0.25%	+ 0.25%	0.36	0.30
	- 0.25%	- 0.25%	(0.34)	(0.29)
Withdrawal rate	+ 0.25%	+ 0.25%	0.02	0.06
	- 0.25%	- 0.25%	(0.02)	(0.06)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality are insiginificant and hence ignored.
Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.Expected contributions to post-employment benefit plans for the year ending 31 March 2018 is Nil

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

	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	0.98	0.54
Between 2 and 5 years	2.29	2.08
Beyond 5 years	6.17	4.94
Total expected payments	**9.44**	**7.56**

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31 March 2017: 12 years).

37. Commitments and contingencies

(a)Leases

Operating lease commitments - Company as lessee

The Company has obtained office premises on operating leases. All leases are for less than twelve months. Further, there is a renewal clause in the lease agreements.

Lease payments of Rs. 0.39 crores (previous year – Rs. 0.45 crores) have been recognized as an expense in the statement of profit and loss during the year.

(b)Commitments

(i) Estimeted amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) of Rs. NIL (March 31, 2017 - Rs. 4.02 crores)

(ii) Letters of Credit opened in favour of inland/overseas suppliers (Net) Rs. 3.26 crores (March 31, 2017 - Rs. 0.30 crores)

(iii)Rupee equivalent of export obligation to be completed by 23th August, 2021 under EPCG Scheme Rs. 152.13 crores (March 31, 2017 - Rs. 259.86 crores).

(c) Contingent Liabilities

	31 March 2018	31 March 2017
Counter guarantees issued in respect of guarantees issued by company's bankers	73.41	129.02
Guarantees provided on behalf of limited companies	1,050.25	388.47
Excise/ service tax demands	12.13	34.64
VAT demands	1.38	1.38
Entry tax demands	30.67	15.78
Income Tax Demands	238.80	291.93
Provident fund Demands	-	0.00
Claims of PSPCL	-	0.00
Demands for water charges by Water Resources Division	-	0.00
Electricity Duty on generation of power	144.84	144.84
Cess on power generation	35.09	30.98
Risk purchase claim of customers	38.11	38.11
Other claims against the Company not acknowledged as debt	195.32	198.30
DMF&NMET liability for raw material purchased	5.87	5.87
Royalty on soil excavated	-	2.00

(The above are basic amounts excluding interest, if any)

38. Related party disclosures

A. List of related parties

(a) Joint Ventures	1	MP Monnet Mining Company Ltd.
	2	Mandakini Coal Company Ltd.
	3	Urtan North Mining Company Ltd.
	4	Monnet Ecomaister Enviro Pvt Ltd.
(b) Associates	1	Orissa Sponge Iron & Steel Ltd. (Upto 10th July, 2017)
	2	Monnet Power Company Ltd.
(c) Partnership Firm		Khasjamda Mining Company

(Amount in Rupees crores, unless otherwise stated)

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

1 Tirumala Balaji Alloys Pvt. Ltd.
2 M. K. Jajodia & Sons HUF
3 Monnet Project Developers Ltd.
4 Excello Fin Lea Ltd.

(e) Key Management Personnel:-

1 Shri Sandeep Kumar Jajodia - Chairman & Managing Director (upto 17.7.2017)
2 Mr.J.P.Lath - Independent director (upto 17.7.2017)
3 SBI Observer (upto 17.7.2017)
4 Suman Jyoti Khaitan - Independent director (upto 17.7.2017)
5 IDBI Representative (upto 17.7.2017)
6 Kunal Sharma - Independent director (upto 17.7.2017)
7 Ankita Wadhwan - Independent director (upto 17.7.2017)
8 Sumit Binani (Interim resolution professional / resolution professional) (w.e.f.18.7.2017)

B. Details relating to remuneration of Key Managerial Personnel

	31 March 2018		31 March 2017	
Name of KMP	**Short-term employee benefits**	**Sitting fees**	**Short-term employee benefits**	**Sitting fees**
Mr. Sandeep Jajodia	-	-	0.34	-
Mr.J.P.Lath	-	0.01	-	-
Ms. Bhawna Thakur	-	-	-	0.02
SBI Observer	-	0.01	-	0.02
Ms. Suman Jyoti Khaitan	-	0.02	-	0.05
Mr. Suresh Kishinchand Khatanhar	-	-	-	0.01
Mr. Kunal Sharma	-	0.02	-	0.02
Ms. Ankita Wadhwan	-	0.02	-	0.01

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

C. The following transactions were carried out with related parties in the ordinary course of business:-

Related Party Transactions		Relatives of Key Managerial Personnel	Joint Ventures	Partnership Firm	Associates	Enterprises over which KMP or their relatives are able to exercise significant influence
Sales of goods						
Monnet Project Developer Ltd.	31st March 2018	-	-	-	-	0.42
	31st March 2017	-	-	-	-	0.80
Loan Given						
Mandakini Coal Company Limited	31st March 2018	-	-	-	-	-
	31st March 2017	-	0.08	-	-	-
Loan Received						
Urthan North Mining Co Ltd	31st March 2018	-	-	-	-	-
	31st March 2017	-	0.91	-	-	-
Excello Fin Lea Ltd.	31st March 2018	-	-	-	-	-
	31st March 2017	-	-	-	-	23.00
Loan Repaid						
Excello Fin Lea Ltd.	31st March 2018	-	-	-	-	-
	31st March 2017	-	-	-	-	23.00
Tirumala Balaji Alloys Pvt. Limited	31st March 2018	-	-	-	-	-
	31st March 2017	-	-	-	-	5.00
Interest Paid on Loan						
Tirumala Balaji Alloys Pvt. Limited	31st March 2018	-	-	-	-	-
	31st March 2017	-	-	-	-	0.34
Excello Fin Lea Ltd.	31st March 2018	-	-	-	-	-
	31st March 2017	-	-	-	-	0.48
Rent Paid						
M.K.Jajodia & Sons HUF	31st March 2018	-	-	-	-	0.03
	31st March 2017	-	-	-	-	0.13
Guarantees issued on behalf of other Body Corporates as on 31.3.2018						
Mandakini Coal Co. Ltd.	31st March 2018	-	89.71			
	31st March 2017	-	86.93			
Urtan North Mining Co. Ltd.	31st March 2018	-	3.67			
	31st March 2017	-	3.67			
Monnet Ecomaister Enviro Pvt .Ltd.	31st March 2018	-	24.30			
	31st March 2017	-	38.51			
Net outstanding balances:						
Orissa Sponge Iron & Steel Ltd	31st March 2018	-			2.57	
	31st March 2017	-			2.41	
MP Monnet Mining Company Ltd	31st March 2018	-	0.21			
	31st March 2017	-	0.21			
Mandakini Coal Company Ltd	31st March 2018	-	3.09			
	31st March 2017	-	3.09			
Urtan North Mining Company Ltd.	31st March 2018	-	0.83			
	31st March 2017	-	0.83			
Monnet Ecomaister Enviro Pvt. Ltd.	31st March 2018	-	6.76			
	31st March 2017	-	6.79			
M.K. Jajodia & Sons HUF (payable)	31st March 2018	-				-
	31st March 2017	-				(0.06)
Khasjamda Mining Company	31st March 2018	-				0.33
	31st March 2017	-				0.34

(Amount in Rupees crores, unless otherwise stated)

39.Segment information

As per Indian Accounting Standard (Ind AS) 108 on "Operating Segments", segment information has been provided in the Notes to Consolidated Financial Statements.

40. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	31-Mar-18	31-Mar-17
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	5.57	3.79
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	-	-

41. Fair value hierarchy

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

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3 : valuation techniques for which the lowest level input which hass a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-18	24.44	-	24.44	-
Non current investments (FVTOCI)	31-Mar-18	35.03	34.96	-	0.07
Intangible assets under development	31-Mar-18	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018:

Rs in crores

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-18	148.58	-	148.58	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-17	22.35	-	22.35	-
Non current investments (FVTOCI)	31-Mar-17	1.04	0.95	-	0.09
Intangible assets under development	31-Mar-17	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

Rs in crores

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-17	142.62	-	142.62	-

There have been no transfers between Level 1 and Level 2 during the period.

42. Financial risk management objectives and policies

The Company’s principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, employee liabilities. The Company’s principal financial assets include trade and other receivables, loans given and cash and short-term deposits/ loan that derive directly from its operations.The Company is exposed to market risk, credit risk and liquidity risk. The Company’s management oversees the management of these risks. The Company’s senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company’s management that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I . Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include , deposits.The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 34.The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

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.

	Increase/decrease in basis points	Effect on profit before tax
		INR Crores
31-Mar-18		
INR	+50	(29.12)
INR	-50	(29.12)
31-Mar-17		
INR	+50	(71.95)
INR	-50	71.95

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

B. Foreign currency sensitivity

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. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	(83.18)
	-5%	83.18
31-Mar-17	+5%	(45.41)
	-5%	45.41

	Change in EURO rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	(0.31)
	-5%	0.31
31-Mar-17	+5%	(0.31)
	-5%	0.31

	Change in YEN rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	-
	-5%	-
31-Mar-17	+5%	-
	-5%	-

	Change in AED rate	Effect on profit before tax
		INR in crores
31-Mar-18	+5%	0.01
	-5%	(0.01)
31-Mar-17	+5%	3.19
	-5%	(3.19)

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

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 10.
An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties.

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. In crores)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-18						
Borrowings*	4,789.59	160.78	386.75	2,650.60	974.37	8,962.09
Trade payables	104.48	5.57				110.05
Other financial liabilities	2,628.45	101.24				2,729.69
	7,522.52	**267.59**	**386.75**	**2,650.60**	**974.37**	**11,801.83**
Year ended 31-Mar-17						
Borrowings*	2,474.56	441.04	988.82	4,222.59	4,167.85	12,294.86
Trade payables	154.15	3.80	-	-	-	157.95
Other financial liabilities	2,067.30	80.64	-	-	-	2,147.94
	4,696.01	**525.48**	**988.82**	**4,222.59**	**4,167.85**	**14,600.75**

IV. Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's marketing facilities are situated in different geographies. Similarly the distribution network is spread PAN India.

43 . Capital Management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.
The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rupees crores, unless otherwise stated)

	31 March 2018	31 March 2017
Total Liabilities	11,586.06	15,139.45
Less: Cash and cash equivalents	91.68	78.68
Net debts	**11,494.38**	**15,060.77**
Total equity	(3,277.25)	**(1,601.67)**
Gearing ratio （%)	**-350.73%**	**-940.32%**

44. Derivative instruments and unhedged foreign currency exposure

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

	31 March 2018	31 March 2018	31 March 2017	31 March 2017
Foreign payables for capital expenditure	**Foreign Currency**	**Amount (Rs. Crores)**	**Foreign Currency**	**Amount (Rs. Crores)**
CAD in crores	-	-	-	-
EURO in crores	-	-	-	-
GBP in crores	-	-	-	-
USD in crores	-	-	-	-
YEN in crores	-	-	-	-
Foreign trade payables			-	-
USD in crores	0.13	8.17	0.13	8.09
EURO in crores	0.08	6.46	0.08	5.50
CAD in crores	-	0.04	-	0.04
Foreign advances received			-	-
USD in crores	-	-	0.01	0.37
Borrowings			-	-
USD in crores	24.26	1,580.39	32.81	2,127.50
EURO in crores	-	-	0.01	0.80
Foreign advances recoverable			-	-
AUD in crores	-	-	-	-
EURO in crores	-	0.23	-	-
USD in crores	0.86	55.93	0.98	0.18
AED in crores	0.01	0.14	0.01	63.70
Foreign trade receivables			-	-
USD in crores	-	-	0.12	7.68
EURO in crores	-	-	-	0.29
Foreign fixed deposits receipts	-	-	-	-
USD in crores	-	-	-	-

(Amount in Rupees crores, unless otherwise stated)

45. In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet except where stated otherwise. Some of the balances of trade/ other receivables/ payables and loans and advances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same,
which in the opinion of the management will not have a material impact.

46.Disclosure of Movement in Provisions during the year as per Ind AS- 37, 'Provisions, Contingent Liabilities and Contingent Assets' :

Particulars	Balance As on 01.04.2017	Provided During the year	Paid/Adjusted During the year	Balance As on 31.03.2018
Non-current provisions				
Gratuity	(6.54)	7.87	0.84	0.49
Total	**(6.54)**	**7.87**	**0.84**	**0.49**
Current provisions				
Accumulated leaves	3.86	(0.55)	0.40	2.91
Total	**3.86**	**(0.55)**	**0.40**	**2.91**
Grand total	**(2.68)**	**7.32**	**1.24**	**3.40**

47. The Hon'ble Supreme Court of India by its Order dated 24th September, 2014 has cancelled a number of coal blocks allocated to various entities which includes five under development mines allotted to the Company or its joint venture companies. The Ministry of Law and Justice (Legislative Department), Government of India, has promulgated an Ordinance on October 21, 2014 for implementing the order of Hon'ble Supreme Court and fixation of compensation etc.

The Company had invested directly or through Joint Ventures in the following coal blocks which have been cancelled pursuant to the court order as mentioned here in above:

Particulars	Expenditure on fixed assets	Investment in Shares	Other Current & Non-current assets / (liabilities)	Total
Coal Blocks in Company's books				
Utkal – B2	44.07	–	–	44.07
Rajgamar	13.96	–	–	13.96
Coal Block through JVs				
Mandakini	–	39.3	3.09	42.39
Urthan North	–	5.75	(0.82)	4.93
Morga-3	–	0.98	2.71	3.69
	58.03	**46.03**	**4.98**	**109.04**

The ministry of coal has, through its letter dated 1st February, 2018, asked erstwhile owners of deallocated coal blocks to submit further information / documents in order to carry out valuation / computation of compensation payable.No adjustment has been made against impairment of assets since the final compensation amount is not yet ascertained / under litigation.

(Amount in Rupees crores, unless otherwise stated)

48. The Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Monnet Ispat & Energy Limited ("Company")under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an Order of the National Company Law Tribunal (NCLT) with effect from 18th July 2017. The Resolution professional had invited interested Bidders, having adequate financial and technical capability, to submit resolution plan for the Company under CIRP and accordingly Resolution Plan has been submitted by the consortium of AION Capital and JSW Steel Ltd. The Resolution Plan has been approved by the Committee of Creditors (98.97% votes cast in favour of the resolution plan) and the same is currently in the process of evaluation by the NCLT. In view of the same, these financial statements have been prepared on going concern basis.

49.Disclosure under Ind AS 7 'Statement of Cash Flows'

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

	31-03-2017	Cash flows	Non-cash changes	31-03-2018
			Fair value changes	
Long-term borrowings	10,344.09	-	(3,451.69)	6,892.40
Short term borrowings	1,918.39	57.18	(66.72)	1,908.85
Total liabilities from financing activities	**12,262.48**	**57.18**	**(3,518.41)**	**8,801.25**

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

In terms of our report of even date annexed

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

For and on behalf of the Board

Rajeev Ranjan
Partner
M.No.535395

Sandeep Jajodia
Chairman & Managing Director

Jagdamba Prasad Lath
Director

DATED : 30th May, 2018

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary

Monnet Ispat & Energy Limited
(Joint Venture Company by AION and JSW Steel Limited)
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