MSP STEEL & POWER LIMITED

(An ISO 9001 : 2015, 14001 : 2015 OHSAS 18001 : 2007Certified Company)

Regd. Office : 1, Crooked Lane, Kolkata - 700 069, Phone : 033 2248 5096

CIN No. : L27109WB1968PLC027399

Date: 26th August, 2021

To,

The Manager,

National Stock Exchange of India Limited

"Exchange Plaza", C-1, Block-G

Bandra- Kurla Complex, Bandra (E)

Mumbai- 400 051

Company Symbol: MSPL

To,

The Manager,

BSE Limited

Phirozee Jeejeebhoy Towers

Dalal Street

Mumbai – 400 001

Scrip Code No.: 532650

Dear Sir,

Sub: Submission of Notice of the 52nd Annual General Meeting (AGM) along with the Annual report for the Financial Year ended 31st March,2021

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), we hereby enclose the **Notice of the 52nd Annual General Meeting** of MSP Steel & Power Limited to be held on Friday, September 17, 2021 at 4.00 P.M. (IST) through Video Conferencing or Other Audio Visual Means and **the Annual Report of the Company for Financial Year ended March 31, 2021** respectively.

The web-link of the Notice along with the Annual Report for the Financial Year ended March 31, 2021 is being sent only through e-mails to the shareholders of the Company at their registered e-mail addresses and the same has also been uploaded on the website of the Company at https://www.mspsteel.com.

This is for your information and record.

Thanking you
Yours faithfully,
For MSP STEEL & POWER LIMITED

For MSP STEEL & POWER LIMITED
Company Secretary &
Compliance Officer

Shreya Kar
Company Secretary & Compliance Officer
Mem No: A41041

Encl.: As above

www.mspsteel.com

MSP

ABOUT US

A GLIMPSE OF MSP

At MSP STEEL & POWER LIMITED we are amongst the fore runners of steel manufactures in India.

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements- written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

INTEGRATED STEEL PLANT

MSP Steel has setup its largest project at Raigarh, Chhattisgarh.
A self-sufficient and cost-effective, covering every process of steel making.

CORE VALUES

INTEGRITY

Adhere to the highest standards of integrity with all stakeholders

- Commit to highest level of ethical and professional standards
- Build relationships based on trust by being fair in communication and transaction
- Manage company resources efficiently

INNOVATION

Continuously improve company performance by innovation

- Apply new management practices to drive organisational performance
- Adopt and invest in new technologies to maintain competitive edge
- Adopt a learning/intellectual curiosity mindset

TEAMWORK

Create a familial environment to promote teamwork

- Work as one team and drive our collective energy to drive performance
- Develop one another through apprenticeship and mentoring
- Ensure empathy and respect in all interaction with your colleagues

EXCELLENCE

Strive for excellence in performance, quality and behavior

- Combine bold thinking with a practical approach to deliver results
- Embrace on ownership mindset by taking responsibility and translating decisions to actions
- Sustain a meritocratic culture that rewards people on individual and collective performanc

PRODUCTS

PELLETS

SPONGE IRON

MS BILLETS

TMT BARS

MSP STRUCTURALS

CONTENTS

CORE MANAGEMENT

Mr. Suresh Kumar Agrawal
Chairman

Mr. Saket Agrawal
Managing Director

Mr. Manish Agrawal
Director

Mr. Dhananjay Uchit Singh
Director

CORE COMMITTEE

CHAIRMAN	**Mr. Suresh Kumar Agrawal**
BOARD OF DIRECTORS	**Mr. Saket Agrawal** Managing and Executive Director
	Mr. Dhananjay Uchit Singh Non- Independent Executive Director
	Mr. Manish Agrawal Non-Independent Non Executive Director
	Mr. Kapil Deo Pandey Non- Executive Independent Director
	Mrs. Suneeta Mohanty Non- Executive Independent Director
	Mr. Navneet Jagatramka Non- Executive Independent Director
	Mr. Ashok Kumar Soin Non- Executive Independent Director
KEY MANAGERIAL PERSONNEL	**Mr. Kamal Kumar Jain** Chief Financial Officer
	Ms. Shreya Kar Company Secretary
STATUTORY AUDITORS	**M/s Singhi & Co.**
COST AUDITOR	**Mr. Sambhu Banerjee**
SECRETARIAL AUDITOR	**M/s Bajaj Todi & Associates**
BANKERS	State Bank of India Kotak Mahindra Bank Canara Bank Ltd. UCO Bank Indian Overseas Bank Indian Bank Ltd. DBS Bank Ltd. ICICI Bank Ltd. Union Bank of India Ltd. Punjab National Bank Bank of Baroda

REGISTERED OFFICE

1, Crooked Lane, Kolkata – 700 069, Ph.No.:033-22483795; Fax No,: 033 22484138

CORPORATE OFFICE

16/S, Block-A, New-Alipore, Kolkata – 700 053

Ph.Nos.: 033-4005 7777/2399 0038/39/80, Fax Nos.:033-40057788/23982239

E-mail: investor.contact@mspsteel.com

REGISTRAR & SHARE TRANSFER AGENT

K Fin Technologies Pvt. Ltd.

Karvy Selenium Tower-B, Plot No.-31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032,

Ph. No.: (040) –6716-2222/3321-1000, Fax No.: (040)-2300-1153,

E-mail:compliance.kfpl@karvy.com, einward.ris@karvy.com, Website: www.karvyfintech.com

ACTIVITIES ON CORPORATE SOCIAL RESPONSIBILITY

Certificate of Registration

This certificate has been awarded to

MSP Steel & Power Limited

Village and P.O.- Jamgaon, Distt. Raigarh, Chattisgarh, 496001, India

in recognition of the organization's Health and Safety Management System which complies with

ISO 45001:2018

The scope of activities covered by this certificate is defined below

Manufacture of Pellets , Sponge Iron, Billets, Structural Material, TMT and Producer of Power

Certificate Number:	Date of Issue: (Original)	Date of Issue:
53964/D/0001/UK/En	04 June 2013	31 July 2019
Issue No:	Expiry Date:	
3	03 June 2022	

Issued by: *On behalf of the Schemes Manager*

Certificate of Registration

This certificate has been awarded to

MSP Steel & Power Limited

Village and P.O.- Jamgaon, Distt. Raigarh, Chattisgarh, 496001, India

in recognition of the organization's Environmental Management System which complies with

ISO 14001:2015

The scope of activities covered by this certificate is defined below

Manufacture of Pellets, Sponge Iron, Billets, TMT Rebars, Structural Steel and Generation of Electricity

Certificate Number:	Date of Issue: (Original)	Date of Issue:
53964/A/0001/UK/En	04 June 2013	29 July 2019
Issue No:	Expiry Date:	
4	03 June 2022	

Issued by: *On behalf of the Schemes Manager*

Certificate of Registration

This certificate has been awarded to

MSP Steel & Power Limited

Village and P.O.- Jamgaon, Distt. Raigarh, Chattisgarh, 496001, India

in recognition of the organization's Quality Management System which complies with

ISO 9001:2015

The scope of activities covered by this certificate is defined below

Manufacture of Pellets, Sponge Iron, Billets, TMT Rebars, Structural Steel and Generation of Electricity

Certificate Number:	Date of Issue: (Original)	Date of Issue:
53964/B/0001/UK/En	04 June 2013	06 August 2019
Issue No:	Expiry Date:	
4	03 June 2022	

Issued by: *On behalf of the Schemes Manager*

ISO CERTIFICATION

Chairman's Epilogue

Suresh Kumar Agrawal

"It is during our darkest moments that we must focus to see the light."

The Covid-19 viral outbreak was different from variants of the past. It combines the speed of spread with debilitation and death. India and many other parts of the World are in the grip of second or even third waves of the pandemic, much fiercer than anything we saw last year. It is a health crisis of the kind we have not seen in the generations. My heart goes out to everyone out there who has suffered the loss of loved ones. I am confident we will eventually get it under control, but until then, we must continue to follow safety protocols and directives issued by authorities, and I am confident we will emerge stronger post this pandemic.

The global economy suffered a significant shock in the early part of FY 2020-21 but has subsequently seen a recovery in demand. Demand for steel started to increase in the second half of 2020 as result of a return to economic activity and an increase in infrastructure spending in some parts of the world. Unprecedented fiscal and monetary stimulus provided by almost all nations, deployment of COVID-19 vaccines and the reopening of businesses resulted in a broad-based recovery and the steel industry also benefited.

The World Steel Association (worldsteel) forecasted that global steel demand will climb 5.8% in 2021 to reach 1.874 billion metric ton (mt). Demand will further grow by 2.7% in 2022 to reach 1.925 billion mt. Notably, growing demand for steel has resulted in sky-high prices of iron ore, the most important input for steel industry.

Also, Worldsteel estimated that global steel demand declined a mere 0.2% in 2020 despite the outbreak of the deadly coronavirus across the world. This was mainly due to a 9.1% jump in steel demand for China in 2020 which offset a 10% contraction in the rest of the world. The earlier projection in October 2020 was for a 2.4% contraction in demand in 2020 and a 4.1% recovery in 2021 to 1.795 billion mt.

Covid-19 led to a nation-wide lockdown in Q1 FY 2020-21, resulting in contradiction of GDP by 24% in the quarter, as most economic activity came to a halt. India then witnessed a gradual resumption of economic activity from 2nd Quarter of FY 2020-21 driven by government spending on infrastructure, exports and rural economy. There existed a prolonged lockdown. Steel manufacturing plants were working even during the lockdown but at a slower rate. As the world economy started to open again, the demand for end-user segments started rising again from the third quarter of FY2021. With the second wave of virus, the export sector started to suffer again, but the impact this time was less than that of last year due to the arrival of the COVID-19 vaccine. The vaccine acted as a savior to the steel export sector.

In FY 2021-22, India is projected to grow by 8%-9.5% driven by a) ongoing Vaccination supporting the current recovery momentum; b)restart of investment cycle with significant spending on infrastructure and c)continued recovery in consumption supported by urban demand, accentuated by work from home and personal mobility preferences along with rising rural incomes and affordability. However, risks in the near term could stem from a renewed lockdown restrictions pursuant to new wave(s) of Covid-19.

India's current steel producing capacity is 140 mtpa and the figure is anticipated to rise to 300 mtpa by 2030-31.In FY 2021, India exported 17.3 metric tonne(MT) of steel to the world, which accounts for a 56% rise over the previous years. India has a capacity of 144 MT of crude steel and the domestic demand was of 95 MT in FY 2021 which is still growing.

The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

With dedication and relentless commitment from each of the members of MSP Steel & Power Ltd, the overall performance of the Company has improved with increase in EBITDA by 3.56%. Your Company reported profitable growth in revenue by 12%. Our profit before tax (PBT) for the year ended 31st March,2021 is Rs. 864.14 lakhs as compared to Rs. (6635.49) lakhs in the previous year.

Amidst the pandemic, a key task of the Board of Directors and the management of the Company has been to focus on the health and well-being of its employees while calibrating production in line with market conditions. The Company has put in place strict protocols pertaining to this pandemic within the Plant as well as office premises as per statutory guidelines. It has also provided medical amenities in order to protect its work force in both the places in which it operates.

Your Company will continue to improve efficiency, reduce costs, enhance profitability and create moral value for our shareholders. Your Company strives to increase its market share by focusing on product quality and development and by leveraging its long-term relationship with its customers.

I take this opportunity to thank all for the efforts of all those who contributed to our growth-our shareholders, customers, employees, partners, business associates, suppliers, stakeholders and community members for their continued support and confidence in the Company and the management during this challenging year. I extend my sincere gratitude to all those who have given their contribution during these difficult times.

Warm Regards

Suresh Kumar Agrawal
Chairman

Managing Director's Message

Mr. Saket Agrawal

"The greatest glory in living lies not in never failing, but in rising everytime we fall."

Last year was an extremely tough year - there was uncertainty, not only for business survival but for our own survival as well. It was far away from business as usual, but despite of all odds, the team stood together and proved their mettle. Today we are again back to tough times with the second covid wave sweeping the country - but this time we are stronger, better prepared, agile and together we will again overcome this monumental challenge and come out as strong as ever.

How was the performance of the Company in the year 2020-2021?

A: The year 2021 presented new challenges spurred by the outbreak of the COVID-19 pandemic. On the business front, MSP weathered the pandemic very well. It adapted quickly and embraced a new operating model that prioritized the health and well-being of the employees, while enabling it to continue supporting its customers and also the growth and transformation journey. Our profit before tax (PBT) for the year ended March 2021, was Rs.864.14 Lakhs, this is on account of increase of EBIDTA margin by 3.56 % and increase in revenues by 12% during the period under report.

How is this pandemic affecting the way the Company operates?

A. The COVID-19 breakdown has led to unprecedented socio-economic disruption worldwide. The nation-wide stringent lockdown got imposed from

March 25, 2020 which brought the economic activities to a standstill. While Steel and mining activities were exempted subjected to certain guidelines, the steel demand got impacted adversely as key consuming segments struggled to operate amidst weakened economic activities, major hubs in red/containment zones, working capital constraints, migrant labour issues and logistic challenges.

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic had posed challenges to the business of the Company and its overall operations. The depressed market conditions due to Covid- 19 had further resulted in decrease in manpower requirement resulting in idling of work force.

With the lifting of the lockdown, the Company restarted its operations at the plant from 23rd April, 2020 onwards as it was located in Green Zone as per directives laid down by Central Government. There was an adverse impact on liquidity due to idle stocks. The liquidity position improved with the commencement of sales. Though the cash position was challenging, with our limits and tight control over expenditure, the Company was able to serve its debt and other financing arrangement. In addition, the Company was continuously focusing upon the cash conservation and adequate liquidity for the smooth operations. The Company has undertaken various commercial arrangements to ensure further viability.

As economic activities have started recovering with the upliftment of the lockdown and gradual relaxation in mobility restrictions, the Company is continuously leveraging the opportunities to increase penetration in the domestic market.

As the scenario have started improving, we will be able to bounce-back with added vigour, helping us deliver a significantly high performing year amidst all odds.

What are the measures the Company have adopted to deal with this pandemic situation?

A. Covid-19 is changing the way work was being done. Telework, skeleton crews, and social distancing are the new norms. At MSP, we executed our business continuity plan to deliver operational and financial guidance to our customers.

The prime responsibility of the company was to protect the health and safety of all its stakeholders, putting a premium level of sanitization on workplace (Plant and Office) at all times. The company responded with a mix of cautious engagement, social distance and virtual engagement. The result is that we maximized people retention and reinforced our respect as a people-first company.

The second responsibility that we addressed was access to adequate resources and materials through the period of the lockdown and partial relaxation. This necessitated the need to work deeper and strengthen our capacity to supply on-time and in full.

The third responsibility was to reduce the cost of finance and ensure sufficient availability of funds for the smooth functioning of the company. During the course of pandemic, there was a fear that with customer hesitant to buy, there would be a need to extend receivable cycles, which, in turn, would affect our cash-flows, short-term loans and interest outflows. As a fiscally responsible organization, we largely protected our receivable cycle, which ensured that there was adequate systematic liquidity to keep the organization moving.

At MSP, if there was one critical difference that empowers us to perceive opportunity in sectoral weakness, it was the quality of our Stakeholders.

There is a saying that "Cometh the hour and cometh the man" which explains how that the employees of the Company acted as foot soldiers at time of need, urgency, commitment and had passion to out perform.

Our Production teams responded to the call to commence manufacturing operations when the country was locked down and the fear of the Covid-19 virus was at its peak.

Our Marketing team ventured into the market, ensured timely delivery of our products, making it possible to service growing month-on-month demand and a distinctive customer pull.

Our R& D team ensured that our quality and innovation emphasize did not slacken during the pandemic, which ensured that when the consumer became increasingly discerning our products continued to be preferred.

Our Human Resource (HR) team utilised the lockdown to train the organization, keep employees motivated and providing food and shelter to contract labourers, which ensured that the moment we decided to ramp up we enjoyed access to people resources.

Our Accounts, Legal, Secretarial and Finance teams helped keep the lights on in this challenging environment.

Our regular workers, contract workers, unions, contractors, office staff and associates ventured to seamlessly transition to a post-COVID-19 environment.

I have no hesitation in stating that the Company outperformed in 2020-21 by sheer commitment and enthusiasm.

What are the key elements that are going to derive " the innovations in steel" statement for FY 2022?

A. There have been a lot of R&D activities which are taking place in the Company for betterment of customer and product. Various sales strategies are being implemented for which consultancies such as Vector etc., have already been appointed. On one hand, enhanced asset utilization and de-bottlenecking at every stage of production process to ensure highest capacity utilization of the existing facilities have translated into highest ever production volumes. On the other hand, we have revamped our entire "Go to market" approach to make ourselves more competitive and customer oriented thereby serving the market with quality products and improved services.

The Company is also engaging with renowned professional consultants to create a focused approach based on customer centricity and build process driven systems with defined benchmark performance indicators. We are also focusing on digitization to increase efficiency and ensure smooth flow of information on real time basis to improve day to day operations. The forthcoming BI (Business Intelligence), AI(Artificial Intelligence)and pilot projects will take us one step ahead towards being counted amongst the leading Steel producers in the country.

I am confident that our persistent perseverance will bear fruit with support of all our stakeholders and will help us realize our vision of being recognized as an Admired Nation Builder.

How has the Company been benefitted by various Government initiatives taken for steel Industry during the FY 2020-21?

A. Some of the other recent Government initiatives in this sector are as follows:

i. Under the Union Budget 2020-21, the government allocated Rs. 39.25 crore (US$ 5.4 million) to the Ministry of Steel.

ii. In December 2020, Mr. Dharmendra Pradhan ,Minister for Petroleum & Natural Gas and Steel, has appealed to the scientific community to Innovate for India (I4I) and create competitive advantages to make India 'Aatmanirbhar'.

iii. Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.

iv. The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.

v. The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US$ 30 million).

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.

As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21.Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

The steel industry in India is benefitting from it due to its good quality and comparatively low price. The automobile sector as well as the railway sector has also on the rise currently. This has also created high steel demand and its by-products, hence directly contributing to the growth of the steel industry.

The Company is of the view that the various government initiatives will prove to be a milestone in reaching the growth potential and to explore all the opportunities to enhance our Core Values of Excellence, Integrity, Teamwork and Innovation in all aspects of our business dealing with all our stakeholders.

What are the quality standards the Company adhere to its customers and community it operates?

A. We are committed to provide the best quality standards to our customers and community by adhering to the following quality policy:-

- Satisfy customers by adhering to their needs of premium quality steel products in a cost effective manner on time and every time.
- Continuous Improvement in process, quality, sales and delivery.
- Abide by all applicable legislation on environment & safety ensuring prevention of pollution and all kinds of accidents.
- Make improvement through periodical review of objectives, targets and achievements.
- Develop green zone by undertaking regular plantation.
- Develop our people continuously through training & development programmes.
- Zero tolerance towards lack of commitment and integrity in our organization.

Which are the key areas where you feel the Company needs to work upon in the next coming year towards its growth perspective?

A. Currently, We are focusing on to improve the financial and operational stability of the Company. We realize the need to be cost competent and process oriented and hence, continuously engage in cost and operating efficiency improvement programs across our facilities, which results in lower operating costs, better quality and higher profitability.

We adhere to the best global practices in the areas of governance and transparency. We believe that our sustainability shall be dependent upon having efficient operations and good execution. At MSP, we have always upheld the highest standards of Corporate governance, which has been the bedrock for our growth as a sustainable, responsible corporate citizen.

Our Company also needs to continue improve efficiency, reduce costs, enhance profitability and create more value for our shareholders. It strives to increase its market share by focusing on product quality and development and by leveraging its long-term relationship with its customers.

How the Company going to meet its Stakeholders expectation in the FY 2021-22?

A. There have been continuous untiring efforts to meet the expectation of our stakeholders. Our business segment has emerged stronger with the learnings and experience of the past year. We have been putting much thought in the process and operations and to adapt modern technology with our vast experience in innovations. Thus, we reiterate our transformation from being manufacturers to **"innovative, energy and environment efficient, technology driven manufacturers"**.

Armed with this arsenal of knowledge, along with our strengths of dedicated people, quality products and strong customer relationships, we are better prepared and positioned to navigate future challenges.

We work towards having satisfied vendors, happy employees and delighted customers. As a practice we inculcate a culture of fair and honest dealings. This reflects in the confidence and integrity that each one of us at MSP lives up to and holds precious. We hope that this kind support prevails with us and we can achieve our vision to be an "**Admired & Leading Steel Producer**".

Warm Regards

Saket Agrawal
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2020-2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2020-2021

OVERVIEW

Management Discussion and Analysis Report (MDAR) is a separate section in annual reports of any company. It provides insightful information on the performance of an organization in view of the various macro-economic barriers under which it operates. It also helps shareholders to understand belief and thinking of the management. Management Discussion and Analysis section elaborates on the steps taken by the company to get closer to its vision. It shows the strategic intent of the management and efforts undertaken to achieve its long-term goals. The management works continuously towards value creation and this section elaborates on the methods and measures it undertakes to maximize the same.

The report focuses on the financial aspect and Internal control of the business. It throws light on what the company has achieved financially over the plan period and how internally strong a company is. It also tells about the current financial position of the company in detail along with how it has fared in its operations and human resource department. These departments are of prime importance for the success of any company and thus are priorities. Future projections of the company are also reported with regard to all these departments.

I. ECONOMIC SCENARIO AND OUTLOOK

➢ GLOBAL ECONOMY

Global economy rebounded from the collapse triggered by COVID-19 pandemic with Global growth for 2021 and 2022 projected stronger than in 2020 as per World Economic Outlook (WEO). The upward revision reflects additional fiscal support in a few large economies and further boost by recent additional COVID-19 vaccine approvals and large-scale vaccinations across the globe. Although vaccination have raised hopes for a turnaround in the pandemic later this year, renewed waves and new variants of the virus posed concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The projected growth recovery this year followed a severe collapse in 2020 that had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast (reflecting stronger-than-expected momentum in the second half of 2020). The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis. One of the legacies of the COVID-19 pandemic could be a generational shift towards higher government spending, as fiscal policymakers adjust to the new reality of rising demands for government support while interest rates remain low. The shock of the COVID-19 pandemic has pushed governments to increase spending to record levels, with over USD 10 trillion being allocated around the world. Much of this effort has been financed by additional borrowing, adding to the already large debt piles that governments had accumulated before the pandemic began. However, as interest rates have also fallen around the world – the cost of servicing that debt has remained low, which could mean that some of the extra spending may remain until the crisis period of the pandemic has passed.

Despite the recovery, global output will be about 2% below pre-pandemic projections by the end of this year. Per capita income losses will not be unwound by 2022 for about two-thirds of emerging market and developing economies. Among low-income economies, where vaccination has lagged, the effects of the pandemic have reversed poverty reduction gains and aggravated insecurity and other long-standing challenges. The per capita income losses will not be unwound by 2022 for about two-thirds of emerging market and developing economies.

- **GLOBAL OUTLOOK**

The recovery among emerging market and developing economies is anticipated to moderate to 4.7 percent in 2022. Even so, gains in this group of economies are not sufficient to recoup losses experienced during the 2020 recession, and output in 2022 is expected to be 4.1 percent below pre-pandemic projections.

Prospects for the world economy have brightened but this is no ordinary recovery. It is likely to remain uneven and dependent on the effectiveness of vaccination programs and public health policies. Some countries are recovering much faster than others.

Global economic growth is now expected to be 5.8% this year, a sharp upward revision from the December 2020. The vaccines rollout in many of the advanced economies has been driving the improvement and had the massive fiscal stimulus by the United States. World GDP growth is expected to be 4.4% next year but global income will still be some USD 3 trillion less by end 2022 than was expected before the crisis hit. USD 3 trillion is about the size of the entire French economy.

Among major economies, US growth is projected to reach 6.8 per cent this year, reflecting large-scale fiscal support and the easing of pandemic restrictions.

Growth in other advanced economies is also firming, but to a lesser extent.

Emerging market and developing economies as a group are anticipated to expand 6 percent this year, supported by higher demand and elevated commodity prices. However, recovery in many countries is being held back by a resurgence of COVID-19 cases and lagging vaccination progress, as well as the withdrawal of policy support in some instances.

Countries that have been quick to vaccinate their population against COVID-19 and are managing to control infections through effective public health strategies are seeing their economies recover quickly. Job vacancy postings in the United States are picking up, including sectors such as tourism. But while vaccination rates are progressing well in many advanced economies, poorer and emerging-market countries are being left behind. **"Unless everyone is protected, no one is protected."**

- **INDIAN ECONOMY**

The Indian economy is showing early signs of a broad V-shaped recovery, owing to larger public stimulus spend, the revival of consumer confidence, robust financial markets and an uptick in manufacturing activity. The proposed 34.5% hike in capital expenditure is expected to drive private investment while also boosting demand. Income levels and livelihood opportunities are expected to further improve in FY22, as economic recovery gathers pace and vaccine administration progresses. India is estimated to have one of the quickest economic rebounds in Asia. With India emerging out of the pandemic-induced recession, its GDP improved by 0.4% in the December quarter, and these trends look set to continue in the final quarter of India's financial year, which ended on 31st March, 2021. This is evident from high-frequency indicators such as Goods and Services Tax (GST) collections, automobile and tractor sales, rail freight traffic, power demand, Purchasing Managers' Index (PMI), and corporate revenues. Also, with the selective lockdowns and limited mobility restrictions, manufacturing activity is reverting to pre-COVID levels. However, services, particularly high contact services, continue to lag. To further stimulate growth, policies over recent months have been focused on reforms that propagate growth. For example, the manufacturing sector stands to benefit from Production-Linked Incentives (PLIs) announced for key sectors that aim to showcase India as a preferred manufacturing and export hub. Meanwhile, services growth is expected to gain traction in 2H22 (especially contact intensive services) as vaccine availability and deployment improves. The outlook for growth in agriculture is contingent on the monsoon season, and the sector is expected to maintain growth similar to the current financial year (3%, year-on-year), if the monsoons are normal.

The Indian government has undertaken a slew of reforms, including labor reforms, corporate tax cuts and PLIs to steer the economy to recovery in the next financial year. However, key factors that will drive this rebound include normal monsoons, success in averting a full-fledged second wave of COVID, and discretionary spending staying unaffected by cost pressures, particularly those stemming from high pump prices of petrol and diesel.

In its latest edition of World Economic Outlook, IMF said it expects India's GDP to grow 12.5 per cent in FY22, the highest among emerging and advanced economies. GDP growth for FY23 is pegged at 6.9 per cent.

- **INDIAN OUTLOOK**

The World Bank on 8th June, 2021, Tuesday, slashed its 2021-22 GDP growth forecast for the Indian economy to 8.3 per cent from 10.1 per cent estimated in April, saying economic recovery is being hampered by the devastating second wave of corona virus infections. It projected a 7.5 per cent economic growth in the 2022-23 fiscal (April 2022 to March 2023).

The projected growth compares to the worst ever contraction of 7.3 per cent witnessed in the fiscal year ended March 31, 2021 (FY21) and 4 per cent expansion in 2019-20.

The multilateral lending agency said India's GDP is likely to grow by 6.5 per cent in 2023-24. In its report, the Bank said that the global economy is set to expand by 5.6 per cent in 2021 - its strongest post-recession pace in 80 years.

GDP growth activity will benefit from policy support, including higher spending on infrastructure, rural development, and health, and a stronger-than expected recovery in services and manufacturing, it said.

According to the World Bank, in India, the FY 2021/22 budget marked a significant policy shift. The government announced that the health-related spending would more than double and set out a revised medium-term fiscal path intended to address the economic legacy of the pandemic.

Following deteriorating pandemic-related developments, the Reserve Bank of India (RBI) announced further measures to support liquidity provision to micro, small and medium firms, and loosened regulatory requirements on the provisioning for non-performing loans.

In India, fiscal policy shifted in the FY 2021/22 budget toward higher expenditure targeted at healthcare and infrastructure to boost the post-pandemic recovery. The renewed outbreak, however, may require further targeted policy support to address the health and economic costs," it added. On 31st March 2021, the World Bank said India's economy has bounced back amazingly from the COVID-19 pandemic and nationwide lockdown over the last one year, but it is not out of the woods yet.

It had predicted that the country's real GDP growth for fiscal year 21/22 could range from 7.5 to 12.5 per cent in its latest South Asia Economic Focus report released ahead of the annual Spring meeting of the World Bank and the International Monetary Fund (IMF).

II. STEEL INDUSTRY SCENARIO

- **GLOBAL STEEL INDUSTRY SCENARIO**

Demand for steel started to increase in the second half of 2020 as result of a return to economic activity and an increase in infrastructure spending in some parts of the world. The global economic recovery in 2021 is likely to be faster than expected per several economic and financial research agencies. Unprecedented fiscal and monetary stimulus provided by almost all nations, deployment of COVID-19 vaccines and the reopening of businesses resulted in a broad-based recovery and the steel industry also benefited.

The pandemic-induced stimulus injected globally helped in reviving activities in major steel-consuming industries like construction, automotive (cars, trucks, aviation, shipbuilding, and rail), machinery, metal products, electrical equipment and domestic appliances. Consequently, the global steel industry is witnessing a strong rebound.

The price of U.S.-made steel has soared in 2021 buoyed by the nationwide deployment of the COVID-19 vaccine and a strong rebound of the economy supported by a faster-than-expected reopening. Moreover, tariffs imposed by the Trump administration on low-cost imported steel and consolidation among industry players to revive the sagging industry have resulted in a jump in steel prices.

➢ OUTLOOK OF GLOBAL STEEL INDUSTRY

The World Steel Association (worldsteel) forecast that global steel demand will climb 5.8% in 2021 to reach 1.874 billion metric ton (mt). Demand will further grow by 2.7% in 2022 to reach 1.925 billion mt. Notably, growing demand for steel has resulted in sky-high prices of iron ore, the most important input for steel industry.

Also, worldsteel estimated that global steel demand declined a mere 0.2% in 2020 despite the outbreak of the deadly coronavirus across the world. This was mainly due to a 9.1% jump in steel demand for China in 2020 which offset a 10% contraction in the rest of the world. The earlier projection in October 2020 was for a 2.4% contraction in demand in 2020 and a 4.1% recovery in 2021 to 1.795 billion mt.

1. SUPPLY DEMAND OUTLOOK

Another way to consider the pricing outlook is to consider future prospects for the global steel supply-demand balance. In this respect, it is noteworthy that:

i. The World Steel Association considers that global steel demand growth in 2021 will amount to 4.1% (from 1725 million tonnes of finished products in 2020, to 1795 million tonnes in 2021). This is equivalent to a 2021 increase in steel consumption of 70 million tonnes.

ii. The OECD meanwhile consider that over the three year period 2020-2022, global crude steel gross capacity will increase by approximately 2.5-3.3% from an end-2019 level of 2.36 billion tonnes. This is equal to an increase in steel capacity of 23 million tonnes per year.

On this basis, we judge that the year 2021 increase in steel demand will outpace the rise in 2021 steel supply (as judged by steel capacity), leading to a significant improvement in 2021 capacity utilization worldwide, as compared to year 2020 plant loading. In MCI's view, the improved plant loading in 2021 would be expected to result in higher steel prices in 2021 as compared to 2020 price levels.

2. RAW MATERIAL PRICE PROJECTIONS

Raw materials constitute a dominant cost input in iron and steelmaking. Further insights into the near-term outlook for international steel prices may therefore be gained by considering price projections for steelmaking raw materials such as iron ore. In the latter half of 2020, these prices had started rising quite markedly - with the Chinese iron ore price (62% Fe spot price for iron ore fines, CFR Tianjin port) increasing from a level of $100/t in mid-2020 to well over $150/t by the 2020 year-end.

Also note that after an iron ore price peak in 2021, prices may drop by roughly $5-$10/mt each year over the next few years, from an average of $95/mt in 2021, to ~$85/mt in 2022 and $75/mt by 2023.

➢ INDIAN STEEL INDUSTRY SCENARIO

India's current steel producing capacity of is 140 mtpa and the figure is anticipated to rise to 300 mtpa by 2030-31. India is currently a major export hub, exporting many goods to the developed countries. In financial year 2021, India exported 17.3 metric tonne (MT) of steel to the world, which accounts for a 56% rise over the previous years. India has a capacity of 144 MT of crude steel as well as a domestic demand of 95 MT in FY2021 and is still growing. Even after facing a setback in the year 2020 due to the pandemic and the tension created by it in the world during the third and fourth quarter, the export sector is again rising. The pandemic led to a high number of casualties, loss of employment and income opportunities

There existed a prolonged lockdown. Steel manufacturing plants were working even during the lockdown but at a slower rate. As the world economy started to open again, the demand for end-user segments started rising again from the third quarter of FY2021. With the second wave of virus, the export sector started to suffer again, but the impact this time was less than that of last year due to the arrival of the COVID-19 vaccine. The vaccine acted as a savior to the steel export sector.

The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern with state-of-the-art steel mills. It has always strived for continuous modernization of older plants and up-gradation to higher energy efficiency levels.

Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

1. Market Size:-

India's finished steel consumption grew at a CAGR of 5.2% during FY16-FY20 to reach 100 MT. India's crude steel and finished steel production increased to 108.5 MT and 101.03 MT in FY20, respectively.

Between April 2020 and February 2021, India's cumulative production of finished steel at 85.60 MT.

For the period April 2020 and February 2021, India's cumulative production of crude steel stood at 92.78 MT. Export and import of finished steel stood at 8.24 MT and 6.69 MT, respectively, in FY20.

Export and import of finished steel stood at 9.49 MT and 4.25 MT, respectively, between April 2020 and February 2021.

2. Government Initiatives for Steel Sector:-

Some of the other recent Government initiatives in this sector are as follows:

i. Under the Union Budget 2020-21, the government allocated Rs. 39.25 crore (US$ 5.4 million) to the Ministry of Steel.
ii. In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India–Japan Steel Dialogue.
iii. In December 2020, Mr. Dharmendra Pradhan, Minister for Petroleum & Natural Gas and Steel, has appealed to the scientific community to Innovate for India (I4I) and create competitive advantages to make India 'Aatmanirbhar'.
iv. In September 2020, the Ministry of Steel prepared a draft framework policy for development of steel clusters in the country.
v. On October 1, 2020, Directorate General of Foreign Trade (DGFT) announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centres, distributors, dealers and stock yards.
vi. Government introduced Steel Scrap Recycling Policy to reduce import.
vii. An export duty of 30% has been levied on iron ore^ (lumps and fines) to ensure supply to domestic steel industry.
viii. Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
ix. The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel

consumption by 2030-31.

x. The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US$ 30 million).

xi. The Government of India raised import duty on many steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

3. Road Ahead:-

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

➢ OUTLOOK OF INDIAN STEEL INDUSTRY

Strong domestic demand, followed by healthy exports have aided India's steel industry's production and sales growth in the fourth quarter of 2020-21 on a sequential basis, say analysts. Revenues of steel companies are expected to improve 20 per cent quarter-on-quarter and 45-50 per cent from a year ago on higher realization and rising demand, led by a recovery in capital expenditure of states, auto production, white goods production and real estate construction.

Steel companies are expected to post a whopping 25-50 per cent y-o-y increase in revenue, led by rising realizations (27 per cent y-o-y increase) and healthy demand in the fourth quarter of fiscal 2021 on the low base of last year (sales and production by steelmakers were impacted in the last two weeks of March 2020 due to the lockdown),".

Domestic prices of flat steel are estimated to have increased 32 per cent in the fourth quarter from the year-ago period and are expected to remain elevated over the coming months. "Steel prices in the world are at an all-time unprecedented high due to steep increase in the prices of iron ore as well as due to the strong growth in steel demand from China, India, US, Europe and other emerging markets, as global markets recover from a year-long slowdown with the reopening of business activities and vaccination drive," according to a report by Care Ratings.

Firm international steel and iron ore prices, along with strong demand from China, US and Europe are driving international steel prices, and have prompted domestic steel makers to raise prices since the second half of FY21.

1. Future prospects of the Steel Industry:-

As per the Indian Steel Association (ISA), the steel sector is going uphill and it's domestic as well as foreign demand will rise further in the upcoming years. The infrastructural development in any country automatically increases the steel demand. Countries all across the globe are making enormous progress in infrastructural development as it helps to boost their economy.

The steel industry in India is benefitting from it due to its good quality and comparatively low price. The automobile sector as well as the railway sector has also on the rise currently. This has also created high steel demand and its by-products, hence directly contributing to the growth of the steel industry.

2. Current situation and opportunities:

However, the current condition led by the COVID-19 pandemic has created a lot of uncertainties. Even though the consumer demand for durables has not exhibited a seasonal impact, the domestic demand for steel till now is low. The automobile manufacturers have been concerned about the much lower sales as people are now concerned about the uncertainty of the pandemic and are not currently demanding these durables.Still, the export of steel has not been affected much. In the first two months, India has exported 2.96 MT of steel worth rupees 17,812 crores and it has exceeded last year's export by 86%. Speaking about the domestic demand, clear data will be known after consumers exhibit the seasonal demand.

3. Robust Demand: -

i. Increased steel demand from sectors including infrastructure, oil and gas, and automotive will drive the growth of the industry.

ii. India's finished steel consumption is anticipated to increase to 230 MT by 2030-31 from 90.68 MT in 2017-18.

iii. Consumption of finished steel in India increased from 8.55 MT February 2020 to 9.13 MT in February 2021.

4. Increasing Investments: -

The industry is witnessing consolidation of players, which has led to investments by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market.

5. Policy Support: -

i. National Steel Policy (NSP) 2017 was implemented to encourage the industry to reach global benchmarks.

ii. Under the Union Budget 2020-21, the government allocated Rs. 39.25 Crore (US$ 5.4 million) to the Ministry of Steel.

6. Competitive Advantage: -

i. India was the world second largest producer of Crude steel (up from eight spot in 2003) with 111.2 MT by 2019.

ii. Easy availability of low-cost manpower and presence of abundant iron ore reserves make India Competitive in the global set up.

III.COMPANY'S PERFORMANCE

a)The Financial performance of the Company for Financial Year 2020-21 is given below:

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	F.Y. 20-21	F.Y. 19-20	F.Y. 20-21	F.Y. 19-20
Revenue from Operations (Gross)	1,72,313.44	1,53,272.71	1,72,313.44	1,53,272.71
Add: Other Operating Income	–	–	–	–
Less: Total Expenditure	1,58,066.68	1,46,215.80	1,58,077.35	1,46,245.68
Profit before Other Income, Interest Depreciation & Tax	**14,246.76**	**7,056.91**	**14,236.09**	**7,027.03**
Add: Other Income	3.10	47.82	93.07	255.55
Profit before Interest Depreciation & Tax [PBIDT]	**14,249.86**	**7,104.73**	**14,329.16**	**7,027.03**
Add : Interest Income	87.86	188.28	–	–
Earning before Interest, Tax and Depreciation (EBITDA)	**14,337.72**	**7,293.01**	**14,329.16**	**7,282.58**
Less: Interest Expense	7,925.16	8,549.85	7,925.18	8,561.09
Less: Depreciation	5,548.42	5,378.65	5,549.22	5,378.99
Profit/(Loss) Before Tax (PBT)	**864.14**	**(6,635.49)**	**854.76**	**(6,657.50)**
Add/(Less): Exceptional Items	–	**(157.17)**	–	**(157.17)**
Share of Profit/(Loss) of Associates	–	–	**(7.62)**	**(1.27)**
Less: Tax Expenses	–	–	–	–
Income Tax for Earlier Years	–	11.78	–	11.78
Deferred Tax	358.61	751.32	359.20	751.58
Profit/(Loss) for the Year	**505.53**	**(7,555.76)**	**487.94**	**(7,579.30)**

- **Standalone**

The standalone gross revenue from operation stood at Rs. 1,72,313.44 Lacs in the financial year 2020-21as compared to Rs. 1,53,272.71 Lacs in the previous financial year 2019-20.

- **Consolidated**

The company reported consolidated revenue from operation of Rs. 1,72,313.44 Lacs in the financial year 2020-21 as compared to Rs. 1,53,272.71 Lacs in the previous financial year 2019-20.

b. Details of significant changes in key financial ratios are as given below:-

Sr. No.	Particulars	UOM	Year Ended 31.03.2021	Year Ended 31.03.2020	Growth YOY
1	Debtor Turnover Ratio	Times	21.71	13.18	7.99
2	Inventory Turnover Ratio	Times	3.46	3.21	0.25
3	Revenue Growth	Rs. In Lakhs	1,72,313.44	1,53,272.21	19,040.73
4	EBITDA	Rs. In Lakhs	14,337.71	7,293.01	7,044.70
5	EBITDA MARGIN	%	8.32	4.76	3.56
6	ROE %	%	1.31	-19.60	20.92
7	ROCE%	%	7.80	1.53	6.26
8	PBT	Rs. In Lakhs	864.14	- 6,792.66	7,656.80
9	PAT	Rs. In Lakhs	505.53	-7,555.76	8,061.29
10	Net Worth	Rs. In Lakhs	58,415.28	57,919.13	496.15
11	Capital Employed	Rs. In Lakhs	1,12,749.57	1,14,572.75	-1,823.18
12	Current Ratio	Times	1.55	1.29	0.26
13	Debt to Equity Ratio	Times	2.57	2.97	-0.40
14	FixedAssets Turnover Ratio	Times	2.02	1.69	0.32

c. Return on Networth :-

The details of return on net worth are given below:-

Particulars	2020-21	2019-20	Growth YOY
Return on Networth(%)	1.31	-19.60	20.92

The Networth of the Company has increased in the Current Financial Year 2020-2021 due to increase in the profits of the Company. It increased to Rs. 58,415.28 Lakhs in comparison to the previous Financial Year 2019-2020 of Rs. 57,919.13 Lakhs.

d. Company's Subsidiary, Associates and Joint Ventures

The financial Statements of the following Companies were accounted for in making the Consolidated Financial Statements of MSP Steel & Power Limited:

The performance and financial position of the Company's Subsidiary, Associates and Jointly Controlled Entity are summarized herein below:

(Rs. In lakhs)

Name of the Company	% of Share	Networth as on 31.03.2021	Profit/ (Loss) for the Year 31.03.2021
MSP Cement Limited CIN: U26940CT2008PLC002120	100 %	34.54	(5.97)
Prateek Mines & Minerals Private Limited CIN:U14219WB2006PTC112186	63.69%	92.26	(3.42)
Aa Ess Tradelink Private Limited CIN: U51109WB1995PTC072185	42.75 %	8,383.66	(16.23)
Madanpur South Coal Company Limited CIN: U10300CT2006PLC020006	14.54 %	685.81	(4.69)

e. Earnings Per Share(EPS)

The Earnings per Share (EPS-Basic and Diluted) of the Company for the current financial year 2020-21 is Rs. 0.13 as compared to the (EPS-Basic and Diluted) for the previous financial year 2019-2020 was Rs. (1.96).

f. Covid-19 Impact on the Company

The COVID-19 breakdown has led to unprecedented socioeconomic disruption worldwide. The nation-wide stringent lockdown got imposed from March 25, 2020 which brought the economic activities to a standstill. While Steel and mining activities were exempted subjected to certain guidelines, the steel demand got impacted adversely as key consuming segments struggled to operate amidst weakened economic activities, major hubs in red/containment zones, working capital constraints, migrant labour issues and logistic challenges.

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic had posed challenges to the business of the Company.

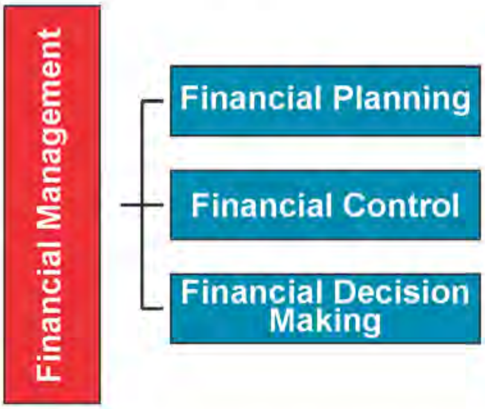
With the lifting of the lockdown, the Company restarted its operations at the plant from 23rd April, 2020 onwards as it was located in Green Zone as per directives laid down by Central Government. There was an adverse impact on liquidity due to idle stocks. The liquidity position improved with the commencement of sales. Though the cash position was challenging, with our limits and tight control over expenditure, the Company was able to serve its debt and other financing arrangement. In addition, the Company was continuously focusing upon the cash conservation and adequate liquidity for the smooth operations. The Company had undertaken various commercial arrangements to ensure further viability.

4. FINANCIAL MANAGEMENT

Finance is the lifeline of any business. Financial management is the activity concerned with planning, raising, controlling and administering of funds used in the business. The objectives of financial management are as follows–

- Endeavors to reduce the cost of finance
- Ensures sufficient availability of funds
- Deals with the planning, organizing, and controlling of financial activities like the procurement and utilization of funds.

The scope of Financial Management is as follows:-



The Board of Directors and the Senior Management personnel of the Company takes part in profit maximation, wealth maximation, adequate forecasting of the total financial cash requirements, proper utilisation of finance cash, proper resourcing, maintaining proper cash flow, survival of the Company, creating reserves, creating goodwill, increase efficiency which leads to financial planning, control and decision-making.

The Company's highly efficient teams of professionals and technicians are responsible for overseeing factory operations. The team ensures that the established organisational procedures laid down by the senior management at a strategic level are followed and translated even in financial results and periodic management reports.

5. HUMAN RESOURCES MANAGEMENT & INDUSTRIAL RELATIONS

The Company continued with efforts to ensure that its human resources management is ready through its robust processes of learning & development, capability building and its development programs. Efforts were taken to develop leadership lines as well as to enhance technical and functional capabilities in order to face future challenges. Company organized several training, awareness and coaching program to develop the leadership, technical and management skills of employees.

From the health and safety point of view of the employees of the Company and in line with the advisories, orders and directions issued by both State and Central Government in order to prevent the spread of the coronavirus (Covid 19) outbreak, the Company has suspended all activities except critical operations at plant level till the lockdown period. Further the Company has also implemented Work from Home Policy (WFH) to ensure the safety of employees post Covid 19 issue. The HR department of the Company is continuously in touch with the employees to guide them and solve their problems. The HR Department of the Company has continuously created the awareness of Covid 19 among the employees of the Company through E-mails and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic. The Company have also initiated and got the employees vaccinated from the organization's end to fight against this pandemic situation. The Company has also maintained healthy and cordial industrial relations during the year.

The total number of employees on the rolls of the Company as on 31st March, 2021 was 1073 compared to previous year as on 31st March, 2020, number was 1065.

6. STATUTORY COMPLIANCE

Statutory compliance adherence provides a great deal of security, starting from employees' minimum wages to the company's business existence. The Company has adequate systems and processes to ensure that it is in compliance with all applicable laws and it is complying with all the Statutory rules and regulations applicable to it. The HR department complies with Statutory Acts like Factories Act, PF & Misc Provision Act, ESI Act, Minimum Wages Act, Bonus Act, Professional Tax Act, Shop and Establishment Act, Maternity Benefit Act, Payment of Wages Act and Other Labour Regulations as applicable for the organization. The Accounts Department complies with Income Tax Act and Service Act, etc. The Company Secretary complies with Companies Act, SEBI Regulations and other allied corporate laws applicable to the Company.

All the Statutory Compliances are met for the smooth functioning of the Company.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control System is the process executed by the management to ensure the safeguarding of assets, maintenance of efficiency and effectiveness in operations and trustworthiness of financial statements to prevent any fraudulent conduct or wastage of resources. The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use of disposition.

The Company has an Audit Committee to review financial statements. The statutory auditors also provide assurance on the adequacy of the internal control systems in the Company. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting its business, the safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and the prevention and detection of frauds and errors.

8. THREATS AND OPPORTUNITIES

The threats are the challenges which every potential industry has to face to survive and grow. The key threats of the Steel industry are demand of steel both in global and domestic markets, availability of raw materials, shortage of labour, rising material costs, logistics requirements, Govt approval and procedural difficulties, high labour demand, etc. The recent pandemic situation has also added plight to the situation.

The Company identifies and categorizes risks in the areas of operations, finance, marketing, regulatory compliances and corporate matter. The Company annually re-views all the risks to identify potential business threats and takes suitable corrective actions. Confirmations of compliance with appropriate statutory requirements are obtained. The Company has a comprehensive Risk Management Policy to treat various category of risks and take appropriate actions for its mitigation. Company has the process of communication, consultation, monitoring and periodical review of the risks and effectiveness of the mitigation plan. The Board of Directors of the Company periodically review these risks and plan for actions to be taken.

9. CAUTIONARY STATEMENT

The Management Discussions and Analysis describing Company's projections, expectations or predictions and are “forward looking statements” within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations, tax laws, natural calamities including critically of pandemic (Covid- 19), litigation and industrial relations, economic developments within the country and other factors.

BOARD'S REPORT

Dear Members,

The Board of Directors present their Fifty-Second Annual Report along with the audited standalone and consolidated financial statements for the year ended 31st March 2021.This Report read with the Management Discussion and Analysis Report includes the details of macro-economic scenario, Company's performance, various initiatives by the Company as well as its approach to risk management.

CORPORATE OVERVIEW

Since its incorporation in 1968, your Company has transfigured from a single product manufacturing unit to an established integrated steel producing Company with state of art facilities, an excellent workforce, technology driven processes and product portfolio to cater to the needs of the Customers.

With its uncompromising approach towards its stakeholders, MSP has committed to manufacture premium quality steel products in a cost effective manner on time and every time.

Your Company is committed to leverage 'Alternative Thinking' to build competitive advantage in achieving high shareholder returns through customer centricity, innovation, good governance and inclusive human development while setting aspirational targets and improving economic performance to ensure business continuity and rapid growth.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Standalone and Consolidated financial results for the year ended 31st March, 2021 are as follows:-

(₹ in Lakhs)

Particulars	Standalone		Consolidate	
	F.Y. 20-21	F.Y. 19-20	F.Y. 20-21	F.Y. 19-20
Revenue from Operations	1,72,313.44	1,53,272.71	1,72,313.44	1,53,272.71
Other Income	90.96	236.10	93.07	255.55
Total Income (A)	**1,72,404.40**	**1,53,508.81**	**1,72,406.51**	**1,53,528.26**
Total Expenses (B)	**1,71,540.26**	**1,60,144.30**	**1,71,551.75**	**1,60,185.76**
Profit/(Loss) Before Tax (C=A-B)	**864.14**	**(6,635.49)**	**854.76**	**(6,657.50)**
Add/(Less): Exceptional Items (D)	-	157.17	-	157.17
Share of Profit / (Loss) of Associates (E)			(7.62)	(1.27)
Less: Tax Expenses (F)	-	-	-	-
Income Tax for Earlier Years	-	11.78	-	11.78
Deferred Tax	358.61	751.32	359.20	751.58
Profit/(Loss) for the Year (C-D+E-F)	**505.53**	**(7,555.76)**	**487.94**	**(7,579.30)**

Presentation of standalone and consolidated financial statements

The financial statements of the Company for the year ended on March 31, 2021 , on a standalone and consolidated basis, have been prepared in compliance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with rule 7 Companies(Accounts) Rules, 2014 and SEBI(Listing Obligations and Disclosure Requirements) regulations, 2015 and amendments thereto, ('SEBI Listing Regulations') and are disclosed in accordance with Schedule III of the Act. The consolidated financial statements incorporate the audited financial statements of the subsidiaries and joint ventures of the Company.

Indian Accounting Standards (Ind AS) shall also be applicable to subsidiary companies, joint ventures or associates of the Company. Hence, the financial statement of MSP Cement Limited, AA ESS Tradelinks Pvt. Ltd. and Madanpur South Coal Company Limited, Prateek Mines & Minerals Private Limited shall be prepared in accordance to it.

2. RESULT OF OPERATIONS

The catastrophic year 2020 after creating one of the greatest challenges of the century came to an end reversing the hopelessness with lots of positivity. The feel-good period, however, appears short-lived as the second wave of the pandemic outbreak in the first quarter of CY 2020 sent shockwaves across the world, disrupting trade and supply chains, besides overwhelming the already fragile healthcare infrastructure in many countries. Most of the governments around the world imposed lockdowns of varying intensity to contain the spread of COVID-19. This led to a steep fall in demand and weakened consumer sentiment. Large-scale stimulus measures were announced by major economies to minimise the impact of economic fallout while multilateral agencies such as the International Monetary Fund and the World Bank called for concerted efforts to support vulnerable economies.

Beginning July 2020, synchronised fiscal policies and novel support measures played a vital role in supporting business sentiment. Backed by accommodative monetary policies of central banks, global growth showed some signs of revival. India's economic growth, moderated due to weak domestic consumption, sluggish manufacturing and subdued investments. There was a swift revival of economic activity with the easing of lockdown restrictions in June 2020 and the subsequent opening up of the economy. Several high frequency economic indicators performed better than the initial expectations, pointing to a robust recovery. Passenger vehicles and motorcycle sales, railway freight traffic, and electricity consumption are on the rebound. The Indian economy contracted by 7.3% in FY 2020-21.

PRODUCTION HIGHLIGHTS

Standalone Highlights:

The Company was able to gradually normalize its operations from Q2 FY2021, and ramp up production to cater the surge in demand following the pick-up in economic activity in India and globally.

The Standalone gross revenue from operations stood at Rs. 1,72,313.44 Lacs in the financial year 2020-2021 as compared to Rs. 1,53,272.71 Lacs in the previous Financial Year 2019-2020.

The Management has taken initiative for improving the performance of the Company resulting from optimization of the cost, to focus on yields and productivity.

Consolidated Highlights:

The financial performance of the subsidiary company, associate company and Joint venture are included in the Consolidated financial statement of the Company.

The Consolidated gross revenue from operations stood at Rs. 1,72,313.44 Lacs for the FY 2020-2021.

Further the statement containing the salient features of our subsidiaries pursuant to subsection 3 of Section 129 of the Companies Act 2013, in the prescribed form AOC-1 is appended as **Annexure-1** to the Boards' Report. The Statement provides the detailed performance of the Subsidiaries including associate company and Joint venture.

3. DIVIDEND

The Board of Directors of the Company have not recommended any dividend at the ensuing Annual General Meeting (AGM) for the year ended 31st March,2021 to utilize the surplus for future growth of the Company.

4. UNCLAIMED DIVIDEND

Pursuant to the applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), during the year, unpaid or unclaimed dividend amounting to Rs 1,25,196 and Rs 86,923 for the financial year 2010-2011 and 2011-2012 respectively were transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Government of India.

Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

5. TRANSFER TO RESERVES

The Board has not proposed to transfer any amount to any of the reserves for the Financial Year 2020-2021.

6. COMPANY PROSPECTIVE

A report on company prospects and other technological development have been discussed in the Management Discussion and Analysis Report as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations").

7. SHARE CAPITAL

During the Financial Year 2020-2021, there was no change in the Authorized Share Capital and Paid-up Share Capital of the Company. As on March 31, 2021, the Authorized Share Capital of the Company was Rs. 9,000,000,000/-(Rupees Nine Hundred Crores Only) consisting of 800,000,000(Eighty Crores) Equity Shares of Rs.10/-(Rupees Ten) each and 100,000,000(Ten Crores) 6% Redeemable Preference Shares of Rs. 10 each and the Paid-up Share Capital of the Company stood at Rs. 3,885,280,000 (Rupees Three Hundred Eighty Eight Crores Fifty Two Lakhs Eighty Thousand Only) which Comprises of 385,415,000 Fully Paid Equity Shares of face value of Rs 10/- each and 3,113,000 6 % Redeemable Preference Shares ("RPS") of face value of Rs 10/- each.

There was no public issue , right issue, bonus issue or preferential issue, etc during the year under review.

8. OPTIONALLY CONVERTIBLE DEBENTURES(OCD)

The aggregate outstanding amount of Optionally Convertible Debentures("OCD") of the Company as on March 31, 2021 is. Rs. 4,519,705,540/- (Rupees Four Hundred Fifty One Crores Ninety Seven Lakhs Five Hundred And Five Forty Only) consisting of 451,970,554 (Forty Five Crores Ninety Seven Lakhs Five Hundred Fifty Four) OCDs of face value of Rs.10/-(Rupees Ten) each which has been issued to Consortium Lenders, pursuant to MSP S4A Scheme (the "S4A Agreements") in the Financial Year 2017-18.

During the year under review the Company has not issued any OCDs.

9. SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

In line with Section 129(3) of the Act read with Companies Accounts Rules, 2014, Listing Regulations and in accordance with Indian Accounting Standards , Consolidated Financial Statements prepared by your Company includes financial information of the Subsidiary and Associate Companies and their contribution to the overall performance of your Company during the year under review. The statement containing the salient features of our subsidiaries in the prescribed form AOC-1 is appended as **Annexure-1** to the Boards' Report and forms part of this report. The Statement provides the detailed performance of the Subsidiaries including associate company and Joint venture.Subsidiary Company

Subsidiary Company

MSP Cement Limited is a wholly owned subsidiary of the Company having its Registered Office at Banglapara North Chakradhar Nagar Raigarh- 496001 was incorporated on 2nd June, 2008 for manufacturing and sale of cement and clinker products. The Company is yet to commence its commercial operations.

Subsidiary Company

Prateek Mines & Minerals Private Limited is a subsidiary of the Company having its Registered office at1,Crooked Lane Ground Floor, Room No. G-2 Kolkata-700069 , was incorporated on 19th December, 2006 for producing and dealing in all types of Minerals and their bye- products.It has become subsidiary of the Company w.e.f 14th November,2019.

Associate

AA ESS Tradelinks Private Limited is an associate company of the Company, having its registered office at 1, Crooked Lane Ground Floor, Room No. G-2 Kolkata-700069, was incorporated on 19th June, 1995, is engaged in trading of industrial oxygen gases.

Joint Venture

Madanpur South Coal Company Limited incorporated on 23rd May, 2006, having its registered Office at Raipur, Chattisgarh was formed by the Venture partners MSP Steel & Power Limited, Hindustan Zinc Ltd., Akshay Investment Pvt. Ltd., Chattisgarh Steel & Power Limited and Chattisgarh Electricity Company Ltd with respect to obtain mining rights in respect of the Coal Blocks of Madanpur and use coal for its captive requirements

The details as required under Section 136 of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and the financial position of the Subsidiary Company, Associate Company and Joint Venture Company forms part of the Consolidated Financial Statement of the Company and applicable Indian Accounting Standards ("Ind AS") for the Financial Year ended 31st March, 2021, the same has been uploaded in the website of the Company.

The performance and financial position of the Company's Subsidiary, Associates and Jointly Controlled Entity are summarized herein below:

(Rs. In lakhs)

Name of the Company	% of Share	Networth	Profit/ (Loss) for the Year 2020-2021
MSP Cement Limited CIN: U26940CT2008PLC002120	100 %	34.54	(5.97)
Aa Ess Tradelink Private Limited CIN: U51109WB1995PTC072185	42.75 %	8383.66	(16.23)
Madanpur South Coal Company Limited CIN: U10300CT2006PLC020006	14.54 %	685.81	(4.69)
Prateek Mines & Minerals Private Limited CIN:U14219WB2006PTC112186	63.69%	92.26	(3.42)

Your Company has formulated a policy for determining 'Material Subsidiary', in terms of the Regulation 16(c) of the Listing Regulations. The said policy is also available at the Company's website http://www.mspsteel.com/csr-policy/Policy%20for%20Determining%20Material%20Subsidiaries.pdf

10. PUBLIC DEPOSITS

The Company has no unclaimed/unpaid matured deposit or interest due thereon since December 31, 2013. Your Company has not accepted any public deposit during the year under review, within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies under Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rule, 2014.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans given, investments made, guarantees given or securities provided are as per the provisions of Section 186 of the Act and forms part of the notes to the financial statements provided in this Annual Report.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

As stipulated under Regulation 34 of the Listing Regulations Management's Discussion and Analysis Report for the year under review, stating the operations of the Company, is provided in a separate section and forms an integral part of the Annual Report.

13. CORPORATE GOVERNANCE

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and emphasis on business ethics.

The Company has complied with the requirements of the Listing Regulations regarding corporate governance. As per Regulation 34(3) read with schedule V of the the Listing Regulations, Companies Act, 2013 and its relevant rules, a separate section on Corporate Governance practices followed by the Company, together with the requisite Certificate from the Company's Statutory Auditor confirming compliance also forms an integral part of report.

14. BUSINESS RESPONSIBILITY REPORT

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

SEBI has made it mandatory to publish a Business Responsibility Report (BRR) by the top 1000 listed companies based on the market capitalization in their Annual Report in terms of Regulation 34(2)(f) of the Listing Regulations. The Company accordingly does not falls under the top 1000 listed companies based on the market capitalization as on March 31, 2021. Therefore, the BRR as stipulated under the Regulation 34(2) of the Listing Regulations is not applicable to the Company for the financial year 2020-2021.

15. COPY OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, copy of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and are accessible at the web-link: http://mspsteel.com/investors/general-meeting/agm-2021.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL

Board of Directors

Your Company recognizes that the Board of Directors are the most essential pillars of a robust Corporate Governance framework. Your Board of Directors comprises of mix of executive and Non-executive directors with rich experience and expertise across a range of fields , having diversified skill, knowledge, thought, perspective, regional and industry experience, cultural and geographical background, age and ethnicity.

The Board of Directors of your Company has taken on record the declarations received from each of the Independent Directors confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstances or situation , which may exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence, after undertaking due assessment of veracity of the same.

As per the declarations received by your Company, none of the Directors on the Board of your Company as on 31st March, 2021 are disqualified to be appointed as a Director of your Company under the applicable provision of the Act and/or the Listing Regulations.

- **Independent Directors**

Mr Kapil Deo Pandey (DIN 07208719), who was appointed as Independent Director of the Company holds office up to 20th September, 2021 (first term) in terms of Section 149(10) of the Act.

The Company has received a notice under Section 160 of the Act from the shareholder of the Company proposing the re-appointment of Mr Kapil Deo Pandey for the office of Independent Director of the Company for a second term 4 (four) consecutive years up to 20th September, 2025 till the conclusion of the 56th AGM of the Company to be held for the Financial Year 2024-25.

Based on the outcome of performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company have recommended the reappointment of Mr. Kapil Deo Pandey as an Independent Director for second term of 4 (four) consecutive years upto 20th September, 2025 (not liable to retire by rotation), in accordance with Section 149, 152, Schedule IV and other applicable provisions, if any, of the Act and the Listing Regulations.

In terms of the provisions of the Regulation 17(1A) of the Listing Regulations, consent of the Shareholders by way of Special Resolution shall be required for continuation of directorship of Mr. Kapil Deo Pandey, Independent Director of the Company, who has already attained the prescribed age limit of 75 years.

In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, considering the wealth of experience and expertise of Mr. Kapil Deo Pandey and the immense value he brings to the Board and the Company, the re-appointment of Mr. Kapil Deo Pandey for a second term of 4 (four) consecutive years from 21st September, 2021 up to 20th September, 2025 (not liable to retire by rotation) and continuation of his directorship beyond 75 (seventy-five) years of age would be in the interest of the Company and its shareholders.

- **Retirement by Rotation**

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Suresh Kumar Agrawal (DIN: 00587623) Chairman cum Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible have offered himself for re-appointment.

- **Composition of the Board of Directors:-**

The Board comprises of 8 Directors out of which, 2 are executive Directors (1 of whom forms part of the promoter group), 2 are Non-Executive (both forms part of the promoter group) and 4 are Non-Executive, Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

Key Managerial Personnel

Following persons are the Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with Rules framed thereunder:

1. Mr. Saket Agrawal – Managing Director
2. Mr. Dhananjay Uchit Singh – Executive Director
3. Mr. Kamal Kumar Jain – Chief Financial Officer
4. Ms. Shreya Kar – Company Secretary & Compliance Officer

There is no change in the Key Managerial Personnel of the Company during the year under review.

Independent Directors in the Board

Following persons are designated as Independent Directors of the Company pursuant to Companies Act, 2013 and Regulation 25 of the Listing Regulations:

i. Mr. Kapil Deo Pandey
ii. Mr. Navneet Jagatramka
iii. Mrs. Suneeta Mohanty
iv. Mr. Ashok Kumar Soin

In terms of Section 134(3)(m) of the Act read with Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014 (as amended) all the Independent Directors of the Company are enrolling themselves with the Indian institute of Corporate Affairs (IICA) as was notified and required under Section 150(1) of the Act.

Committees of the Board

The Board of Directors of your Company had constituted four committees for best Corporate Governance Practices and in compliance with the provisions of the Act and the Listing Regulations comprising of:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders Relationship Committee

The Details of the Committees along with their composition, including number of meetings held and attendance in the meetings during the financial year 2020-2021, have been disclosed separately in the Corporate Governance Report section of this Annual Report.

Meetings of the Board

Meetings of the Board of Directors are scheduled at regular intervals to discuss, decide and approve on various business policies, strategies, financial performance and other matters. The schedule of the meeting are circulated in advance, to ensure proper participation of the Directors in the Meeting. The Board of Directors met eleven times during the financial year 2020-2021. The intervening gap between the two consecutive meetings did not exceed one hundred and twenty days as prescribed under Companies Act, 2013 and the Listing Regulations.

Details of the meetings and attendance of the Board of Directors held during the Financial Year 2020-2021 are disclosed in Corporate Governance Report which forms part of the Annual Report.

Meeting of Independent Director

The Independent Directors of the Company should meet at least once during the year pursuant to requirements of Schedule IV of the Act and Regulation 25 of the Listing Regulations. A meeting was scheduled on 12th February, 2021, without the attendance of non-independent directors and members of the management, interalia, to:

a. Review the performance of non-independent directors and the Board of Directors as a whole;
b. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors;
c. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
d. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy, if any;and
e. ascertain and ensure that the Company has an adequate and functional vigil mechanism.

17. DECLARATION

The term "Independent Director" as defined under section 149(6) of the Act and Regulation 16(b) of the Listing Regulations forms the basis for determining independence of the Directors. The Company has received necessary declarations from Mr. Kapil Deo Pandey, Mr. Navneet Jagatramka, Mr. Ashok Kumar Soin and Mrs. Suneeta Mohanty, Independent Directors of your Company that they meet the criteria of independence as laid down in Companies Act, 2013 read with Schedule IV and Rules made there under as well as the Listing Regulations.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

18. FAMILARISATION PROGRAMME OF INDEPENDENT DIRECTORS

In compliance with the requirements of the Listing Regulations, the Company has put in place familiarization programme for Independent Directors to familiarise them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc.

The details of the Programme can be access by weblink: http://mspsteel.com/about-us/corporate-policies.

19. BOARD EVALUATION

The Company has devised a Policy for Performance Evaluation of Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of the non-executive directors and executive directors under section 178(1) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements] Regulations, 2015.

On the basis of the Policy for Performance Evaluation of Independent Directors, Board, Committees and Other Directors, a process of evaluation was followed by the Board for its own performance and that of its committees and individual Directors. The details of the same have been given in the report on Corporate Governance annexed hereto.

20. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, there are no employees who have drawn remuneration in excess of the limits set out in the said rules. Disclosures relating to the Remuneration under Section 197(12) of the Act read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as **Annexure-3** to this report.

21. POLICIES AND PROCEDURES

Policies and Procedures are an essential component of your Company's Corporate Governance framework which outlines the organizational and operational structure. In line with this approach and in terms of the provisions of the Act and Listing Regulations, your Company has framed various Policies and Procedures duly approved and adopted by the Board of Directors. Your Company reviews its Policies and Procedures in view of the changing business environment and regulatory frameworks.

i) Nomination & Remuneration Policy

In terms of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, your Company has in place a Nomination& Remuneration Policy which broadly lays down the guiding principles, procedures and basis for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel, including criteria for determining qualification, positive attributes, independence of a Director and payment of Remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other Employees. The detail of the policy have been included in the Report of Corporate Governance, forming part of the Annual Report and also the same has been uploaded on your Company's website at the link http://mspsteel.com/about-us/corporate-policies.

ii) Corporate Social Responsibility

In compliance with Section 135 read with Schedule VII of the Act and rules made there under, your Company has established Corporate Social Responsibility Committee to formulate and monitor Corporate Social Responsibility Policy and also to recommend to the Board the amount of expenditure to be incurred on activities related to betterment of society.

The key philosophy of all CSR initiatives of the Company is driven by core value of inclusion. Pursuant to CSR Policy various activities were recommend by the CSR Committee to the Board, which were undertaken by the Company.

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the areas of eradication of illiteracy, Infrastructural Development, Health Care facilities, Social Activity. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy.

The Company is well aware of its responsibility towards the Society and hence in its previous years had taken efforts to improve the living condition in the vicinity of its plants & surrounding areas. The Company had been continuing its efforts towards the betterment of the society. The Board on the recommendation of CSR committee has formulated a policy on CSR to regulate the Company's activities, amount to be spent on CSR, etc

The primary purpose of your Company's Corporate Social Responsibility ("CSR") philosophy is to make a meaningful and measurable impact on the lives of the economically, physically and socially challenged communities through an integrated approach of development. Your Company aims to continuously foster inclusive growth and a value based empowered society. Community development interventions undertaken in previous years continued with further vigour and widening of portfolio of projects during the financial year 2020-2021 which focused on creating sustainable livelihood, empowering women, promoting education and skill development, promoting environmental sustainability and rural development and supporting health &sanitation initiatives. In terms of Section 135 of the Act. The said policy is available on your Company's website at the link *http://mspsteel.com/about-us/corporate-policies.*

Ministry of Corporate Affairs vide its Notification(s) dated 22nd January, 2021, notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which, inter alia, provides for the revised format of annual report for publishing the CSR activities undertaken during the financial year ended 31st March, 2021. The other changes pursuant to said Notification(s) under the CSR provisions, have been briefly highlighted in the annual report of the Company's CSR activities for the financial year ended 31st March, 2021.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2021, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in **Annexure 2** to this report.

iii) Risk Management Policy

Risk management is integral to your Company's strategy and for the achievement of our long-term goals. The success of an organization depends on the ability to identify and leverage the opportunities while managing the risks.

The COVID-19 pandemic this year has posed several unprecedented challenges in the form of uncertain lockdowns, unlock phases, health hazards and supply chain disruptions across the globe.

The Board of Director of your Company has formed a Risk Management policy to frame, implement and monitor the risk management plan for the Company. Risk has to be managed in a manner such that the potential range of outcomes is within acceptable boundaries. The management of your Company believes that a pro-active approach in identifying, analyzing, managing, evaluating, resolving and reporting risks associated with the business is the key to sustained operations thereby protecting Shareholders' value, improving governance process and achieving strategic objectives. The Risk Management Policy of your Company defines how risks associated with your Company will be identified, analyzed and managed. It outlines how Risk Management activities will be performed and monitored by your Company and practices for recording and prioritizing risks. The Board of Directors of your Company has approved and adopted a revised Risk Management Policy of your Company with an objective to establish a systematic and disciplined approach to Risk Management and provide a more structured framework to identify various elements of risk that may threaten the existence of your Company. The Audit Committee has additional oversight in the area of financial risks and controls. The said policy is available on your Company's website at the link: https://www.mspsteel.com/about-us/corporate-policies

iv Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism, which also incorporates a Whistle blower policy in terms of Section 177(9) of companies Act, 2013 and Regulation 22 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the said policy the protected disclosures can be made by a Whistle Blower through through an email, or a letter to the Chairperson of the Audit Committee.

No Complaint was received during the year or was pending at the end of the year.

The details of the Whistle Blower Policy are provided in the Corporate Governance Report and is also available at on the website of the Company at *http://mspsteel.com/about-us/corporate-policies.*

v. Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has a policy for prevention of sexual harassment of women at work place and also complied with provisions relating to the constitution of Prevention of Sexual Harassment (POSH) Committee under the Sexual Harassment of Women at Workplace [Prevention , Prohibition and Redressal] Act, 2013.

The Company for equal employment opportunity provides and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual Harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable.

No complaint is received in relation to Sexual Harassment of Women at Workplace [Prevention, Protection and Redressal] Act,2013.

During the year under review and their break up is as under:

a) No. of Complaints filed during the year ended 31.03.2021: Nil
b) No. of Complaints disposed of during the financial year : Nil
c) No. of pending Complaints as on 31.03.2021: Nil

22. RELATED PARTY TRANSACTIONS

All contracts or arrangements that were entered into by the Company with the related parties as defined under Section 177 of the Act during the year were in the ordinary course of business and at arm's length basis. All related party transactions are placed before the Audit Committee for review and approval. Since all related party transactions entered into by the Company were in the Ordinary course of business and were on arm's length basis , Form AOC-2 is not applicable to the Company. The routine related party transactions were placed before the Audit Committee for their omnibus approval

The Company's policy on "materiality of related party transactions" and the process of dealing with such transactions are in line with the amended provisions of the Act and the Listing Regulations. The said policy is also available on the website of the Company and the link for the same is *http://mspsteel.com/about-us/corporate-policies.*

There are no materially significant related party transactions

The Company in terms of Regulation 23 of the Listing Regulations submits within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the stock exchanges. The said disclosures can be accessed on the website of the Company at https://www.mspsteel.com/investors/stock-exchange-compliances

23. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(5) of the Act, your Directors hereby confirms:

(a) that in the preparation of the annual accounts for the FY 2020-21, the applicable Indian Accounting Standards (IND AS) had been followed along with proper explanation relating to material departures;

(b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2021 and of the profit of the company for that period;

(c) that the directors has 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) that the directors has prepared the annual accounts on a going concern basis;

(e) that the directors has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) that the directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards (SS), i.e SS-1[Meetings of the Board of Directors], SS-2[General Meetings], SS-4[Report of the Board of Directors] respectively, have been duly followed by the Company.

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

The relevant information as required under sub-section (3)(m) of Section 134 the Act read with Companies (Accounts) Rules, 2014 are given in **Annexure-4** to the Board's Report.

26. AUDITORS & AUDITOR'S REPORT

Statutory Auditors

In terms of Section 139 of the Act, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), were appointed as Statutory Auditors of the Company to hold the office for a tenure of 4 years from the conclusion of the 49th Annual General Meeting (AGM) held in the Financial Year 2017-18 till the conclusion of the 53rd Annual General Meeting to be held for the Financial Year 2021-22.

As required under Section 139 of the Act, the Company has obtained a written consent from the Auditors along with a certificate under Section 141 of the Act that their appointment is in accordance with the conditions prescribed under the Act and rules made thereunder.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended 31st March, 2021. The said Auditors' Report(s) for the financial year ended 31st March, 2021 on the financial statements of the Company forms part of this Annual Report.

There is no audit qualification, reservation or adverse remark for the year under review.

Explanation to Auditor's Comments

The Notes on Financial Statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remarks or disclaimer.

Internal Auditor

Pursuant to Section 138 of the Act, your Company has appointed M/s S.K. Agrawal & Company as Internal Auditor of the Company, to conduct internal audit of the functions and activities of the Company to audit for the period April 2020 to March 2021.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act,2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s. Bajaj Todi & Associates, Practicing Company Secretaries,(C.P. No.:3502) to undertake the Secretarial Audit of the Company.

The Company has annexed to this Board's Report, a Secretarial Audit Report by the Secretarial Auditor as **Annexure-5** and forms integral part of the report.

The Secretarial Audit Report (MR-3)for FY 2020-2021 does not contain any qualification, reservation or adverse remarks.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2020-21 for all applicable compliances as per SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report required under SEBI LODR Regulation 24A ,duly signed by M/s. Bajaj Todi & Associates dated 29th June,2021 ,has been submitted to the Stock Exchange .

Cost Auditor

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit), Rules, 2014, your Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is also required to get its cost accounting records audited by a Cost Accountant in practice every financial year.

The Board of Directors, on the recommendation of Audit Committee, has re-appointed Mr. Sambhu Banerjee, Cost Auditor (Membership No. 9780) to conduct the audit of the cost accounts of the Company for the financial year 2021-2022.

As required under the Act, a resolution seeking member's approval for the ratification of remuneration payable to Mr. Sambhu Banerjee, Cost Auditor forms part of the Notice convening the 52nd Annual General Meeting for his ratification.

27. REPORTING OF FRAUD

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Act. Further, no case of Fraud has been reported to the Management from any other sources.

28. INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT SYSTEM AND THEIR ADEQUACY

The Company has adopted and implemented robust policies and procedures for ensuring the orderly and efficient conduct of its business. The framework has been designed to provide with the size, scale and complexity of its operations, safeguarding of its assets, comply with applicable laws, prevention and detection of fraud, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Company has documented its internal financial controls considering the essential components of various critical processes, both physical and operational. This includes its design, implementation and maintenance along with periodic internal review of operational effectiveness and sustenance, and whether these are commensurate with the nature of its business.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, prevention of errors, accuracy and completeness of the accounting records, the timely preparation of reliable financial information and prevention and detection of frauds and errors. Internal financial control with reference to the financial statements were adequate and operating effectively.

29. SIGNIFICANT AND MATERIAL ORDERS

There are no such significant or material orders passed by the regulators or courts or tribunals impacting the going concern status of the company's operation in future.

30. INVESTOR SERVICES

The Company and its Registrar M/S KFin Technologies Private Limited (KFintech). is looking after the physical as well as demateralisation work along with shareholders correspondence in terms of SEBI direction and have endeavored their best to service the Investors satisfactorily.

31. LISTING FEES

The listing fees payable for the financial year 2021-2022 have been paid to Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) within due date.

32. AWARDS AND RECOGNITIONS

During the year under review, your Company was recognized in various ways/by various institutions and some of the awards presented to the Company are listed below:

The said awards and recognition is also available in the Company's website http://www.mspsteel.com/Awards

33. OTHER DISCLOSURES/REPORTING

i) None of the Directors of the Company have resigned during the year under review.

ii) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2020-21 and the date of this report.

iii) There are no change in the nature of business of the Company during the year under review.

iv) The Managing Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary companies. Further the Company doesn't have any Holding Company.

v) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

vi) The Company has not issued any sweat equity shares to its directors or employees.

vii) There was no revision of financial statements and Board's Report of the Company during the year under review.

viii) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

ix) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

CAUTIONARY STATEMENT

Statement in the Directors Report and the Management Discussion & Analysis report describing the Company's Objectives, expectation and forecast may be "forward looking Statements" within the meaning of applicable securities laws and regulations. Actual result may differ materially from those expressed in the statement. Important factors that may influence company's operational may include global and domestic demand and supply conditions; selling prices of finished goods; input availability and prices; changes in government regulating tax laws, economic developments within the country and other parts of the world.

ACKNOWLEDGEMENTS

Your Board of Directors places its gratitude and appreciation for the support and co-operation from its members and other regulators , customers, dealers, agents, suppliers, investors, bankers for their continued support and faith reposed in the Company during the year.

The Directors place on record a deep sense of appreciation for the commitment and hard work put in by the Management and their employees for the growth of the Company.

For and behalf of the board
MSP STEEL & POWER LIMITED

Date : 14.07.2021
Place : Kolkata

Saket Agrawal	**Suresh Kumar Agrawal**
DIN : 00129209	DIN : 00587623
Managing Director	Director

ANNEXURE -1

FORM AOC-1

"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

(Rs. In lacs)

1	**Name of the Subsidiary**	**MSP CEMENT LIMITED**	**PRATEEK MINES & MINERALS PRIVATE LIMITED**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2020-21	2020-21
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees	Rupees
4	Share Capital	58.07	8.95
5	Reserves & Surplus	-23.52	83.31
6	Total assets	97.13	175.53
7	Total liabilities	97.13	175.53
8	Investment	0	0
9	Turnover	0	0
10	Profit before taxation	-5.97	- 3.42
11	Provision for taxation	0	0.60
12	Profit after taxation	-5.97	-4.01
13	Proposed Dividend	0	0
14	% of Shareholding	100.00	63.69

Part "B": Associates and Joint Ventures

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

(Rs. In lacs)

Name of Associates/ Joint Ventures	**AA ESS TRADELINKS PVT LTD.**	**MADANPUR SOUTH COAL COMPANY LTD**
REPORTING CURRENCY	**RS.**	**RS.**
1. Latest audited Balance Sheet Date	March 31, 2021	March 31, 2021
2. Shares of Associate/ Joint Ventues held by the company on the year end		
Number	4,650,175	94,427
Amount of Investment in Associates / Joint Ventures		
Extend of Holding %	42.75%	14.54%
3. Description of how there is significant influence	**20% of shares**	**Joint Venture**
4. Reason why the associates/ joint venture is not consolidated	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	8,383.66	685.81
6. Profit / Loss for the year		
i. Considered in Consolidation	(16.23)	(4.69)
ii. Not Considered in Consolidation	-	-

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN:00129209

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
MEM. NO. A41041

Kolkata
14.07.2021

ANNEXURE -2

Corporate Social Responsibility for the F.Y. 2020-21 (Pursuant to Sec-135 for the Companies Act, 2013)

1. **Brief outline on CSR Policy of the Company**: Corporate Social Responsibility is a process whereby the Company integrates social and environmental concerns in their business operations in a way through which a Company achieves a balance of social, economic and environmental imperatives and at the same time meeting up to the expectations of stakeholders and enhancing shareholders value.
   Your Company understands the need of promoting social well being of the weaker section of the society. As a part of initiative under Corporate Social Responsibility the Company has undertaken various projects to promote health, growth development and education in the rural areas.
   The CSR Policy of the Company is available at: **www.mspsteel.com**

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kapil Deo Pandey	Member	1	1
2	Mr. Saket Agrawal	Member	1	1
3	Mr. Manish Agrawal	Chairman	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company at **www.mspsteel.com.**

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : **NA**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl.No.	FinancialYear	Amount available for set-off from preceding financial years (Rs. in Lacs)	Amount required to be set-off for the financial year, if any (Rs. in Lacs)
1	2017-18	46.79	0
2	2018-19	101	0
3	2019-20	173.91	0
	TOTAL	321.70	0

6. Average net profit of the company as per section135(5): **Rs . (5,135.60) Lacs**

7. (a)Two percent of average net profit of the company as per section 135(5): **Rs (102.71) Lacs**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **NA**
   (c) Amount required to be set off for the financial year, if any : **NA**
   (d) Total CSR obligation for the financial year(7a+7b-7c) : **Rs.(102.71) Lacs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lacs)	Amount Unspent (inRs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under ScheduleVII as per second proviso to section135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,56,76,671	NIL				

(b) Details of CSR amount spent against on going projects for the financial year : NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

(c) Details of CSR amount spent against other than on going projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implement-tation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Eradication of Illiteracy	(ii)	Yes	Chhattisgarh	Raigarh	1,09,45,864	Yes		
2.	Healthcare	(i)	Yes	Chhattisgarh	Raigarh	66,735	Yes		
3.	Infrastructural Development	(i)	Yes	Chhattisgarh	Raigarh	5,43,800	Yes		
4.	Social Activity	(iv) & (v)	Yes	Chhattisgarh	Raigarh	41,20,272	Yes		
	TOTAL					1,56,76,671			

(d) Amount spent in Administrative Overheads : **NIL**

(e) Amount spent on Impact Assessment, if applicable : **NA**

(f) Total amount spent for the Financial Year(8b+8c+8d+8e) : **Rs. 1,56,76,671 Lacs**

(g) Excess amount for setoff, if any

Sl.No.	Particular	Amount (Rs. in Lacs)
(i)	Two percent of average net profit of the company as per section135(5)	(102.71)
(ii)	Total amountspent for the Financial Year	1,56,76,671
(iii)	Excess amount spent for the financial year[(ii)-(i)]	1,56,76,671
(iv)	Surplus arising out of the CSR projects or programmes or activitiesofthepreviousfinancialyears,ifany	0
(v)	Amount available for setoff insucceeding financial years [(iii)-(iv)]	1,56,76,671

9. (a) Details of Unspent CSR amount for the preceding three financial years : **NA**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (inRs.)	Amount spent in the reporting Financial Year (inRs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), ifany			Amount remaining to be spent insucceeding financial years (in Rs.)
				Name of the Fund	Amount (inRs)	Date of transfer	
NIL							

(b)Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NA**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the project (inRs.)	Amount spent on the project in the reporting Financial Year (inRs)	Cumulative amount spent at the end of reporting Financial Year (inRs.)	Status of the project - Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) : **None**

(b) Amount of CSR spent for creation or acquisition of capital asset : **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section135(5) : **Not Applicable**

For MSP Steel & Power Ltd

Manish Agrawal
Chairman
CSR Committee

Saket Agrawal
Member

ANNEXURE -3

Statement of Disclosure of Remuneration under Section197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl No.	Name of the Director/KMP & Designation	Remuneration of Director/KMP for financial year 2020-2021 (Rs. in Lacs)	% increase in remuneration in the F.Y 2020-2021	Ratio of Remuneration of each Director/to median remuneration of employees
1	Mr. Saket Agrawal (Managing Director)	39.28	(1.46)	4.9:0.02
2	Mr. Suresh Kumar Agrawal (Chairman)	35.14	0.40	2.2:0.01
3	Mr. D.Singh (Executive Director)	10.09	(7.18)	5.05:0.08
4	Mr. Manish Agrawal (Non- Executive Promoter Director)	37.42	8.68	4.7:0.02
5	Mr. Ashok Kumar Soin (Non-Executive Independent Director)	Nil	Nil	Nil
6	Mr. Navneet Jagatramka (Non-Executive Independent Director)	Nil	Nil	Nil
7	Mrs. Suneeta Mohanty (Non-Executive Independent Director)	Nil	Nil	Nil
8	Mr Kapil Deo Pandey (Non-Executive Independent Director)	Nil	Nil	Nil
9	Mr. Kamal Kumar Jain (Chief Financial Officer)	27.33	(2.01)	Not Applicable
10	Ms. Shreya Kar (Company Secretary)	6.37	(3.04)	Not Applicable

i. The median remuneration of employees of the Company during the financial year was approximately Rs.16105.

ii. There has been decrease in the median remuneration as compared to the previous year.

iii. There were 1073 permanent employees on the rolls of Company as on March 31, 2021;

iv. Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2020-21 was (16.14)%

v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees

ANNEXURE -4

Conservation of Energy, Technology Absorption, Foreign Exchanges Earning & Outgo:

The Information as per Section 134(3)(m) of the Companies Act, 2013 read with relevant Rules framed thereunder Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo relating to the financial year ended 31st March, 2021 is as follows:

A. **Conservation of energy-**

i. the steps taken or impact on conservation of energy: The company is always conscious about the need for energy conservation. Continuous monitoring optimization of energy conservation is undertaken at plant level.

- Online hot charging of billet has been implemented for reduction of Thermal Energy in Structure Mill division.

- Coating in CWP 1&2 to improve efficiency and to reduce power, CO optimization in boiler and installation of energy efficient LED lighting system in place of light pressure sodium vapor lamps had been implemented in CPP-1 division.

- Installation of efficient low frequency coil in induction furnace in SMS Division.

ii. the steps taken by the company for utilizing alternate sources of energy: Nil

iii. the capital investment on energy conservation equipments: Nil

B. **Technology absorption-**

i. the efforts made towards technology absorption: No major technology has been adopted by the Company during the year.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution: N.A

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

a. the details of technology imported : **N.A**
b. the year of import : **N.A**
c. whether the technology been fully absorbed : **N.A**
d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : **N.A**

iv. **The expenditure incurred on Research and Development:** The Company so far has not carried out any major Research and Development work. The Company shall however undertake Research and Development work as and when required to improve the quality of its products. The Company has not incurred any expenditure on this account so far. The Company, however, has a full-fledged laboratory at its integrated steel plant for testing of raw materials and the finished products.

C. **Foreign exchange earnings and Outgo-**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(Rs. In Lacs)

Particulars	2020-21	2019-20
Foreign Exchange Earned	-	-
Foreign Exchange Used	6,201.50	15,923.36

ANNEXURE -5

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
MSP Steel and Power Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MSP Steel and Power 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.

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 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. 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 31st March, 2021, 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 the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      c. Securities and Exchange Board of India (Depository and Participants) Regulations, 2018

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) were not applicable to the Company under the financial year under report:
   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [replaced by

Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 w.e.f 10/06/2021]; and

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

3. The Company is in the business of manufacturing of steel & sponge iron. The following Acts, over and above other laws etc., are applicable to the Company:
   - Indian Contract Act,1872
   - Factories Act, 1948
   - Income Tax Act,1961 and Indirect Tax Laws
   - Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003
   - Environment Protection Act, 1986 and other Environmental Laws.
   - All applicable Labour Laws

4. We have also examined compliance with the applicable clauses of the following:
   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
   (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that under the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, there were no External Commercial borrowings made, Foreign Direct Investment received, Overseas Direct Investment by Residents in Joint venture/Wholly Owned Subsidiary abroad received, during the financial year under report.

6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.

7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

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

   (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Kolkata
Date : 14/07/2021

For Bajaj Todi & Associates

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN : A013216C000630932

ANNEXURE - A

To,
The Members
MSP Steel and Power Limited

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

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

2. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.

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

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

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

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

Place : Kolkata
Date : 14/07/2021

For Bajaj Todi & Associates

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN : A013216C000630932

MSP

REPORT ON CORPORATE GOVERANCE

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015], a Report on Corporate Governance for the Financial Year 2020-21 is presented below:

1. MSP'S PHILOSOPHY ON CORPORATE GOVERNANCE

"With Great Power Comes Great Responsibility"

At MSP Steel & Power Ltd. (MSP) corporate governance is about fostering a culture of integrity, leading to a positive performance and sustainable business so that the interests of management are aligned with other stakeholders. For good corporate governance MSP ensures a balanced, competent and diverse Board; review Board Composition regularly; Builds solid foundations for oversight; Gears key performance indicators towards long term value creation; Prioritises risk management; Ensures integrity in corporate reporting; Provides timely and balanced information; Treats shareholders equitably; Ensures adequate disclosure about related party transactions and director's other interests. Following 4P's of Corporate Governance; MSP's core belief i.e. People, Purpose, Process, Performance.

MSP constantly strives to adapt emerging best practices being followed worldwide. The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). The report contains details of Corporate Governance systems and processes at MSP Steel & Power Limited. There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

The Corporate Governance framework of MSP is based on the following principles:

- An active Board of Directors and Committees with proper size and composition, having high qualifications and vast experience, bringing in expertise in their respective domains;
- Adoption and implementation of policies and procedures as would be required for timely disclosures of information and proper functioning of the Company;
- Systems and processes in place for internal control;
- Timely Disclosure of material operational and financial information to the Stakeholders;
- Transparency and accountability at all the levels ensuring that the organization is managed and monitored in a responsible manner ;
- Develop policies to strengthen the governance principles and to generate long-term value for stakeholders on sustainable basis thus ensuring ethical and responsible leadership both at the Board and Management levels ;
- Proper business conduct by the Board, Senior Management and Employees;
- Exercise a robust mechanism and process that would ensure expedient compliance with all the legal, statutory and regulatory frameworks as required by different statutes/ norms/ regulations etc.
- Commitment to set a balanced corporate governance system which provides the framework for attaining the company's objectives encompassing practically every sphere of management from action plans and internal controls to corporate disclosure ;

CORPORATE GOVERNANCE STRUCTURE

The Corporate Governance structure at MSP Steel & Power Limited:

I. **Board of Director:** The Board of Directors have the ultimate responsibility of management, general affairs, direction, performance and long-term success of business as a whole. The Directors plays a fiduciary role in reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, so as to ensure that the Board act in good faith, with due diligence and care, and in the best interest of the shareholders.

II. **Committees of the Board:** The Board Committees play a crucial role in the governance structure of the Company. It has been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Minutes of the meetings of all the Committees are also placed before the Board for their noting. During Financial year 2020-21, there have been no instances where the Board has not accepted any recommendation of/submission by any Committees which is mandatorily required for approval of the Board of Directors.

2. BOARD OF DIRECTOR:

A. Size and composition of the Board

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). The Board has a balanced mix of Executive and Non Executive Directors with half of the Board comprising of Independent Directors. As on March 31, 2021 the Board comprised of 8 Directors of whom two are Executive Directors and two are Non-Executive directors and four Independent Director including a Women Director. Your Board holds a diverse, highly professional, experienced and competent Directors having knowledge and expertise in industry, finance, law, banking, insurance, management, technology and other allied fields which enables them to carry on their responsibility and business effectively.

Category	Number of Directors	% of Total Number of Directors
Executive Directors	2	25%
Non- Executive Independent Directors (including woman Director)	4	50%
Other Non-Executive Director	2	25%
Total	**8**	**100**

B. Board Meetings

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board meets at least once in a quarter to review quarterly financial performance, discuss and decide on other items of agenda apart from other regular business matters.

Eleven Board Meetings were held during the financial year as against the minimum requirement of four meetings. The Meetings are usually held at the Corporate Office of the Company at 16/S Block-A, New Alipore, Kolkata – 700053. During the financial year 2020-21, meetings of the Board were held through video conference and also via physical mode in accordance with the provisions of the Act keeping in mind the 'safety-first' approach of COVID-19 Protocols for all its discussions and deliberations. The maximum interval between any 2 (two) consecutive Board Meeting was not more than 120 (One hundred and Twenty) days. The necessary quorum was present for all the Meetings.

Dates on which the Board Meeting were held during the Financial Year 2020-2021and the number of Directors present are as follows:-

Date	Board Strength	Number of Directors Present
17th April, 2020	8	6
30th June, 2020	8	6
20th July, 2020	8	7
22nd August, 2020	8	5
5th September, 2020	8	6

15th October, 2020	8	5
12th November, 2020	8	6
22nd December, 2020	8	4
20th January, 2021	8	4
12th February, 2021	8	6
15th March, 2021	8	6

C. Board Meeting Process of Convention and Conduction

Scheduling and selection of agenda items for Board meetings:

A minimum of four Board meetings are held every year. Dates for the Board meetings in the ensuing quarters are scheduled well in advance and communicated to the Directors. The agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held as and when deemed necessary to address the specific needs of the Company.

The Board is also provided with Audit Committee observations, if any on the internal audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

The Company Secretary attends all the meetings of the Board and its Committees to advise and assure on compliance with applicable laws and governance principles.

D. Distribution of Agenda for Board Meeting:

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

E. Recording of the minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/ Committees within in 15 days of the meeting for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting signed by the Chairman of the meeting.

F. Post-meeting follow-up mechanism:

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

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and the Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

G. Attendance of the Directors at Board Meetings, the last Annual General Meeting:

The details of the attendance of the Directors at the Board Meetings held during the financial year 2020-21 and at the last Annual General Meeting (AGM), along with the number of Directorships, Committee Chairmanships and Memberships held by them in other Public/Listed Public Companies and number of shares held by non-executive directors are stated below:

H. The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31 March 2021 are as follows:

Name of the Director	Category	Date of Joining Board	No. Of Board Meeting Attended during the FY 2020-2021	Whether attended last AGM held on 30th September, 2020	Number of Directorship in other public Companies (listed and unlisted excluding MSPL) *	No. of Committee Memberships and Chairmanship in other Companies **		Directorship in Other Listed Entity and category of Directorship
						Chairman	Member	
Mr. Suresh Kumar Agrawal DIN: 00587623	Chairman/ Non-Executive Director	10th August, 2004	11/11	yes	4	NIL	NIL	Howrah Gases Limited (Managing Director/Executive Director)
Mr. Saket Agrawal DIN: 00129209	Managing Director/ Executive Director	30th September, 2003	10/11	Yes	6	NIL	NIL	-
Mr. Manish Agrawal DIN: 00129240	Non-Executive Director	5th July, 2003	6/11	yes	6	NIL	4	Howrah Gases Limited (Chairman Non-Executive Promoter)
Mr. Dhananjay Uchit Singh DIN: 01018678	Executive Director	21st September, 2015	8/11	Yes	NIL	NIL	NIL	-
Mr. Navneet Jagatramka DIN: 01579357	Non-Executive Independent Director	12th December, 2003	3/11	Yes	NIL	NIL	NIL	-
Mr. Ashok Kumar Soin DIN: 02986145	Non-Executive Independent Director	21st September, 2012	4/11	No	NIL	NIL	NIL	-
Mrs. Suneeta Mohanty DIN: 08398436	Non-Executive Independent Director	25th March, 2019	9/11	yes	2	1	2	Howrah Gases Limited (Independent Non-Executive Director)
Mr. Kapil Deo Pandey DIN: 07208719	Non-Executive Independent Director	17th June, 2015	10/11	No	2	1	1	-

Notes:-

* Excludes directorship in MSP Steel & Power Limited. Also excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Act and alternate directorships.

** For the purpose of considering the limit of Committee membership and chairmanship of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies/public listed have been considered. Also excludes the membership & chairmanship in MSP Steel & Power Limited.

Disclosure of inter-se relationship between Directors

None of the Directors are relative of other Directors of the Company except Mr. Saket Agrawal who is the son of Mr. Suresh Kumar Agrawal. The term "relative" is considered as defined under Section 2(77) of the Act.

I. Details of Equity Shares of the Company held by the Non-Executive Directors of the Company as on 31st March, 2021 are given below:

Name	Category	Number of Equity Shares
Mr. Manish Agrawal	Non-Independent, Non-Executive	309,000
Mr. Suresh Kumar Agrawal *	Non-Independent, Non-Executive	141,000

Note: No Non-Convertible Instruments held by Non-Executive Directors of the Company.

**Doesnot include the shares held by Suresh Kumar Agrawal HUF*

J. Declaration by Independent Directors and confirmation By Board

Independent Directors are the non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed there under. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

K. Familiarization Programmes for Independent Directors

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. In terms of Regulation 25(7) of the Listing Regulations, the Company conducts familiarization programmes for Independent Directors to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and other related matters.

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

The Company has put up details of the familiarization programme on its website and can be accessed through URL: http://mspsteel.com/about-us/corporate-policies

L. Meeting of Independent Directors

Schedule IV of the Act, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors. During the Financial Year 2020-2021 the Meeting of Independent Director held on February 12, 2021.

The Independent Directors, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

M. Core Skill/Expertise/Competencies of Board of Directors

Broad Category of Skill	Core skills/ Expertise/ Competencies Identified by the Board	Directors							
		Mr. Suresh Kumar Agrawal	Mr. Saket Agrawal	Mr. Manish Agrawal	Mr. Dhananjay Uchit Singh	Mr.Navneet Jagatramka	Mr. Ashok Kumar Soin	Mrs. Suneeta Mohanty	Mr. Kapil Deo Pandey
Industry Knowledge	Knowledge of steel/metal sector and industry	√	√	√	√	√	√	√	√
	General knowledge of public policy of steel sector	√	√	√	√	√	√	-	√
	General understanding of government legislation /legislative process with respect to governance of the Board affairs	√	√	√	√	√	√	-	√
Technical Knowledge	Accounting and Finance management	√	√	√	√	-	-	-	-
	Operations of steel/metal product manufacturing	√	√	√	√	-	-	-	-
	Marketing knowledge applicable to Company's product	√	√	√	√	√	√	√	√
	General understanding of Information technology	√	√	√	√	√	√	√	√
	General understandings of Laws applicable to the Company and sector	√	√	√	√	√	√	√	√
	Strategy development and implementation	√	√	√	√	-	-	-	-
	Understanding of risk management systems and its implementation	√	√	√	√	√	√	√	√
Governance	Focus on Compliance	√	√	√	√	√	√	√	√
	Internal Performance Management	√	√	√	√	√	√	√	√
	Strategic Thinking and planning	√	√	√	√	√	√	√	√
Behavioural	Understanding and effective decision making	√	√	√	√	√	√	√	√
	Willingness and ability to devote time and energy	√	√	√	√	√	√	√	√
	Ability and willingness to challenge board issues/matters	√	√	√	√	√	√	√	√
	Ethical standards	√	√	√	√	√	√	√	√

N. Performance Evaluation

Pursuant to the provisions of the Act and Regulation 17(10), 19(4) and Part D of Schedule II of the Listing Regulations, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The purpose of the performance evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation of Board members provides greater efficiency in the use of the Board's time and increased effectiveness of the Board as a governing body.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The Directors expressed their satisfaction with the evaluation process as it will lead to a closer working relationship among them.

The key objectives of conducting the Board Evaluation process were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly, the key objectives of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain active participation of directors in the Board/Committee Meetings and contribution to achieve the common business goals of the Company.

The performance evaluation of Committee(s) included aspects like degree of fulfilment of key responsibilities as outlined by the Charter of the committee, adequacy of Committee composition, effectiveness of discussions at the Committee meetings, quality of deliberations at the meetings and information provided to the Committee(s).

3. COMMITTEES OF BOARD

The Board Committees play a crucial role in strengthening the Corporate Governance practice and have been constituted to deal the specific areas and activities which concern the Company and requires a closer view. The Board Committees meet at regular intervals and take necessary steps to perform its duties as entrusted by the Board. The minutes of the Committee Meetings are placed before the Board for noting. The Composition of the Board Committees is also available on the website of the Companyat www.mspsteel.com.

The Board currently has four Committees:

A. **Audit Committee**
B. **Nomination & Remuneration Committee**
C. **Stakeholders' Relationship Committee**
D. **Corporate Social Responsibility Committee**

A. AUDIT COMMITTEE

The Audit Committee is entrusted with the responsibility of overseeing financial reporting process, disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies and auditors qualifications etc. All the members of the Committees are financially literate and have adequate knowledge of Accounts, audit, finance, taxation and governance. The composition, power, role and terms of reference are in line with Section 177 of the Act and Regulation 18 of the Listing Regulations.

Oversight of financial reporting process:

- Review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of policies in relation to the implementation of the Insider Trading Code and to supervise the same.
- Reviewing, approving or subsequently modifying transactions of the Company with related parties;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

The Committee as on 31st March, 2021, comprised of four (4) Directors of which three(3) Directors are independent. Mrs. Suneeta Mohanty was the chairperson of the Committee and has Mr. Kapil Deo Pandey, Mr. Saket Agrawal, Mr. Navneet Jagatramka as its members.

Meetings and Attendance

During the Financial Year 2020-21,the Audit Committee met five times on 30th June, 2020, 20th July, 2020, 22nd August, 2020, 12th November, 2020 , and 12th February, 2021. The time gap between any two meetings did not exceed one hundred and twenty days.The details of the attendance of the member is as under:

Name	Category	Position	Number of Meetings	
			Held	Attended
Mrs. Suneeta Mohanty	Independent Director	Chairperson	5	5
Mr. Navneet Jagatramka	Independent Director	Member	5	4
Mr. Kapil Deo Pandey	Independent Director	Member	5	4
Mr. Saket Agrawal	Executive Director	Member	5	3

The meetings of the Audit Committee were also attended by the Chief Financial Officer and Company Secretary. Statutory Auditor and Internal Auditor are the invitees to the Committee Meetings whenever required.

B. NOMINATION & REMUNERATION COMMITTEE

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

The brief terms of reference according to the provisions of Part D of Schedule II of the Listing Regulations of the Nomination and Remuneration Committee, inter alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Place necessary reports before the Chairman after completion of evaluation process
- To ensure that the level of composition of remuneration is reasonable enough to retain and motivate Directors, KMPs and other employees and at the same time ensure that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks;
- Carrying out such other function as directed by the Board from time to time and /or enforced by any statutory notification, amendments as may be applicable.

Meetings and Attendance

The Committee met twice during the financial year 2020-21, on 20th July, 2020 and 22nd August, 2020. The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

Name	Category	Position	Number of Meetings	
			Held	Attended
Mr. Kapil Deo Pandey	Independent Director	Chairperson	2	2
Mr. Navneet Jagatramka	Independent Director	Member	2	1
Mr. Manish Agrawal	Non-Executive Director	Member	2	2

Nomination and Remuneration Committee Policy:

The Company has the Nomination and Remuneration Policy for the Company in compliance with Regulation 19 of the Listing Regulations read with provisions of Section 178 of the Act. The said policy of the Company which has the criteria for making payments to Non-Executive Directors is available on the website of the company at www.mspsteel.com/about-us/corporate-policies

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee is constituted to specifically look into the mechanism of redressal of grievances of shareholders and other stake holders and review the work of Registrar and Transfer agent of the Company and other share related issues. The role of Nomination and Remuneration Committee, inter-alia, includes:

- Determine/recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors and Key Managerial Personnel, i.e. salary, benefits, bonuses, stock options, pension etc.;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole;
- Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

The Committee comprises of three Directors. Mr. Kapil Deo Pandey, Independent Director is Chairman of the Committee.

Meetings and Attendance

The Committee met once during the financial year 2020-21, on 22nd August, 2020. The details of the attendance of the members is as under

Name	Category	Position	Number of Meetings	
			Held	Attended
Mr. Kapil Deo Pandey	Independent Director	Chairman	1	1
Mr.Manish Agrawal	Non-Executive Director	Member	1	1
Mr. Saket Agrawal	Executive Director	Member	1	1

Name and Designation of Compliance Officer:
Name: Shreya Kar
Designation: Company Secretary & Compliance Officer
Address: 16/S Block A, New Alipore Kolkata- 700053
Phone: 033 4005-7777
E-mail: shreya.kar@mspsteel.com

Investor Grievance Redressal

Number of complaints received and resolved during the financial year 2020-2021 are stated as under:

No. of Shareholders' complaints received during the year	6
No. of complaints disposed off during the year	6
No. of complaints not resolved to the satisfaction of Shareholders	Nil
No. of pending complaints	Nil

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility Committee ('CSR Committee') of the Company is constituted pursuant to the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee performs the following functions:

- 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 Act;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress;
- Recommend the amount of expenditure to be incurred on the activities;
- To monitor the corporate social responsibility policy of the Company from time to time.

The Corporate Social Responsibility (CSR) Committee consists of three Directors of which Mr. Manish Agrawal, Non- Executive Director is Chairperson of the Committee with Mr. Saket Agrawal and Mr. Kapil Deo Pandey as its member.

Meetings and Attendance

The CSR Committee met once during the financial year 2020-21, on 12th February, 2021. The details of the attendance of the members is as under:-

Name	Category	Position	Number of Meetings	
			Held	Attended
Mr.Manish Agrawal	Non-Executive Director	Chairman	1	1
Mr. Kapil Deo Pandey	Independent Director	Member	1	1
Mr. Saket Agrawal	Executive Director	Member	1	1

The Company has in place CSR Policy as formulated by the Committee and approved by the Board of Directors. The CSR Policy of the Company is available on the website of the Company at www.mspsteel.com and can be accessed through the link: (Web link: http://www.mspsteel.com). The details of the expenditure incurred by the Company in the CSR activities during the financial year are annexed to the Directors Report as Annexure 2.

4. REMUNERATION

A. Remuneration Policy

A policy on determining remuneration to be paid to the Executive Directors, Non- Executive Directors and the Independent Directors has been framed by Nomination and Remuneration Committee. The remuneration paid to the Directors of the Company is approved by the Board on recommendation of Nomination and remuneration Committee. The remuneration strategy is performance linked and in consonance with the existing industry practice.

B. Remuneration to Executive Director

Remuneration to the Executive Directors are paid on monthly basis which includes fixed components and a variable performance incentive. Annual Increments done for the financial year if any, is based on the performance evaluation done by the Nomination and Remuneration of the Committee or otherwise. As the Company was suffering losses during the financial year, the Executive Directors were paid in accordance with the slab prescribed under Schedule V of the Act. Approval of the shareholders were accorded wherever required as per the provisions of the Act and Listing Regulations.

C. Remuneration to Non- Executive Directors including Independent Directors

A Non- Executive Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. Fees and compensation, if any paid to Non-Executive Directors and/or Independent Directors, is fixed by Board of Directors and is approved by Shareholders.

An Independent Director may receive remuneration by way of fee in conformity with the provisions of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the shareholders as recommended by the Committee and the Board.

During the year no sitting fee is paid to any Non- Executive Director for attending the meeting of the Board of Directors or a Committee thereof.

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the company. The Company does not have any Stock Option Scheme for its Executive or Non-executive Directors. There are no separate provisions for notice period or severance fees.

The NRC policy of the Company has been uploaded on the Company's website and can be accessed at - www.mspsteel.com

D. The details of the remuneration paid to Directors for the financial year 2020-2021 are as follows:

Name	Salary (Rs.) per month (in Lakhs)	Perquisite / Benefit, etc. (fixed component)	Performance Linked Incentive (Per month) (Rs in Lakhs)	Period of Contract From
Mr. Suresh Kr. Agrawal (Chairman & Non-Executive Promoter Director)	2.00	NIL	1.24	NA
Mr. Saket Agrawal (Managing Director-Executive Director)	2.50	NIL	1.03	14.11.2019
Mr. Dhananjay Uchit Singh (Executive Director)	0.50	NIL	0.45	21.09.2015
Mr. Manish Agrawal (Non-executive Promoter Director)	2.50	NIL	0.82	NA

5. GENERAL BODY MEETINGS

A. Annual General Meeting

Details of last three Annual General Meeting held are:

AGM	Financial Year	Date & Time	Venue	Details of Special Resolution Passed
49th AGM	F.Y. 2017-18	September 27, 2018 at 3.30PM	Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700017	No Special Resolutions are passed for FY. 2018-19.
50th AGM	F.Y. 2018-19	September 20, 2019 at 4.00 PM	Rotary Sadan 94/2 Chowringhee road Kolkata - 700020	• Re-appointment of Mr. Ashok Kumar Soin (DIN 02986145) as an Independent Director of the Company • Re-appointment of Mr. Navneet Jagatramka (DIN 01579357) as an Independent Director of the Company • Continuation of Directorship of Mr. Kapil Deo Pandey (DIN 07208719) as Non-Executive Independent Director of the Company, not liable to retire by rotation
51st AGM	F.Y. 2019-20	September 30, 2020 at 5.00 PM	Video conferencing	• To approve the amount payable as Annual Remuneration to Mr. Suresh Kumar Agrawal , Non- Executive Director of the Company . • To increase overall Managerial Remuneration of the Managerial Person of the Company.

B. Postal Ballot

During the year under review, no resolution was passed through postal ballot neither any of the resolution is proposed to be conducted through postal ballot. However, resolution if any, required to be passed through the same shall be in Compliance with the Act and Listing Regulations

C. Means of Communication with Shareholders

A) Financial Results:

Prior intimation of the Board Meeting to consider and approve Unaudited/ Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company at www.mspsteel.com. The aforesaid Financial Results are immediately intimated to the Stock exchanges after the same are approved at the Board Meeting. 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 Listing Regulations.

Financial Results	***Date of Approval***	***Date of Submission***
Un-audited Financial Results for the quarter ended 30th June, 2020	22nd August, 2020	22nd August, 2020
Un-audited Financial Results for the quarter ended 30th September, 2020	12th November, 2020	12th November, 2020
Un-audited Financial Results for the quarter ended 31st December, 2020	12th February, 2021	12th February, 2021
Audited Financial Results for the year ended 31st March, 2021	11th June, 2021*	11TH June, 2021

*Note: Due to Covid Pandemic SEBI has given relaxation to the Listed Entities for filling of Audited Financial Results with the Stock Exchange where the Shares of the Company is Listed and accordingly the last date for such filling has been extended till 30th June, 2021.

B) Publication of Financial Results:

The approved financial results of the Company are forthwith sent to the Stock Exchange and are published within 48 hours of the conclusion of the Board Meeting in which they are approved, in one English newspaper and one vernacular newspaper of the region where Registered Office of the Company is situated. The results were published in the Business Standard in English and Arthik Lipi or Kalantar, in Bengali (a regional daily newspaper) during the financial year 2020-2021.

C) Website:

The financial results, annual reports, official news releases and presentations if any along with any additional information are posted on website of the Company at www.mspsteel.com. There is a separate section "Investors" for shareholders information with sub-head "Financials" on the website of our Company whereby copy of the Financial results for the respective quarters are posted.

D) Press/News Releases and Presentation made to Institutional Investor or to the analyst:

The Company's has not made any press release and presentation to Institutional Investor or to the analyst for the financial year 2020-21.

6. General Information to the Shareholder

A. Annual General Meeting (AGM) For The Financial Year 2020-21

Day, Date and Time	Friday, 17th September, 2021 at 4:00 P.M. (IST)
Venue	Annual General Meeting through Video Conference / Other Audio-Visual Means [Deemed Venue for Meeting: Corporate Office of the Company at 16/S, Block A, New Alipore, Kolkata - 700053
Book Closure Date	Not Applicable as the Company is not declaring Dividend for the Financial Year 2020-2021
Financial Year	2020-2021
Dividend Payment Date	NA

B) Tentative Calendar for Financial Year ending March 31, 2022 :

Financial Calendar [Current Financial Year 2021-2022]	Tentative Dates
First Quarter Results ending on 30th June,2021	Held on 12th August, 2021
Second Quarter & Half yearly Results ending on 30th September, 2021	On or before 14th November, 2021
Third Quarter & Nine Months Ended Results ending on 31st December,2021	On or before 14th February, 2022
Fourth Quarter & Annual Audited Financial Results of the Current Financial Year ending on 31st March,2022	On or before 30th May, 2022
AGM for the year ended 2021-22	On or before 30th September, 2022

C. Dividend

The Board of Directors did not declare any dividend for the financial year 2020-21.

D. Listed on Stock Exchanges:

1. National Stock Exchange of India Limited,
Exchange Plaza , C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051

2. BSE Limited
Phirozee Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001

Stock Code/ Symbol:

National Stock Exchange of India Limited(NSE) **MSPL**
BSE Limited(BSE) **532650**

3. ISIN for Depositories – INE752G01015

4. Payment of Listing Fees - The annual listing fees for the financial year 2021-2022 have been paid to the above Stock Exchanges.

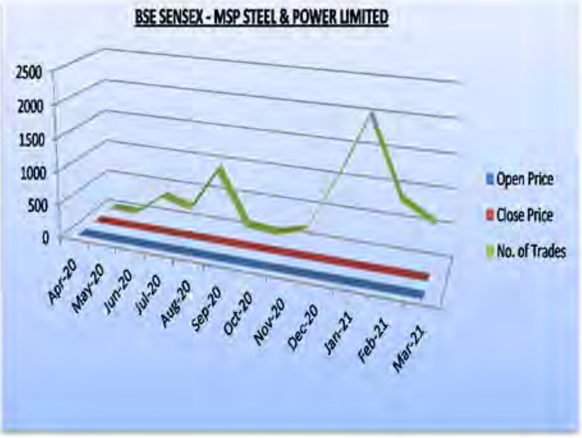
E. Stock Market Performance:

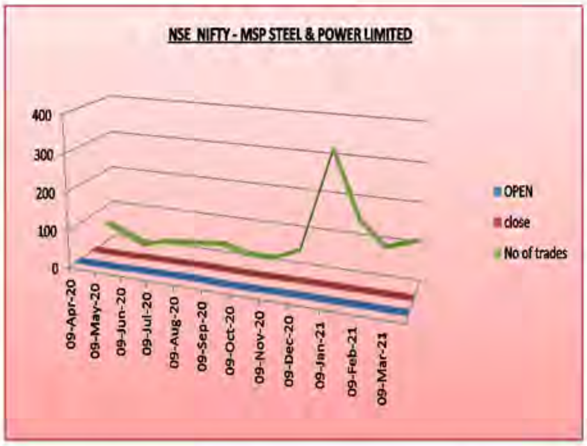
The monthly high/low market price of the shares and the quantities traded during the year 2020-21 on BSE Limited and National Stock Exchange of India Limited are as under:

	Bombay Stock Exchange		***National Stock Exchange***	
Month	***High (Rs.)***	***Low (Rs.)***	***High (Rs.)***	***Low (Rs.)***
20-Apr	4.05	4.05	4.45	4.20
20-May	3.75	3.75	4.20	4.20
20-Jun	8.18	7.60	8.20	7.60
20-Jul	6.00	6.00	6.55	5.95
20-Aug	7.69	7.30	7.95	7.35
20-Sep	6.60	6.30	6.50	5.95
20-Oct	6.02	6.02	6.40	5.95
20-Nov	7.69	7.09	7.70	7.10
20-Dec	8.35	8.01	8.40	7.95
21-Jan	7.51	7.13	7.75	7.15
21-Feb	7.66	7.31	7.95	7.35
21-Mar	7.69	7.34	7.60	7.00

F. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The chart below shows the comparison of the Company's monthly share price movement vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2021 (based on the month end closing):





G. Incase the Securities are suspended from trading. The reason thereof – **Not Applicable**

H. REGISTRARS & TRANSFER AGENT:

Name: **K-Fin Technologies Private Limited** (Formerly Karvy Fintech Private Limited)

Address: Karvy Selenium Tower-B, Plot No.-31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telengana

Ph. No.: (040) - 2331-2454/2332

Fax No.: (040)-2331-1968

E-mail: compliance.kfpl@karvy.com

Website: www.karvy.com

I. Share Transfer System

The Board has delegated the power of transfer of shares to the Kfin Technologies Private Limited (Formerly Karvy Fintech Pvt. Ltd.) the Registrars and Share Transfer Agent (RTA) of the Company. The transfer of shares is processed and completed by the RTA within a period of fifteen days provided the documents found in order. In case of shares in electronic form the transfers are processed by National Securities Depository Limited/Central Depository Services (India) Limited through respective Depository Participants. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

J. Transfer to Investor Educations and Protection Fund-

In terms of Sections 124 and 125 of the Act ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("IEPF Rules"), dividend, if not paid or claimed for a period of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF Authority).

Further, according to the Act read with the IEPF Rules, all the shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year under review, the Company had issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares/dividend to the IEPF. Details of the unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the website of the Company at: https://www.mspsteel.com/investors/dividend/investors-education-and-protection-fund-iepf

Pursuant to the provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year under review, unpaid and unclaimed dividend amounting to Rs. 1,25,196 and Rs 86,923 for the financial year 2010-2011 and 2011-2012 respectively were transferred by the Company to the Investor Education and Protection Fund established by the Government of India. Further, according to the said IEPF rules, shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority

The members who have a claim on the dividends and shares transferred to the IEPF Authority may claim the same by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

Nodal Officer

In accordance with the IEPF Rules, the Board of Directors have appointed Ms. Shreya kar, Company Secretary of the Company, as the Nodal Officer of the Company. Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available at the website of the Company at https://www.mspsteel.com/investors/dividend/unpaid-dividend.

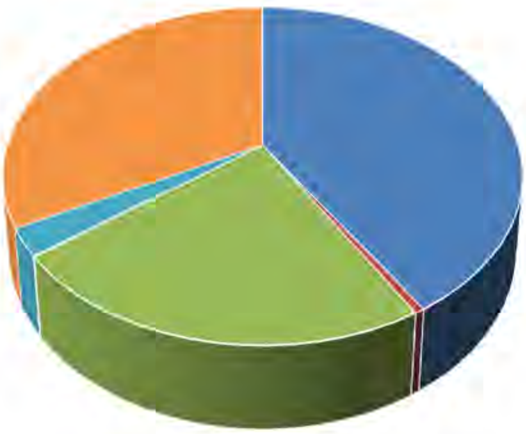
L. Distribution of Shareholding as on 31st March, 2021

Sl. no.	Category	No. of Cases	% of Cases	Amount (in Rs.)	% of Amount
1	1-5000	8696	79.34	13131670.00	0.34
2	5001- 10000	1013	9.24	8740030.00	0.23
3	10001- 20000	522	4.76	8325360.00	0.22
4	20001- 30000	210	1.92	5416710.00	0.14
5	30001- 40000	86	0.78	3140210.00	0.08
6	40001- 50000	85	0.78	4020210.00	0.10
7	50001- 100000	151	1.38	11432700.00	0.30
8	100001& Above	19	1.81	3799943110.00	98.59
	Total:	**10961**	**100.00**	**3854150000.00**	**100.00**

M. Shareholding Pattern for the year ended 31st March, 2021

Category	No. of Shares Held	% of Holding
Promoter Individuals	20,23,240	0.52
Promoters Body Corporates	1,583,82,285	41.09
Bodies Corporates	88,225,771	22.89
Resident Individuals	1,01,22,895	2.63
Banks	12,59,77,637	32.69
Non-Resident Indians	1,42,728	0.04
NRI Non-Repatriation	41,798	0.01
Clearing Members	57,584	0.01
HUF	4,41,062	0.11
Total	**3,854,15,000**	**100.00**

Equity Shareholding as on 31st March, 2021



N. Top Ten Shareholders for the year ended 31st March, 2021

Sl. No.	Name of Share holders	Total Shareholding	Percent to Capital
1	STATE BANK OF INDIA	46334367	12.02
2	MOD COMMODEAL PVT. LTD.	31499538	8.17
3	SHRINGAR MERCANTILE PVT. LTD.	28211200	7.32
4	'UNION BANK OF INDIA	19805945	5.14
5	INDIAN BANK	15401434	4.00
6	PUNJAB NATIONAL BANK	13194159	3.42
7	ICICI BANK LTD	7054764	1.83
8	PABITRA ENCLAVE PVT. LTD.	6801315	1.76
9	INDIAN OVERSEAS BANK	6139611	1.59
10	RAVI BUSINESS SERVICES PVT. LTD.	6120449	1.59
TOTAL		180562782	46.84

O. Dematerialization of shares

The shares are regularly traded in dematerialized form to facilitate dematerialization of shares the Company has entered into arrangement with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories. 98.74% of the total equity shares, are held in dematerialized form and 0.46% of the Equity Shares are held in physical form. The register of Members is being maintained by the RTA in electronic form. The dematerialization requests received, if any, during the year were confirmed within 21 days.

Name of Depository	No. of Shares	% of total issued Capital
Held in dematerialized form in NSDL	379,498,816	98.46
Held in dematerialized form in CDSL	4,152,980	1.08
Physical	1,763,204	0.46
Total	**385415000**	**100**

P. Reconciliation of Share Capital Audit report

As stipulated by the Listing Regulations, a qualified Practicing Company Secretaries carries out Secretarial Audit to reconcile the total admitted capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's Shares are listed. The audit confirms that the total Listed and Paid up Capital is in agreement with the aggregate of the Total number of Shares in dematerialized forms(held with NSDL and CDSL) and total number of shares in physical form.

Q. Commodity Price Risk and Foreign Exchange Risk-

Please refer Note No. 37 of the notes to the accounts attached with the Standalone Financial Statement of the Company for the year ended March 31, 2021.

R. Outstanding Instruments and their impact on Equity –

The Company does not have any outstanding GDRs / ADRs / Warrants / Convertible Instruments as on March 31, 2021.

S. Credit Rating

During the Financial Year ended March 31, 2021, the Company has obtained credit rating from India Ratings &Research.

India Ratings & Research has revised the Credit Rating as '[IND BB+/Negative]' to '[IND BBB-/stable]' for long term loan, as'[IND BB+/Negative]' to '[IND BBB-/stable]' for fund based working Capital limits and as'[IND A4+]' to '[IND A3]' for Non-Fund Based Working Capital Limits.

Instrument Type	Rating/Outlook	Rating Action
Long-Term Loan	IND BBB-/stable	Outlook revised to stable
Fund Based working Capital limits	IND BBB-/stable	Outlook revised to stable
Non-fund based Working capital limits	IND A3	Upgraded

T. PLANT LOCATION

The Company's plant is located at Jamgaon Village and PO, in the district of Raigarh, Chhattisgarh.

Address Village Manupali P.O. Jamgaon,
Dist Raigarh, Chattisgarh - 496001

U. ADDRESS FOR CORRESPONDENCE:

- **REGISTERED OFFICE**
  1 Crooked Lane, Kolkata- 700069
  Phone no: - 033-22483795

- **CORPORATE OFFICE**
  16/S Block-A, New Alipore, Kolkata-700053
  Phone no: - 033-40057777

- **INVESTOR QUERY - Ms. Shreya Kar**
  Email: shreya.kar@mspsteel.com /
  investor.contact@mspsteel.com
  Phone no: - 033-4005 7777

7. Other Disclosures

A. The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Particulars	**Regulations**	**Details**	**Website Link for policy**
Related Party Transactions	Regulation 23 of THE LISTING Regulations	All the related party transactions as defined under Sec188 of the Act and Regulation 23 of the Listing Regulations and entered during the financial year were in the ordinary course of business and on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the financial year under review with the any related party. There were no significant material transactions entered with the related parties which were in conflict with the interest of the Company. All related party transactions are reviewed and approved by the Audit Committee. The Board of the Directors has laid down a policy on dealing with the material related party transactions pursuant to the provisions of the Act and THE LISTING Regulations, 2015. Details of related parties and related party transactions as required under Accounting Standard 18 (AS-18) are furnished under Note No. 43 of the notes to the accounts attached with the standalone financial statements of the Company for the year ended 31 March 2021.	*http://mspsteel.com/related-party-transaction-policy.*
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years	Schedule V (C) 10(b) to the Listing Regulations	Nil	
Whistle Blower Mechanism/Policy	Regulation 22 of the Listing Regulations	The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	http://mspsteel.com/vigil-policy.

Subsidiary Companies	Regulation 24 of THE LISTING Regulations	The audit committee reviews the consolidated financial statements of the unlisted subsidiary company. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on the website	www.mspsteel.com
Policy on Archival and Preservation of Documents	Regulation 9 of the Listing Regulations	The Company has adopted this policy	http://mspsteel.com/archival-policy
Details of Mandatory and Non-Mandatory Corporate Governance Requirements	-	The Company has complied with all mandatory requirements as prescribed by the Listing Regulations. The Quarterly/Yearly Reports on compliance of corporate governance in the prescribed format have been submitted to the Stock Exchange where the shares are listed within the stipulated time frame and the same have been uploaded on the Company's website. The Company has not adopted any non-mandatory requirement of the Listing Regulations.	www.mspsteel.com
Code of Conduct	Regulation 17 of the THE LISTING Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. A copy of the same is available on the Company's website. All the members of the Board and Senior Management Personnel have affirmed compliance to the Code of Conduct.	http://mspsteel.com/code-of-conduct
Code of Conduct for Prevention of Insider Trading		As per SEBI (Prohibition of Insider Trading) Regulations, 2018, the Company has a code of practices and procedures for fair disclosure of unpublished price sensitive information to facilitate fair disclosure of events and occurrences that could impact price discovery in the market for its securities.	http://mspsteel.com/code-of-practices-and-procedures
Terms of Appointment of	Regulation 46 of the Listing	Terms and conditions of appointment / re-appointment of Independent Directors are	http://mspsteel.com/appointment-of-

Independent Directors	Regulations and Section 149 read with Schedule IV of the Act	available on the Company's website	independent-directors
Privacy Policy	-	Details regarding privacy have been mentioned in the website of the company	http://mspsteel.com/privacy-policy

B. Website:

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at www.mspsteel.com. There is a separate section on 'Investors' on the website of the Company containing details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material information which is relevant to shareholders.

C. Discretionary Requirements as specified in part E of Schedule II -

i) **The Board:** The Company defrays expenses of the Non-Executive Chairman's office incurred in the performance of his duties.

ii) **Shareholder Rights** - furnishing of half-yearly results: The Company provides the copy of the quarterly and half-yearly results on receipt of a specific request from the Shareholders.

iii) **Audit Qualifications:** There is no qualification in the Independent Auditor's Report on the Standalone and Consolidated financial statements for FY 2020-21.

iv) **Reporting of Internal Auditors:** The Internal Auditors report directly to the Audit Committee

D. Certificate from Practising Company Secretary

Pursuant to Regulation 34(3) of the Listing Regulations a certificate confirming that none of the Director on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India ,Ministry of Corporate Affairs or any such other Statutory Authority, has been received from Ms. Swati Bajaj of M/s. Bajaj Todi & Associates, Companies Secretaries and is annexed to this report as **Annexure – A.**

E. Certificate on Corporate Governance

As required by Regulation 34(3) Schedule V (E) of the Listing Regulations, the certificate from Practicing Chartered Accountant regarding compliances of conditions of Corporate Governance is annexed to this report as **Annexure - D.**

F. CEO/CFO Certification

The Board has received a compliance certificate from, the Managing Director of the Company and the Chief Financial Officer of the Company pursuant to Regulation 17 (8) read with Schedule II Part B of the Listing Regulations and is set out as **Annexure -B.**

G. Details of utilization of funds raised

No funds were raised by the Company through preferential allotment or qualified institutions placement.

H. Disclosure in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act,2013 and Rules framed thereunder

In terms of the provision of sexual Harassment of Women at workplace(Prevention, Prohibition and Redressal) Act,2013 and Rules framed thereunder, the number of complaints received during the financial year 2020-21 along with their status of redressal as on financial year ended March 31,2021 are as under:

Particulars	Complaints
Number of Complaints filled during the year	Nil
Number of Complaints disposed of during the year	Nil
Number of Complaints pending as on the end of financial year	Nil

I. Payment Made to Statutory Auditors

During the Financial Year ended March 31,2021, the total fees paid by the Company to M/s Singhi & Co, Chartered Accountants(ICAI Firm Registration No.302049E), the Statutory Auditors, on a consolidated basis towards the services availed by the Company aggregates to Rs. 15.55 Lakhs.

J. Declaration affirming Compliance of Code of Conduct

The Company has received confirmation from all the Board of Directors as well as the Senior Management Executives regarding Compliance of the code of Conduct during the period under review.

A declaration by the Chairman, Mr. Suresh Kumar Agrawal and Managing Director, Mr. Saket Agrawal affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith as **Annexure - C.**

K. Disclosure of Accounting Treatment

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

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

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

For and behalf of the board
MSP STEEL & POWER LIMITED

Date : 11.06.2021
Place : Kolkata

Saket Agrawal
DIN : 00129209
Managing Director

Suresh Kumar Agrawal
DIN : 00587623
Chairman

Annexure - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
MSP STEEL & POWER LIMITED,
1, Crooked Lane,
Kolkata - 700 069

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MSP STEEL & POWER LIMITED having CIN L27109WB1968PLC027399 and having registered office at 1, Crooked Lane, Kolkata - 700 069 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

For Bajaj Todi & Associates
(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216

Place : Kolkata
Date : 11/06/2021
UDIN: A013216C000554526

Annexure - B

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO)

[Pursuant to Regulation 17(8) read with Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015]

The Board of Directors
MSP Steel & Power Limited
1, Crooked Lane
Kolkata- 700 069

In pursuance of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Saket Agrawal, Managing Director and Kamal Kumar Jain, Chief Financial Officer, responsible for the finance function certify to the Board of Directors that:

a) We have reviewed the financial statements and cash flow statements for the financial year ended on 31st March, 2021 and to the best of our knowledge and belief, state that:

i) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for the establishing and maintaining internal control systems for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d) We have indicated to the auditors and the audit committee that:-

- There have been no significant changes in internal control over financial reporting during the year.
- The significant changes in accounting policies during the Financial Year ended 31st March, 2021 arising from the adoption of the Indian Accounting Standards have been discussed and approved by the auditors and Audit Committee.
- There have been no instances of significant fraud of which we have become aware and consequently no involvement therein, of the management or any employee having a significant role in the Company's internal control system over the financial reporting.

For and behalf of the board
MSP STEEL & POWER LIMITED

Date : 11.06.2021
Place : Kolkata

Saket Agrawal
Managing Director

Kamal Kumar Jain
Chief Financial Officer

ANNEXURE – C

DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the Members of the Board and Senior Management Personnel of the Company have affirmed their compliance with the code of conduct for the Financial Year ended 31st March,2021.

For and behalf of the board
MSP STEEL & POWER LIMITED

Date : 11.06.2021
Place : Kolkata

Suresh Kumar Agrawal
Chairman

Saket Agrawal
Managing Director

Annexure - D

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF MSP STEEL & POWER LIMITED

To the members of MSP Steel & Power Limited

1. We, Singhi & Co., Chartered Accountants, the statutory auditors of MSP Steel & Power Limited (The "Company"), have examined the compliance of conditions of corporate governance by the company, for the year ended March 31, 2021 as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of Schedule V of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015 as amended (the Listing Regulations).

Managements' Responsibility

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

Auditors' Responsibility

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

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

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance note on certification of corporate governance issued by Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under section 143 (10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the guidance note on report or certificate for special purpose issued by ICAI which requires that we comply with ethical requirements of the code of Ethics issued by the ICAI.

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.

Other Matters and Restrictions on use

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

9. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the –Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 21063769AAAAAW1862

Place: Kolkata
Date: June 11, 2021

INDEPENDENTS AUDITOR'S REPORT AND FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of MSP Steel & Power Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MSP Steel & Power Limited** ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.(hereinafter referred to as "the Standalone financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Descriptions of Key Audit Matter	How we addressed the matter in our audit
Revenue Recognition (Refer Note No. 1 and 23 and of the Standalone Financial Statement): Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

Descriptions of Key Audit Matter	How we addressed the matter in our audit
Inventory Management (Refer Note No. 1 and 9 and of the Standalone Financial Statement): The Company deals with various types of bulk material such as Coal, Iron Ore, sponge iron & pellets etc. The total inventory of such materials amounts to Rs 30478.38 lakh as on March 31, 2021. The measurement of these inventories involved certain estimations/assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/gain, spillage etc. and thus required assistance of technical expertise. We determined this to be key audit matter to our audit due to quantum of the amount, estimation involved.	Our audit procedures included the following: ▪ Obtained the understanding of the management with regards to internal financial controls relating to Inventory management. ▪ The Company deployed an Independent agency for verification of Bulk Materials. We have reviewed the internal verification process by the management for certain inventory items. ▪ We have reviewed the report submitted by external agency and obtained reasons/explanation for differences and also confirmed the adjustment made by the Company. Based on the above procedures performed, we concluded that measurement and valuation of the inventory at year end is appropriate.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Business Responsibility Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 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;

   (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 Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** .

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

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

      I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Note 38 to the standalone financial statements;

      II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      III. There is delay in transferring an amount of Rs. 1.17 lakh to the Investor Education and Protection fund (IEPF) by the Company which is required to transfer to IEPF after October 24, 2019 but the same has not been transferred till the date of signing of the audit report.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 21063769AAAAAU9063

Place: Kolkata
Date: June 11, 2021

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of **MSP Steel & Power Limited** for the year ended March 31, 2021)

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. The Company has a program of physical verification to cover all the items of fixed assets in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of property plant & equipments were physically verified by the management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except freehold land gross value of INR 6.51 lakh (Net carrying amount INR. 6.51 lakh) titles for which is pending registration- as stated in Note 3 of the standalone financial statements.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us the Company has not granted any loan secured/unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) of the Order are not applicable to the Company. However, we have relied upon register maintained under section 189 and management's representation in this regards.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Directors are interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

   a. The Company is generally regular in depositing undisputed statutory dues including Provident fund, Employee's state insurance, Income tax, Duty of Customs, Goods and Service tax and other material statutory dues with the appropriate authorities except as non-payment of income tax as cited below. No undisputed amounts payable in respect of Provident fund, Employee's state insurance, Income tax, Duty of Customs, Goods and Service tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except as given below:

Nature of Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates
Income Tax Act, 1961	Income Tax	4.57	Assessment year -2007-08 and 2010-11
Income Tax Act, 1961	Income Tax	8.15	Assessment year 2010-11

b. According to the information and explanation given to us, the dues of Sales tax, Service tax, Income tax, Value added tax and duty of excise, which have not been deposited on account of any dispute and the forum where the dispute is pending as at March 31, 2021 are as under: -

c.

Nature of Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the Dispute is Pending
Central Excise Act, 1944	Excise Duty	1027.03	2006-07 to 2010-11 & 2013-14	Supreme Court
	Excise Duty	607.54	2008-17	Chief Commissioner-Raipur
	Excise Duty	23.12	2009-10	Additional Deputy Commissioner
The Finance Act 1994	Service Tax	20.29	2015-16	CESTAT-Delhi
	Service Tax	182.62	2014-15	CESTAT-Delhi
Income Tax Act, 1961	Income Tax	0.05	Assessment year 2012-13	Commissioner of Income Tax (Appeals)
	Income Tax	8.61	Assessment year 2011-12	Commissioner of Income Tax (Appeals)
	Income Tax	289.83	Assessment year 2014-15	Dy. Commissioner of Income Tax (Appeals)

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and no term loan has been raised by the Company during the year.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or no material fraud on the Company by the officers or employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

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

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 21063769AAAAAU9063

Place: Kolkata
Date: June 11, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **MSP Steel & Power Limited** of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **MSP Steel & Power Limited** ("the Company") as of March 31, 2021 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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 respective Company's policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements 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 standalone 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 standalone financial statements.

Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements 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 Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 21063769AAAAAU9063

Place: Kolkata
Date: June 11, 2021

MSP Steel & Power Limited

Standalone Balance Sheet as at 31st March, 2021

(₹ in lakhs)

Sl. No.	Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020 * (Restated)	As at 01st April, 2019 * (Restated)
A	ASSETS				
1	Non-Current Assets				
	(a) Property, Plant and Equipment	3	85,419.77	90,532.57	95,856.34
	(b) Capital Work in Progress	3	59.10	59.10	112.50
	(c) Intangible Assets	3	38.82	52.24	65.66
	(d) Investment in Subsidiary, Associate & Joint Venture	4	2,990.12	2,990.12	3,081.97
	(e) Financial Assets				
	(i) Investments	4	281.16	323.08	221.49
	(ii) Loans	5	187.34	188.42	204.97
	(iii) Other Financial Assets	6	12.33	336.80	214.82
	(f) Deferred Tax Assets (Net)	7	3,092.47	3,496.70	4,221.05
	(g) Income Tax Assets (Net)	8	173.15	157.44	115.55
			92,254.26	98,136.47	104,094.35
2	Current Assets				
	(a) Inventories	9	37,673.01	52,378.98	38,122.97
	(b) Financial Assets				
	(i) Trade Receivables	10	5,484.16	7,213.43	11,041.49
	(ii) Cash and Cash Equivalents	11	1,100.16	1,125.47	1,372.92
	(iii) Bank Balances other than (ii) above	12	1,558.16	1,059.90	1,304.77
	(iv) Other Financial Assets	6	72.80	171.61	138.39
	(c) Other Current Assets	13	12,045.56	11,808.57	12,750.52
			57,933.85	73,757.96	64,731.06
	TOTAL ASSETS		150,188.11	171,894.43	168,825.41
B	EQUITY AND LIABILITIES				
1	EQUITY				
	(a) Equity Share Capital	14	38,541.50	38,541.50	38,541.50
	(b) Other Equity	15	19,873.78	19,377.63	26,891.26
			58,415.28	57,919.13	65,432.76
2	LIABILITIES				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	54,218.24	56,536.86	56,499.03
	(b) Provisions	17	116.05	116.76	90.18
			54,334.29	56,653.62	56,589.21
3	Current Liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	17,720.46	26,168.86	24,841.71
	(ii) Trade Payables				
	(a) To micro and small enterprises	19	128.05	199.55	100.87
	(b) To other than micro and small enterprises	19	12,207.98	17,869.71	15,644.13
	(iii) Other Financial Liabilities	20	5,263.57	4,306.82	4,966.01
	(b) Other Current Liabilities	21	1,919.25	8,555.55	1,049.51
	(c) Provisions	17	199.23	221.19	48.35
	(d) Current Tax Liabilities	22	-	-	152.86
			37,438.54	57,321.68	46,803.44
	TOTAL EQUITY AND LIABILITIES		150,188.11	171,894.43	168,825.41

* Restated on account of change in accounting policy (refer note 47)

Significant Accounting Policies 1

Key accounting estimates and judgements 2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769
Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Statement of Standalone Profit and Loss for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Notes	2020-21	2019-20 * (Restated)
INCOME			
Revenue from Operations	23	172,313.44	153,272.71
Other Income	24	90.96	236.10
Total (I)		**172,404.40**	**153,508.81**
EXPENSES			
Cost of Materials Consumed	25	130,979.05	117,562.70
Purchase of Stock in Trade	26	2,222.59	964.79
Changes in Inventories of Finished Goods, By-products, Work in Progress and Stock in Trade	27	(1,207.82)	1,178.97
Employee Benefits Expenses	28	4,419.41	4,529.66
Finance Costs	29	7,925.16	8,549.85
Depreciation and Amortization Expenses	30	5,548.42	5,378.65
Other Expenses	31	21,653.45	21,979.68
Total (II)		**171,540.26**	**160,144.30**
Profit/(Loss) before Exceptional Item and Tax (I-II)		**864.14**	**(6,635.49)**
Exceptional Items	32	-	157.17
Profit/(Loss) Before Tax		**864.14**	**(6,792.66)**
Tax Expenses	33		
Current Tax		-	-
Income tax for Earlier Year		-	11.78
Deferred Tax		358.61	751.32
Total Tax Expenses		**358.61**	**763.10**
Profit/(Loss) for the Year		**505.53**	**(7,555.76)**
Other Comprehensive Income	34		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		78.15	(86.41)
(b) Equity Instruments through Other Comprehensive Income		(41.92)	101.59
(ii) Income taxes on items that will not be reclassified to profit or loss		(45.63)	26.96
Other Comprehensive Income (Net of Tax)		(9.40)	42.14
Total Comprehensive Income for the year		**496.13**	**(7,513.62)**
Earnings per equity share of face value of ₹ 10/- each	35		
Basic (₹)		0.13	(1.96)
Diluted (₹)		0.13	(1.96)

* Restated on account of change in accounting policy (refer note 47)

Significant Accounting Policies 1

Key accounting estimates and judgements 2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769
Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Standalone Cash Flow Statement for the year ended 31st March, 2021

(₹ in lakhs)

	Particulars	Year ended 31st March,2021	Year ended 31st March,2020 * (Restated)
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
1.	**Net Profit/(Loss) before taxes**	**864.14**	**(6,792.66)**
2.	**Adjustments for:**		
	Depreciation & Amortization Expense	5,548.42	5,378.65
	Interest Income	(87.86)	(188.28)
	Interest Expense on Loans	5,032.79	5,969.98
	Interest Expense on OCD	2,520.62	2,250.45
	Other Finance Expenses	371.74	329.42
	Provision for Doubtful debts/ Advances/ Deposits and Claims	1,146.85	1,207.74
	Unrealised (Profit)/Loss on Foreign Exchange Fluctuations	81.12	17.92
	Impairment of Investment in Associate	-	157.17
	(Profit) / Loss on sale of property, plant & equipment (net)	(1.18)	(46.73)
3.	**Operating Profit before working capital changes (1+2)**	**15,476.64**	**8,283.66**
4.	**Movement in Working Capital for:**		
	(Increase)/ Decrease in Trade & Other Receivables	360.01	3,566.04
	(Increase)/ Decrease in Inventories	14,705.98	(14,256.00)
	Increase/ (Decrease) in Trade & Other Payables	(12,444.10)	9,886.08
	Increase/ (Decrease) in Provisions	55.47	113.01
5.	**Cash generated from Operations (4+3)**	**18,154.00**	**7,592.79**
6.	Less: Direct Taxes Paid	15.71	206.53
7.	**Net Cash generated from Operating Activities (5-6)**	**18,138.29**	**7,386.26**
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of property, plant & equipment including CWIP	(422.19)	(255.52)
	Sale of property, plant & equipment	1.18	314.18
	Purchase of Investments	-	(65.32)
	Fixed Deposit given in form of Margin Money	(175.14)	122.88
	Interest received	173.20	167.84
	Net cash generated/(used) in investing activities	**(422.95)**	**284.06**
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Long Term Borrowings Received/ (paid) (Net)	(3,246.36)	(2,812.99)
	Short Term Borrowings Received/ (paid) (Net)	(8,448.40)	1,327.16
	Interest Paid	(5,675.50)	(6,102.52)
	Other Finance Expenses Paid	(371.74)	(329.42)
	Unclaimed Dividend transferred to Investor Education Protection Fund of India	1.35	-
	Net cash used in financing activities	**(17,740.65)**	**(7,917.77)**
	Net (Decrease) in Cash and Cash equivalents (A+B+C)	**(25.31)**	**(247.45)**
E1	**Cash and Cash equivalents as at the beginning of the year**	**1,125.47**	**1,372.92**
E2	**Cash and Cash equivalents as at the end of the year**	**1,100.16**	**1,125.47**
	Net Change in Cash and Cash equivalents (E2-E1)	**(25.31)**	**(247.45)**

Note

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS -7) - Statement of Cash Flow

(₹ in lakhs)

		Year ended 31st March,2021	Year ended 31st March,2020 * (Restated)
b)	**Components of Cash and Cash equivalents**		
	Cash on hand	9.54	17.35
	With Scheduled Banks on Current Account	1,090.62	1,108.12
		1,100.16	1,125.47

MSP Steel & Power Limited

Standalone Cash Flow Statement for the year ended 31st March, 2021

c) The amendments to Ind AS 7 Cash Flow statements requires 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 flow 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, to meet the disclosure requirement.

(₹ in lakhs)

Head	31st March 2020	Cash Flow	Non Cash Changes		Interest Paid	31st March 2021
			Inter Head Movement	Interest Expenses		
Long Term Borrowings**	38,851.64	(3,246.36)	16.56	2,439.81	2,784.59	35,277.07
Other Financial Liabilities	340.71	-	(313.81)	57.80	58.48	26.22
Borrowings - Current	26,168.86	(8,448.40)	297.25	2,535.18	2,832.43	17,720.46
	65,361.21	(11,694.76)	-	5,032.79	5,675.50	53,023.75

* Restated on account of change in accounting policy (refer note 47)

** Long term borrowings include current maturities and exclude the Liability Component of Compound Financial Instruments

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769
Kolkata, 11th June, 2021

Saket Agrawal
Managing Director
DIN - 00129209

Kamal Kumar Jain
Chief Financial Officer

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Standalone Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
As at the beginning of the year	38,541.50	38,541.50	38,541.50
As at the end of the year	**38,541.50**	**38,541.50**	**38,541.50**

B. Other Equity

(₹ in lakhs)

Particulars	Reserve & Surplus					Items of Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	6% Compulsorily Convertible Preference Shares	6% Redeemable Preference Shares	Equity Component of compound financial instruments	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2019	**15,055.59**	**(20,922.93)**	**3,112.99**	**-**	**28,506.44**	**204.95**	**25,957.04**
Changes on account of change in accounting policy (Refer Note 47)		934.22					934.22
Balance as at 1st April, 2019 Restated *	**15,055.59**	**(19,988.71)**	**3,112.99**	**-**	**28,506.44**	**204.95**	**26,891.26**
Profit/ (Loss) for the year	-	(7,555.76)			-	-	(7,555.76)
Remeasurement benefits Gain/(Loss) (Net of tax)	-	(59.46)			-		(59.46)
Re-classification of CCPS into RPS	-		(3,112.99)	3,112.99	-		-
Fair Value of Equity Instrument through FVOCI						101.59	101.59
Balance as at 31st March, 2020	**15,055.59**	**(27,603.93)**	**-**	**3,112.99**	**28,506.44**	**306.54**	**19,377.63**
Balance as at 1st April, 2020	**15,055.59**	**(27,603.93)**	**-**	**3,112.99**	**28,506.44**	**306.54**	**19,377.63**
Profit/ (Loss) for the year		505.53					505.53
Remeasurement benefits Gain/(Loss) (Net of tax)		53.78					53.78
Fair Value of Equity Instrument through FVOCI						(63.16)	(63.16)
Balance as at 31st March, 2021	**15,055.59**	**(27,044.62)**	**-**	**3,112.99**	**28,506.44**	**243.38**	**19,873.78**

* Restated on account of change in accounting policy (refer note 47)

Significant Accounting Policies 1

Key accounting estimates and judgements 2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Shrenik Mehta
Partner
Membership No.-063769
Kolkata, 11th June, 2021

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

COMPANY BACKGROUND

MSP Steel & Power Limited ("the Company") is a public limited Company incorporated in India with its registered office in Kolkata, West Bengal, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is engaged in the manufacture and sale of iron and steel products and generation of power. The Company has a manufacturing plant at Raigarh, Chhattisgarh, India.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of financial statements

1.1.1. Compliance with Ind-AS & Change in accounting policy:

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. During the year the Company has changed the valuation method of its Raw Material inventory from First In First Out (FIFO) method to Weighted Average (WA) Method during the year, for better presentation/valuation. The Company has applied this change retrospectively starting with each reporting period from April 01, 2019 (refer note 47).

The Ministry of Corporate Affairs (MCA) issued certain amendments in existing Accounting Standards during the year ended March 31, 2020, which are effective from July 24, 2020.

- Ind AS 103 (Business Combinations): Defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.
- Ind AS 107 (Financial Instruments: Disclosures): Disclosures for uncertainty arising from interest rate benchmark reform.
- Ind AS 109 (Financial Instruments): Temporary exceptions from applying specific hedge accounting requirements.
- Ind AS 116 (Leases): Due to the pandemic COVID- 19 – Related Rent concession, a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modification or not.
- Ind AS 1 and Ind AS 8 (Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors): Change/modification in the definition of "Material".
- Ind AS 10 (Events after the Reporting Period): Definition for non – adjusting events and its effective date of application.
- Ind AS 34 (Interim Financial Reporting): Consequential of the above amendments.
- Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets): Consequential amendment and accounting of restructuring plan.

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

The amendments listed did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

1.1.2. Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.3. Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- defined benefit plans - plan assets measured as per actuarial valuation.

1.2. Summary of Significant Accounting Policies

A. Property, Plant and Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

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

Class of Assets	Years
Factory	30 years
Other Building	10 to 60
Plant &	5 to 40 years
Vehicle	8 to 10 years
Office	5 to 6 years
Furniture &	10 years

Freehold land is not depreciated.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de- recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

B. Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Particulars	No. of Years
Computer Software	5

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

C. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

D. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods/services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods/services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods/services sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. No element of financing is deemed present as the sales are generally made with a credit term of 45 -60 days, which is consistent with market practice. The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

Sale of power/ services: Revenue from sale of power/services is recognized when the services are provided to the customer based on approved tariff rates/agreement established by the respective regulatory authorities/agreement with parties.

Interest and dividends: Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payments established.

E. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

Government grants relating to the acquisition/construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

F. Inventories

Raw materials, work-in-progress, finished goods, stores, spares, components, consumables and stock- in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. By-product is valued at net realizable Value.

In determining the cost of raw materials, stock-in-trade, stores, spares, components, consumables and other inventories weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

G. 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.

G.1. Financial Assets

- **Initial recognition and measurement:** The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

  Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

  In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

- **Subsequent measurement:** For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

  - The Company's business model for managing the financial asset and
  - The contractual cash flow characteristics of the financial asset.

  Based on the above criteria, the Company classifies its financial assets into the following categories:

  - Financial assets measured at amortized cost
  - Financial assets measured at fair value through other comprehensive income (FVTOCI)
  - Financial assets measured at fair value through profit or loss (FVTPL)

- **Financial assets measured at amortized cost:** A financial asset is measured at the amortized cost if both the following conditions are met:

  - The Company's business model objective for managing the financial asset is to hold financial assets 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.

  This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

  Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

  The amortized cost of a financial asset is also adjusted for loss allowance, if any.

- **Financial assets measured at FVTOCI:** A financial asset is measured at FVTOCI if both of the following conditions are met:

  - The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the 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

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

outstanding.

The Company, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. This equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

- **Financial assets measured at FVTPL:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

  This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

- **De-recognition:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

  - The contractual rights to cash flows from the financial asset expires;
  - The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
  - The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
  - The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

  In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

  On De-recognition of a financial asset [except as mentioned in above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

- **Impairment of financial assets:** The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

- Trade receivables
- Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- Financial assets measured at fair value through other comprehensive income (FVTOCI)- in case of debt interments

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, considering the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

G.2. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

G.2.1. Equity instruments

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

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

G.2.2. Financial liabilities

Initial recognition and measurement: The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability

Subsequent measurement: All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition: 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 de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

H. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

I. Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/ expenses.

J. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognized, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognized in the statement of profit and loss

K. Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re- assessing categorization at the end of each reporting period and discloses the same.

L. Foreign Currency Translation

Initial Recognition: On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

Measurement of foreign currency items at reporting date: Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

M. Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax: Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax: Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credit (MAT Credit Entitlement), Unabsorbed depreciation and any unused tax losses. Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

Presentation of current and deferred tax: Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

N. Provisions, Contingent Liabilities & Contingent Assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of 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 recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

O. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

P. Employee Benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

Compensated absences: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

Post-Employment Benefits:

Provident Fund scheme: Retirement benefit in the form of Provident Fund is a defined contribution scheme and the company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. The Company has no obligations other than the contribution payable to the respective funds.

Gratuity scheme: Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Recognition and measurement of Defined Benefit plans: The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets, are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. Re-measurement of defined benefit plans is recognized as a part of retained earnings in statement of changes in equity as per Division II of Schedule III of the Companies Act, 2013.

Q. Leases

The Company as lessor

Lease income from operating leases where the Company is a lessor is recognized in the statement of profit and loss on a straight- line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March,2021

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

R. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

Borrowing costs, if any, 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 capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

S. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

T. Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

U. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

V. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

W. Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. On-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

X. Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III, unless otherwise stated.

2. KEY ACCOUNTING ESTIMATES & JUDGEMENTS:

The preparation of the Company's financial statements requires the 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. 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.

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:

2.1. Significant judgments when applying Ind AS 115

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.2. Impairment of Non-current Assets

Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset Company is an integral part of a value chain where no independent prices for the intermediate products exist, a Company of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

2.3. Employee retirement plans

The Company provides defined benefit employee retirement plans. Measurement of obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality etc.

2.4. Income taxes

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2.5. Useful lives of depreciable

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

2.6. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counterparties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counterparties, market information and other relevant factor.

2.7. Fair value measurements

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.8. Contingent assets and liabilities, uncertain assets and liabilities

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2021

New Standards / Amendments to Existing Standard/ New Pronouncement issued but not yet effective:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Rounding Off: For the purpose of rounding off the figures appearing in the Financial Statements for financial year ending 31.03.2022 the total income of the Company shall be considered instead of Turnover.

Additional Disclosure in Notes to Balance Sheet:

- **Shareholding of Promoter:** The note on Share Capital in the Financial Statements shall mention details of the Shareholding of the Promotes along with changes, if any, during the Financial Year.
- . Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long term Loan & Advances.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specific disclosure for title deeds of Immovable Property not held in name of the Company and disclosure on revaluation of Assets.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Ratios-Following Ratios to be disclosed: - (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.
- Specific Disclosure Borrowing & Willful Defaulter.

Additional Disclosure in Notes to Profit & Loss Account:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

  The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

3. Property, Plant & Equipment

(₹ in lakhs)

Particulars	Land	Factory Building	Other Building	Plant & Machinery	Vehicle	Office Equipments	Furniture & Fixtures	Total
GROSS CARRYING VALUE								
Balance as at 01st April, 2019	926.80	11,790.60	7,681.07	98,261.99	157.50	55.40	71.42	118,944.78
Additions	-	-	-	208.97	81.11	17.51	1.32	308.91
Deductions	-	-	-	384.95	-	-	-	384.95
Balance as at 31st March, 2020	926.80	11,790.60	7,681.07	98,086.01	238.61	72.91	72.74	118,868.74
Additions	-	-	-	416.92	20.93	4.76		442.61
Deductions	-	-	-	19.37	20.75			40.12
Balance as at 31st March, 2021	926.80	11,790.60	7,681.07	98,483.56	238.79	77.67	72.74	119,271.23
ACCUMULATED DEPRECIATION								
Balance as at 01st April, 2019	-	1,719.15	1,137.11	20,079.96	101.39	23.21	27.62	23,088.44
Depreciation expense		429.79	284.27	4,618.22	18.35	8.30	6.30	5,365.23
Deductions	-	-	-	117.50	-	-	-	117.50
Balance as at 31st March, 2020	-	2,148.94	1,421.38	24,580.68	119.74	31.51	33.92	28,336.17
Depreciation expense	-	429.79	284.28	4,781.40	23.50	10.15	5.88	5,535.00
Deductions	-	-	-	-	19.71	-	-	19.71
Balance as at 31st March, 2021	-	2,578.73	1,705.66	29,362.08	123.53	41.66	39.80	33,851.46
NET CARRYING VALUE								
Balance as at 01st April, 2019	926.80	10,071.45	6,543.96	78,182.03	56.11	32.19	43.80	95,856.34
Balance as at 31st March, 2020	926.80	9,641.66	6,259.69	73,505.33	118.87	41.40	38.82	90,532.57
Balance as at 31st March, 2021	926.80	9,211.87	5,975.41	69,121.48	115.26	36.01	32.94	85,419.77

Note : Title deeds of Land of ₹ 6.51 Lakhs is pending for registration.

(₹ in lakhs)

Capital Work in Progress	As at 31st March, 2021	As at 31st March, 2020
As at the beginning of the year	59.10	112.50
Movement during the year	-	(53.40)
As at the end of the year	59.10	59.10

Intangible Assets	As at 31st March, 2021	As at 31st March, 2020
As at the beginning of the year	52.24	65.66
Capitalized during the year	-	-
Amortized during the year	13.42	13.42
As at the end of the year	38.82	52.24

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March, 2021

4. Non Current Investments	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	Number of Shares / Units	(₹ in lakhs)	Number of Shares / Units	(₹ in lakhs)	Number of Shares / Units	(₹ in lakhs)
(a) Unquoted Investments in Equity Instruments (i) In Subsidiaries (at cost)						
MSP Cement Limited (₹ 10 each)	580,698	58.07	580,698	58.07	580,698	58.07
		58.07		58.07		58.07
Prateek Mines & Minerals Pvt Limited (₹ 10 each)	57,000	65.32	57,000	65.32	-	-
		65.32		65.32		-
(ii) In Associate Company (at cost)						
AA ESS Tradelinks Private Limited (₹ 10 each)	4,650,175	4,370.68	4,650,175	4,370.68	4,650,175	4,370.68
Less: Impairment of investment in Associate (refer note no. 32)		(1,635.91)		(1,635.91)		(1,478.74)
		2,734.77		2,734.77		2,891.94
(iii) In Joint Venture (at cost)						
Madanpur South Coal Company Limited (₹ 10 each)	94,427	131.96	94,427	131.96	94,427	131.96
		131.96		131.96		131.96
Investment in Subsidiary, Associate & Joint Venture (i+ii+iii)		2,990.12		2,990.12		3,081.97
(iv) In Others (at fair value through OCI)						
MSP Metallics Limited (₹ 10 each)	420,000	-	420,000	-	420,000	-
MSP Properties (I) Limited (₹ 10 each)	7,500	6.10	7,500	5.56	7,500	5.36
MSP Sponge Iron Limited (₹ 10 each)	313,000	253.76	313,000	300.35	313,000	194.59
MSP Power Limited (₹ 10 each)	8,000	-	8,000	0.13	8,000	0.80
		259.86		306.04		200.75
(b) Quoted Investments in Equity Instruments (at fair value through OCI)						
Howrah Gases Ltd (₹ 10 each)	93,700	15.00	93,700	14.52	93,700	14.52
Ashirwad Steel and Industries Limited (₹ 10 each)	2,500	0.26	2,500	0.23	2,500	0.27
Nageshwar Investment Limited (₹ 10 each)	11,000	0.22	11,000	0.22	11,000	0.22
Indian Overseas Bank (₹ 10 each)	2,900	0.46	2,900	0.20	2,900	0.42
IDFC Bank Limited (₹ 10 each)	5,201	2.90	5,201	1.10	5,201	2.89
IDFC Limited (₹ 10 each)	5,201	2.46	5,201	0.77	5,201	2.42
		21.30		17.04		20.74
Other Non Current Investments		281.16		323.08		221.49
TOTAL (a+b)		3,271.28		3,313.20		3,303.46
Aggregate amount of Quoted Investments - at Cost		19.24		19.24		19.24
Aggregate amount of the Quoted Investments - at Market value		21.30		17.04		20.74
Aggregate value of unquoted Investments - at cost		5,079.07		5,079.07		5,013.75
Aggregate amount of impairment in value of investment (refer note no. 32)		1,635.91		1,635.91		1,478.74

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

5. Loans	Non - Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Security Deposit	187.34	188.42	204.97	-	-	-
TOTAL	187.34	188.42	204.97	-	-	-

(₹ in lakhs)

6. Other Financial Assets	Non - Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Unsecured, Considered Good Unless Otherwise Stated						
Deposits with Banks (Refer Note No. 12)	12.33	336.80	214.82	-	-	-
(A)	12.33	336.80	214.82	-	-	-
Interest Accrued on Fixed Deposits and Others	-	-	-	72.80	158.13	137.69
Others				-	13.48	0.70
(B)	-	-	-	72.80	171.61	138.39
TOTAL (A+B)	12.33	336.80	214.82	72.80	171.61	138.39

(₹ in lakhs)

7. Deferred Tax Assets (NET)	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Deferred Tax Liabilities :			
Tax impact on difference between book value of depreciable assets and written down value for tax purpose	(14,905.09)	(14,651.80)	(14,140.57)
Others	(21.24)	-	-
Deferred Tax Assets :			
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax law deferred	1,806.74	1,554.12	1,122.89
Tax impact of unabsorbed loss / Allowances	13,563.35	13,945.67	14,590.02
MAT Credit Entitlement	2,648.71	2,648.71	2,648.71
	3,092.47	3,496.70	4,221.05

Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2020 and 31st March, 2021

(₹ in lakhs)

Particulars	As at 1st April, 2019	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2020
Deferred Income Tax Liabilities				
Property, Plant & Equipment's	(14,140.57)	(511.23)	-	(14,651.80)
	(14,140.57)	(511.23)	-	(14,651.80)
Deferred Income Tax Assets				
Allowance for credit loss	927.96	414.42	-	1,342.38
Expense allowed under Income Tax on payment basis	194.93	(10.15)	26.96	211.75
Unabsorbed depreciation	14,590.02	(644.36)		13,945.66
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	18,361.62	(240.09)	26.96	18,148.50
Deferred Tax Assets (Net)	4,221.05	(751.32)	26.96	3,496.70

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Particulars	As at 1st April, 2020	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2021
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(14,651.80)	(253.29)	-	(14,905.09)
Others	-	-	(21.24)	(21.24)
	(14,651.80)	**(253.29)**	**(21.24)**	**(14,926.33)**
Deferred Income Tax Assets				
Allowance for credit loss	1,342.38	357.81	-	1,700.19
Expense allowed under Income Tax on payment basis	211.75	(80.81)	(24.39)	106.56
Unabsorbed depreciation	13,945.66	(382.32)		13,563.34
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	18,148.50	**(105.32)**	**(24.39)**	**18,018.80**
Deferred Tax Assets (Net)	**3,496.70**	**(358.61)**	**(45.63)**	**3,092.47**

MAT credit entitlement is the amount which can be recovered and set off in subsequent years as per the provisions of the Income Tax Act, 1961. The MAT credit entitlement recognised will expire as follows:

As at 31st March 2021 *(₹ in lakhs)*

For Fin Year	Amount	Year of expiry#
2010-11	918.18	Financial Year 2025-26
2011-12	472.72	Financial Year 2026-27
2012-13	592.68	Financial Year 2027-28
2013-14	665.13	Financial Year 2028-29
Total	**2,648.71**	

As a matter of prudence, unused losses and unused deferred tax credits for which no deferred tax assets have been recognised in the balance sheet.

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	Amount	Expiry Date	Amount	Expiry Date	Amount	Expiry Date
Tax Losses (revenue loss on which no tax is created	5,474.93	FY 2022-23 to FY 2024-25	9,084.45	FY 2022-23 to FY 2024-25	9,084.45	FY 2022-23 to FY 2024-25
Unused Tax Credits (MAT credit not recognized)	1,235.37	FY 2022-23 to FY 2024-25	1,235.37	FY 2022-23 to FY 2024-25	1,235.37	FY 2022-23 to FY 2024-25
	6,710.30		10,319.82		10,319.82	

Expiry date has been stated based on the last day of the financial year for which MAT credit is available for use as per prevailing tax laws as at the reporting date.

(₹ in lakhs)

8. Income Tax Assets (Net)	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Advance Income Tax & TDS (Net)	75.85	157.44	115.55
Income Tax Receivable	97.30	-	-
	173.15	157.44	115.55

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ In lakhs)

9. Inventories (Valued at Lower of Cost and Net Realizable Value)*	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Raw Materials and Components [includes in transit ₹ 221.07 lakhs (31st March 2020 : ₹ 4,006.20 lakhs, 01st April 2019 - ₹ 2525.53 Lakhs)]	25,687.25	41,420.84	26,700.91
Work - in - Progress	2,842.18	2,376.77	3,134.13
Finished Goods [includes in transit ₹ 135.70 lakhs (31st March 2020 : ₹ 56.92 lakhs, 01st April 2019 - ₹ 200.46 Lakhs)]	5,038.08	4,828.29	5,496.53
Stores and Spares	2,768.79	2,949.00	2,233.96
By Products (at Net Realisable Value)	1,267.14	804.08	557.44
Stock in Trade	69.57	-	-
Total	**37,673.01**	**52,378.98**	**38,122.97**

*refer note no. 40

(₹ In lakhs)

10 Trade Receivables	Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Trade Receivables	7,642.29	8,668.74	9,323.44
Receivables from Related Party	4.41	1.99	2,874.62
Less : loss Allowance	(2,162.54)	(1,457.30)	(1,156.57)
	5,484.16	**7,213.43**	**11,041.49**
Breakup			
Trade Receivables considered Goods - Secured	-	-	-
Trade Receivables considered Goods - Un Secured	5,484.16	7,213.43	11,041.49
Trade Receivables -Doubtful	2,162.54	1,457.30	1,156.57
	7,646.70	**8,670.73**	**12,198.06**
Less : loss Allowance	(2,162.54)	(1,457.30)	(1,156.57)
Total	**5,484.16**	**7,213.43**	**11,041.49**

a) Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days.

b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

c) In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Ageing of Trade Receivables and Credit Risk arising there from is as below :-

(₹ in lakhs)

As on 31st March 2021	Within 1 Year	1-2 years	2-3 Years	More then 3 Years	Total
Gross credit risk	5,412.05	81.93	19.38	2,133.34	7,646.70
Less: Expected credit loss provision		(18.44)	(10.76)	(2,133.34)	(2,162.54)
Net Credit Risk	**5,412.05**	**63.49**	**8.62**	**-**	**5,484.16**

(₹ in lakhs)

As on 31st March 2020	Within 1 Year	1-2 years	2-3 Years	More then 3 Years	Total
Gross credit risk	6,468.45	65.95	15.47	2,120.85	8,670.72
Less : Expected credit loss provision		(11.38)	(8.61)	(1,437.31)	(1,457.30)
Net Credit Risk	**6,468.45**	**54.57**	**6.86**	**683.54**	**7,213.42**

(₹ in lakhs)

As on 01st April 2019	Within 1 Year	1-2 years	2-3 Years	More then 3 Years	Total
Gross credit risk	9,449.85	53.18	34.49	2,660.54	12,198.06
Less : Expected credit loss provision		(11.50)	(46.49)	(1,098.58)	(1,156.57)
Net Credit Risk	**9,449.85**	**41.68**	**(12.00)**	**1,561.96**	**11,041.49**

Reconciliation of Expected credit loss Allowance provision *(₹ in lakhs)*

Particulars	Amount
As at 01st April 2019	1,156.57
Changes in provision	300.73
As at 31st March 2020	**1,457.30**
Changes in provision	705.24
As at 31st March 2021	**2,162.54**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

11. Cash and Cash equivalents	Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Cash and Cash Equivalents			
Cash on Hand	9.54	17.35	11.51
Balance with Banks:			
On Current Accounts	1,090.62	1,108.12	1361.41
	1,100.16	**1,125.47**	**1,372.92**

(₹ in lakhs)

12. Bank Balances other than Cash and Cash equivalents	Non - Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Fixed Deposits - Earmarked for LC & BG	12.33	336.80	214.82	1,556.99	1,057.38	1,302.25
	12.33	**336.80**	**214.82**	**1,556.99**	**1,057.38**	**1,302.25**
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 6)	(12.33)	(336.80)	(214.82)	-	-	-
Unpaid Dividend Accounts	-	-	-	1.17	2.52	2.52
	-	-	-	1,558.16	1,059.90	1,304.77

13. Other Current Assets

(₹ in lakhs)

Particulars	Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Advances to Suppliers other than capital advances			
Considered Good	11,657.92	10,918.30	11,930.87
Considered Doubtful	3,286.81	2,845.20	1,938.19
	14,944.73	**13,763.50**	**13,869.06**
Less: Allowances for doubtful advances	3,286.81	2,845.20	1,938.19
(A)	**11,657.92**	**10,918.30**	**11,930.87**
Other Advances			
Prepaid Expenses	128.68	137.83	88.84
Advances to Related Parties	50.57	545.99	449.25
Balances with Statutory/Government Authorities	194.23	206.45	281.55
Others	14.16	-	-
(B)	**387.64**	**890.27**	**819.65**
TOTAL (A+B)	**12,045.56**	**11,808.57**	**12,750.52**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

14. Equity Share Capital *(₹ in lakhs)*

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Authorised Share Capital			
800,000,000 (31.03.2020 - 800,000,000, 01.04.2019 - 800,000,000) equity shares of ₹ 10/- each	80,000.00	80,000.00	80,000.00
100,000,000 (31.03.2020 - 100,000,000, 01.04.2019 - 800,000,000) preference shares of ₹ 10/- each	10,000.00	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up Share Capital			
38,54,15,000 (31.03.2020 - 38,54,15,000,01.04.2019 - 38,54,15,000) equity shares of ₹ 10/- each	38,541.50	38,541.50	38,541.50
Total	**38,541.50**	**38,541.50**	**38,541.50**

Notes:

(i) **Reconciliation of number of Shares**

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Equity Shares:						
Balance at the beginning of the year	385,415,000	38,541.50	385,415,000	38,541.50	385,415,000	38,541.50
Balance at the end of the year	**385,415,000**	**38,541.50**	**385,415,000**	**38,541.50**	**385,415,000**	**38,541.50**

(ii) **Rights, Preferences and restrictions attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) **Shareholders holding more than 5% share in the company are as follows:**

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	No of shares	% of shares	No of shares	% of shares	No of shares	% of shares
State Bank of India	46,334,367	12.02%	46,334,367	12.02%	46,334,367	12.02%
Mod Commodeal Pvt. Limited	31,499,538	8.17%	31,501,014	8.17%	31,501,014	8.17%
Adhunik Gases Limited	23,479,000	6.09%	23,479,000	6.09%	23,479,000	6.09%
Sikhar Commotrade Pvt. Limited	28,984,056	7.52%	28,984,056	7.52%	28,984,056	7.52%
Shringar Mercentile Pvt. Limited	28,211,200	7.32%	28,211,200	7.32%	28,211,200	7.32%
MSP Sponge Iron Limited	24,736,500	6.42%	24,736,500	6.42%	24,736,500	6.42%
Union Bank of India	19,805,945	5.14%	-	-	-	-

Additional Disclosure in the respect of Equity Share

(i) The Company does not have any Holding Company or Ultimate Holding Company.

(ii) No ordinary shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

(iii) The Company has not bought back any shares during the period of five years preceding the date at which the Balance Sheet is prepared.

(iv) The Company has allotted 297,315,000 equity shares of ₹ 10 each as per the approval accorded by the shareholders of the Company on March 12, 2018 pursuant to contract(s) without payment being received in cash.

(v) 26,50,000 shares (31st March 2020 : 26,50,000 shares, 01st April 2019 - 26,50,000 shares) held by associate of the holding company.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

15. Other Equity *(₹ in lakhs)*

Particulars	Reserve & Surplus					Items of Other Comprehensi	Total
	Securities Premium	Retained Earnings	6% Compulsorily Convertible Preference Shares	6% Redeemable Preference Shares	Equity Component of compound financial instruments	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2019	15,055.59	(20,922.93)	3,112.99	-	28,506.44	204.95	25,957.04
Changes on account of change in accounting policy (Refer Note 47)		934.22					934.22
Balance as at 1st April, 2019 Restated *	**15,055.59**	**(19,988.71)**	**3,112.99**	-	**28,506.44**	**204.95**	**26,891.26**
Profit/ (Loss) for the year	-	(7,555.76)			-	-	(7,555.76)
Remeasurement benefits Gain/(Loss) (Net of tax)	-	(59.46)			-		(59.46)
Re-classification of CCPS into RPS			(3,112.99)	3,112.99			-
Fair Value of Equity Instrument through FVOCI						101.59	101.59
Balance as at 31st March, 2020	**15,055.59**	**(27,603.93)**	-	**3,112.99**	**28,506.44**	**306.54**	**19,377.63**
Balance as at 1st April, 2020	**15,055.59**	**(27,603.93)**	-	**3,112.99**	**28,506.44**	**306.54**	**19,377.63**
Profit/ (Loss) for the year		505.53					505.53
Re-classification of CCPS into RPS			-	-			
Remeasurement benefits Gain/(Loss) (Net of tax)		53.78					53.78
Fair Value of Equity Instrument through FVOCI						(63.16)	(63.16)
Balance as at 31st March, 2021	**15,055.59**	**(27,044.62)**	-	**3,112.99**	**28,506.44**	**243.38**	**19,873.78**

Description of nature and purpose of each reserve

Securities Premium

This reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings

It comprises of accumulated profit/(losses) of the company.

Compulsorily Convertible Preference Share (CCPS)

CCPS represents the residual balance of Preference Shares left after conversion to equity as per the terms of the restructuring scheme. 31,13,000 number of shares is pending for conversion as on the balance sheet date due to pending statutory approvals.

6% Redeemable Preference Shares

The CCPS was converted to 6% Redeemable Preference Shares under section 48 of the Companies Act, 2013 and the Article 10 of the Articles of Association of the Company which is ratified in writing by holders of atleast 3/4th of nominal value of issued Preference Shares. The company will convert the same into CCPS and subsequently into equity in future.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Equity Component of compound financial instruments

This contains the equity portion of the Optionally convertible debentures issued in lieu of long term borrowings as per the terms of the restructuring scheme.

Equity Instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of quoted investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(₹ in lakhs)

16. Long Term Borrowings	Non-Current Portion			Current Maturities		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Secured						
a. Term loans						
From Banks						
Indian rupee loan	17,304.26	22,079.54	24,374.78	4,575.00	3,167.75	3,521.00
Foreign currency loan	-	-	-	-	142.58	377.07
	17,304.26	22,079.54	24,374.78	4,575.00	3,310.33	3,898.07
b. Unsecured						
Inter-Corporate Deposits	90.00	93.22	20.67			
Loans from related parties	450.00	510.75	500.68	-	-	-
Interest free loan	12,857.80	12,857.80	12,857.80			
	13,397.80	13,461.77	13,379.15	-	-	-
c. Liability Component of Compound Financial Instruments						
Optionally Convertible Debenture	23,516.18	20,995.55	18,745.10			
	23,516.18	20,995.55	18,745.10	-	-	-
Total (a+b+c)	54,218.24	56,536.86	56,499.03	4,575.00	3,310.33	3,898.07
The above amount includes:						
Secured borrowings	17,304.26	22,079.54	24,374.78	4,575.00	3,310.33	3,898.07
Unsecured borrowings	36,913.98	34,457.32	32,124.25	-	-	-
Less: Amount disclosed under the head "Other Financial Liabilities" (Note No. 20)	-	-	-	(4,575.00)	(3,310.33)	(3,898.07)
Net Amount	54,218.24	56,536.86	56,499.03	-	-	

Terms of Repayments

a) Term Loan facilities from banks are secured by first pari-passu charge on the entire fixed assets (both present & future) and Second pari-passu charge on the entire current assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The interest rate on the domestic long term borrowings are in the range of 2% above 1 year MCLR and on foreign long term borrowings is 4.5%.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

b) The Company has issued 451,970,554 nos. of OCDs amounting to ₹ 451,97.05 lakhs during the year 2017-18. The OCDs shall have moratorium period of 7 years and shall be repayable in 36 structured quarterly instalments starting from December, 2024 and maturing on September 2033. The OCDs shall carry a coupon rate of 0.01% pa. payable quarterly till maturity. The OCDs will be converted to Equity at the option of the Debenture holders. OCDs may be redeemed alongwith a redemption premium. The redemption premium will be calculated with YTM @ 2.00% p.a. compounded quarterly. The OCD which has been issued by the company is the nature of compound financial instruments hence, as per IND AS – 109, split accounting has been done based on valuation report. As per report, PV of OCD as on the OCD issuing date i.e. March 21, 2018 is Rs. 166.90 crore which has been treated as financial liability and balance of Rs. 285.07 crore has been treated as other equity. Subsequently interest expenses (the unwinding of the discount) have been booked at market rate (11.5%) to unwind the liability component to the extent of value of OCD.

c) Pursuant to the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India , the Promoter / Promoters' group has transferred 12,85,78,044 equity shares, at ₹10/- per equity share of Rs. 12857.80 lakhs, to JLF lenders, as a part payment of unsustainable debt and the same is treated as unsecured loan and shall always be subordinated to the existing senior debt of the borrower.

d) Rate of Interest for the loan from the related parties is maximum being 10%.

(₹ in lakhs)

Terms of Repayments	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	Non-Current	Current Maturities	Non-Current	Current Maturities	Non-Current	Current Maturities
Rupee Term Loans From Banks (Secured) (Repayable in 30 Quarterly Instalments from December 2017. Last instalment due in September 2025.	17,304.26	4,575.00	22,079.54	3,167.75	24,374.78	3,521.00
Foreign Currency Term Loans From Banks (Secured)	-	-	-	142.58	-	377.07
Total Term loan -Secured	17,304.26	4,575.00	22,079.54	3,310.33	24,374.78	3,898.07
Unsecured Borrowings	36,913.98	-	34,457.32	-	32,124.25	-
Total Term Loan	**54,218.24**	**4,575.00**	**56,536.86**	**3,310.33**	**56,499.03**	**3,898.07**

(₹ in lakhs)

17. Provisions	Non-Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Provision for employee benefits						
For Gratuity (Refer Note No. 42)	-	-	-	194.85	219.93	46.32
For Leave Benefits	116.05	116.76	90.18	4.38	1.26	2.03
Other provisions	**116.05**	**116.76**	**90.18**	**199.23**	**221.19**	**48.35**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

18. Short-Term Borrowings	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Secured			
Rupee Loan from Banks			
Cash Credit Facility	17,720.46	26,168.86	24,841.71
	17,720.46	26,168.86	24,841.71
The above amount includes			
Secured Borrowings	17,720.46	26,168.86	24,841.71
Unsecured Borrowings	-	-	-

Terms and conditions attached to Short term borrowings

Cash Credit facilities from banks are secured by first pari-passu charge on the entire current assets (both present & future) and Second pari-passu charge on the entire fixed assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The rate of interest on cash credit is 2% above 1 year MCLR.

(₹ in lakhs)

19. Trade Payables	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Total outstanding dues of creditors			
to micro enterprises and small enterprises (refer Note no. 39)	128.05	199.55	100.87
to other than micro enterprises and small enterprises	12,207.98	17,869.71	15,644.13
	12,336.03	18,069.26	15,745.00

Trade payables are non-interest bearing and are generally on terms of 45 to 60 days.
Includes acceptances and arrangements where operational suppliers of goods and services are paid by banks while the company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 or 180 days amounting to ₹ 6,296.68 lakhs (previous year ₹ 5,162.97 lakhs, 01st April 2019 - ₹ 6754.72 Lakhs)

(₹ in lakhs)

20. Other Financial Liabilities	Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Retention / Security Deposit	466.27	383.36	309.27
Current maturities of long-term borrowings (refer Note No. 16)	4,575.00	3,310.33	3,898.07
Other Payables on capital purchases	194.91	269.90	269.90
Interest accrued and due on borrowings	26.22	340.71	486.25
Unpaid Dividend	1.17	2.52	2.52
	5,263.57	4,306.82	4,966.01

(₹ in lakhs)

21. Other Current Liabilities	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Contract Liabilities	294.00	8,224.66	541.20
Others (including statutory dues payable)	1,625.25	330.89	508.31
	1,919.25	8,555.55	1,049.51

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

22 Current Tax Liabilities	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Income Tax Liability	-	-	152.86
	-	**-**	**152.86**

(₹ in lakhs)

23. Revenue from Operations	2020-21	2019-20
Sale of Products		
Finished Goods	164,180.77	147,536.60
Power	2,135.20	1,780.75
Traded Goods	2,340.00	994.68
Sale of Services		
Job Work Service	1,326.84	-
Other Operating Revenue		
Sale of scrap and By-products	2,330.63	2,833.36
Miscellaneous Income	-	127.32
Total	**172,313.44**	**153,272.71**

The Company is engaged in the manufacturing of Iron & Steel Products and generates revenue from the sale of Iron & Steel products and the same is only the reportable segment of the Company.

(₹ in lakhs)

Disaggregation of Revenue	2020-21	2019-20
Revenue as per Geography		
Domestic	165,805.49	140,403.12
Exports	4,177.32	9,908.91
Total	**169,982.81**	**150,312.03**
Revenue as per Major Products		
Pellet	37,904.97	32,960.68
Sponge Iron	23,369.87	20,202.24
MS Billets	5,680.37	11,398.43
TMT Bars (incl Structural Products)	97,225.56	82,975.25
Power	2,135.20	1,780.75
Job Work Service	1,326.84	-
Others	2,340.00	994.68
Total	**169,982.81**	**150,312.03**
Timing of Revenue		
At a point in time	169,982.81	150,312.03
Over time	-	-
Total	**169,982.81**	**150,312.03**
Sales Channel		
Direct to Customers	36,825.11	38,833.71
Through Intermediaries	133,157.70	111,478.32
Total	**169,982.81**	**150,312.03**

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers
Receivables, which are included in 'Trade receivables'

Trade Receivables	5,484.16	7,213.43
Contract assets	-	-
Contract liabilities	294.00	8,224.66

Other Information

a)	Transaction price allocated to the remaining performance obligations	442.69	107.83
b)	The amount of revenue recognised in the current year that was included in the opening contract liability balance	1,290.01	458.76
c)	The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
d)	Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil
Significant payment terms			
Financing Component		Nil	Nil

(₹ in lakhs)

Reconciliation of Revenue from operations with contract price	**2020-21**	**2019-20**
Contract Price	171,474.37	150,866.33
Less :		
Sales Returns	206.02	289.30
Trade & Cash Discount	950.68	157.17
Deferred Performance Obligations	334.86	107.83
Total	**169,982.81**	**150,312.03**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

24. Other Income	2020-21	2019-20
Interest income on		
Loans, Fixed Deposits, etc.	87.86	188.28
Profit on sale of fixed assets	1.18	46.73
Other Non-Operating Income	1.92	1.09
Total	**90.96**	**236.10**

(₹ in lakhs)

25. Cost of Materials Consumed	2020-21	2019-20
Inventory at the beginning of the period	41,420.84	26,700.91
Add: Purchases	115,245.46	132,282.63
Less: Inventory at the end of the period	25,687.25	41,420.84
Total	**130,979.05**	**117,562.70**

(₹ in lakhs)

26. Purchase of Stock in Trade	2020-21	2019-20
Coal	1,806.36	964.79
Steel Products	416.23	-
Total	**2,222.59**	**964.79**

(₹ in lakhs)

27. Changes in Inventories of Finished Goods, By-products and Work-in Progress	2020-21	2019-20
Inventories at the end of the period		
Finished Goods	5,038.08	4,828.29
Work-in-Progress	2,842.18	2,376.77
By-Products	1,267.14	804.08
Stock in Trade	69.57	-
	9,216.97	8,009.14
Inventories at the beginning of the period		
Finished Goods	4,828.29	5,496.53
Work-in-Progress	2,376.77	3,134.13
By-Products	804.08	557.44
	8,009.14	9,188.10
(Increase)/Decrease in Inventories		
Finished Goods	(209.79)	668.24
Work-in-Progress	(465.41)	757.36
By-Products	(463.05)	(246.63)
Stock in Trade	(69.57)	-
Total	**(1,207.82)**	**1,178.97**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

28. Employee Benefits Expenses	2020-21	2019-20
Salaries, Wages and Bonus	4,037.44	4,162.95
Contribution to Provident and Other Funds	220.50	223.99
Gratuity (refer note 42)	106.88	87.20
Staff Welfare Expenses	54.59	55.52
Total	**4,419.41**	**4,529.66**

(₹ in lakhs)

29. Finance Costs	2020-21	2019-20
Interest Expenses		
- On Loans	5,016.08	5,969.98
- On OCD *	2,520.62	2,250.45
Exchange Differences regarded as an adjustment to borrowing cost	16.72	-
Other Finance Charges	371.74	329.42
Total	**7,925.16**	**8,549.85**

* It represents the unwinding of the discount on OCD (refer Note 16(b))

(₹ in lakhs)

30. Depreciation and amortization expense	2020-21	2019-20
Depreciation of tangible assets	5,535.00	5,365.23
Amortization of intangible assets	13.42	13.42
Total	**5,548.42**	**5,378.65**

(₹ in lakhs)

31. Other Expenses	2020-21	2019-20
Consumption of Stores and Spares	7,134.54	8,032.20
Power and Fuel	1,171.68	1,184.35
Rent	72.02	75.75
Rates and Taxes	818.20	249.98
Insurance	181.28	121.29
Repairs and Maintenance		
Plant and Machinery	877.69	1,639.76
Buildings	201.58	206.21
Others	133.07	414.55
Material Handling Charges	4,592.45	3,646.78
Vehicle Running Expenses	600.38	713.24
Advertising and Sales Promotion	401.62	311.39
Freight Outward	517.95	362.45
Sales Commission	587.78	393.38
Legal and Professional Charges	331.38	684.64
Charity and Donations	32.93	103.29
Payment to Auditors (Refer details below (31.1))	15.55	16.05
Exchange Differences (Net)	81.12	157.15
Provision for Expected Credit Loss on Trade Receivable & Advances	1,146.85	1,207.74
Corporate Social Responsibility (refer note no. 45)	156.77	173.91
Miscellaneous Expenses (refer note no. 49)	2,598.61	2,285.57
Total	**21,653.45**	**21,979.68**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

31.1 Payment to Auditors	2020-21	2019-20
As Auditors:		
Statutory Audit fee	8.70	8.70
Limited Review	4.50	4.50
Certification fees and other services	2.20	2.75
Reimbursement of expenses	0.15	0.10
Total	15.55	16.05

(₹ in lakhs)

32. Exceptional Items	2020-21	2019-20
Impairment of Investment in Associate (refer note below)	-	157.17
Total	-	157.17

Note :

On the basis of physical verification of non-current assets and cash generation capacity of those assets, in the management perception, there is no impairment of non current assets as on 31st March 2021. On the basis of registered valuation report, the management has not recognised any impairment on the investment of the Group in its associate AA ESS Tradelinks Pvt Ltd for the FY 2020-21 (Previous year - ₹ 157.17 Lakhs).

33: Income Tax *(₹ in lakhs)*

Particulars			2020-21	2019-20
A.	The major components of income taxes expense for the year are as under:			
	i	Income tax expense recognised in the statement of profit and loss	-	-
		Current Tax for the year		
		Income tax for earlier year	-	11.78
		Current Tax	-	-
		Deferred Tax	358.61	751.32
		Income tax expense recognised in the statement of profit and loss	**358.61**	**763.10**
	ii	Income tax expense recognised in OCI Deferred Tax :		
		Deferred tax (expenses) on remeasurement benefit of defined benefit plans	45.63	(26.96)
		Income tax (expense) recognised in OCI	45.63	(26.96)
		Total Tax (i+ii)	**404.24**	**736.14**

(₹ in lakhs)

B.	Reconciliation of tax expense and the accounting profit for the year is as under	2020-21	2019-20
	Profit before tax	**864.14**	**(6,792.66)**
	Income tax expense	269.61	(2,119.31)
	MAT Credit Reversal/ Deferred tax assets reversal on unabsorbed depreciation	382.32	2,171.43
	Effects of permanent disallowances	786.43	702.14
	Utilisation of carried forward loss	(1,126.17)	-
	Adjustment in respect of current income tax of earlier year	-	11.78
	Other Items	92.05	(29.90)
	Tax expenses as per Statement of Profit and Loss & OCI	**404.24**	**736.14**

C. The Taxation Laws (Amendment) Ordinance 2019 was promulgated on September 20, 2019. The Ordinance amends the income tax Act 1961 and the Finance Act 2019. The Ordinance provides domestic companies with a non-reversible option to opt for lower tax rates, provided they do not claim certain deductions. The company has evaluated the same and decided to continue with the existing tax structure until utilisation of accumulated minimum alternate tax (MAT) , tax incentives and other deductions available to the Company.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

34. Other Comprehensive Income	2020-21	2019-20
Remeasurements of the defined benefit plans	78.15	(86.41)
Equity Instruments through Other Comprehensive Income	(41.92)	101.59
Less : Income tax on the above	(45.63)	26.96
Total	(9.40)	42.14

(₹ in lakhs)

35. Earnings Per Share (EPS)	2020-21	2019-20
Earnings Per Share has been computed as under:		
Profit/ (Loss) After Tax	505.53	(7,555.76)
Net Profit for Calculation of Basic and Diluted EPS	**505.53**	**(7,555.76)**
	No.	No.
Weighed average number of equity shares in calculating Basic EPS	385,415,000	385,415,000
Weighed average number of equity shares in calculating Diluted EPS *	416,535,000	385,415,000
Face value of share (₹)	10	10
Earnings Per Share		
Basic (₹)	0.13	(1.96)
Diluted (₹)	0.13	(1.96)

* The potential ordinary shares,on account of conversion of OCD, are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

36. Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of

i) Financial assets & liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019:,

(₹ in lakhs)

Particulars	31st March 2021			31st March 2020			01st April 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments									
Equity instruments*	-	281.16	-	-	323.08	-	-	221.49	-
Trade receivables	-	-	5,484.16	-	-	7,213.43	-	-	11,041.49
Cash and cash equivalents	-	-	1,100.16	-	-	1,125.47	-	-	1,372.92
Other Bank Balances	-	-	1,558.16	-	-	1,059.90	-	-	1,304.77
Loans	-	-	187.34	-	-	188.42	-	-	204.97
Other Financial Assets	-	-	85.13	173.52	-	334.89	-	-	353.21
Total	-	281.16	8,414.95	173.52	323.08	9,922.11	-	221.49	14,277.36
Financial liabilities									
Borrowing	-	-	71,938.70	-	-	82,705.72	-	-	81,340.74
Trade Payable	-	-	12,336.03	-	-	18,069.26	-	-	15,745.00
Other financial Liabilities	120.16	-	5,143.41	-	-	4,306.82	98.50	-	4,867.50
Total	120.16	-	89,418.14	-	-	105,081.80	98.50	-	101,953.24

*Equity investments exclude investments made in subsidiaries, associates & joint venture (net of impairment loss) of ₹ 2,990.12 Lakhs (previous year - ₹ 2,990.12 Lakhs, 01.04.2019 - ₹ 3,081.97 Lakhs) which have been measured at cost.

ii) Fair values hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

31st March, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity instruments		21.30			21.30
Unquoted		-	-	259.86	259.86
Total financial assets		21.30	-	259.86	281.16
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability			120.16		120.16
Total financial liabilities		-	120.16	-	120.16

There were no movement between level 1 and level 2 during the period.

Financial Instruments measured at fair value (₹ in lakhs)

31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity instruments		17.04			17.04
Unquoted		-	-	306.04	306.04
Derivative asset			173.52		173.52
Total financial assets		17.04	173.52	306.04	496.60
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	-	-	-
Total financial liabilities		-	-	-	-

There were no movement between level 1 and level 2 during the period.

Financial Instruments measured at fair value (₹ in lakhs)

01st April, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity instruments		20.74			20.74
Unquoted		-	-	200.75	200.75
Total financial assets		20.74	-	200.75	221.49
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	98.50	-	-
Total financial liabilities		-	98.50	-	98.50

There were no movement between level 1 and level 2 during the period.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

iii) **Valuation process and technique used to determine fair value**
Specific valuation techniques used to value financial instruments include:

(a) Quoted investments (Equity Shares)- Market Value

(b) Unquoted Investments - As determined by Independent Valuer. The equity shares of ₹ 259.86 Lakhs (31.03.2020 - ₹ 306.04 lakhs, 01.04.2019 - ₹ 200.75 Lakhs) are not listed. Fair value estimates of equity investments are included in level-3 and are based on information relating to value of investee company's net assets and DCF methods.

(c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iv) **Valuation inputs and relationships to fair value**
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. Refer (iii)(b) above for the valuation techniques adopted.

(₹ in lakhs)

Particulars	Significant Unobservable Input	Fair Value as at			Sensitivity of the input to fair value			
		31st March 2021	31st March 2020	01st April 2019				
Equity instruments	DCF	253.76	300.35	194.59	+(0.5%)	223.36	273.16	192.87
					-(0.5%)	288.09	330.09	196.31
	NAV	6.10	5.70	6.16	+(0.5%)	6.13	5.73	6.19
					-(0.5%)	6.07	5.67	6.13

v) **The following table presents the changes in level 3 items for the periods ended 31st March 2021, 31st March 2020 and 01 April 2019:**

(₹ in lakhs)

Particulars	Amount
As at 01 April 2019	**200.75**
Gains/losses recognised in other comprehensive income	105.29
As at 31st March 2020	**306.04**
Gains/losses recognised in other comprehensive income	(46.18)
As at 31st March 2021	**259.86**

37. Financial Risk Management, Objectives and Policies

A) Capital Management

i) Risk Management

The Company's objectives when managing capital are to
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

The following table summarises the Net Debt, Equity and Ratio thereof.

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Total Borrowings (including current maturities)	76,513.70	86,016.05	85,238.80
Less: Cash & Cash Equivalents & Other bank balances (including non current earmarked balances)	2,670.65	2,522.17	2,892.51
Net Debts (A)	**73,843.05**	**83,493.88**	**82,346.29**
Total equity (refer note 14 & 15)	58,415.28	57,795.35	64,498.54
Total equity & Net Debt (B)	**132,258.33**	**141,289.23**	**146,844.83**
Net debt to capital employed Ratio (A/B)	**0.56**	**0.59**	**0.56**

No changes were made in the objective policies & process for expenditure as on 31st March 2021, 31st March 2020 & 01st April 2019.

ii) Dividends

Due to insufficient profits, the company has not declared any dividend for FY 2019-20 and no dividend has been proposed for FY 2020-21.

B) Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below :-

i) Credit risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents. None of the financial instruments of the Company result in material concentration of credit risks.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the company operates, an impairment analysis is performed at each reporting date for trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10.

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

(₹ in lakhs)

Contractual maturities of financial liabilities as at 31st March 2021		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	17,720.46	4,752.00	4,928.00	44,538.24	71,938.70
	Trade payable	12,336.03	-	-	-	12,336.03
	Other payables	5,143.41	-	-	-	5,143.41
Derivatives	Derivative Liability	120.16	-	-	-	120.16
Total		35,320.06	4,752.00	4,928.00	44,538.24	89,538.30

Contractual maturities of financial liabilities as at 31st March 2020		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	26,168.86	4,575.00	4,839.00	47,122.86	82,705.72
	Trade payable	18,069.26	-	-	-	18,069.26
	Other payables	4,306.82	-	-	-	4,306.82
Total		48,544.94	4,575.00	4,839.00	47,122.86	105,081.80

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Contractual maturities of financial liabilities as at 01st April 2019		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	24,841.71	4,575.00	4,575.00	47,349.03	81,340.74
	Trade payable	15,745.00	-	-	-	15,745.00
	Other payables	4,867.51	-	-	-	4,867.51
Derivatives	Derivative Liability	98.50				98.50
Total		45,552.72	4,575.00	4,575.00	47,349.03	102,051.75

C) Market Risk

i) **Foreign currency risk**

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and Singapore Dollar . Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company's functional currency.

Foreign currency risk exposure - Unhedged

The company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

(₹ in lakhs)

Currency	Liabilities		
	31st March 2021	31st March 2020	01st April 2019
USD	-	711.96	5,640.65
Singapore Dollar	-	142.58	377.07

Sensitivity

The sensitivity of profit or loss after tax and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in lakhs)

Particulars		31st March 2021	31st March 2020	01st April 2019
USD sensitivity				
	INR/USD- increase by 10% *	-	(48.98)	(388.08)
	INR/USD- decrease by 10% *	-	48.98	388.08
Singapore Dollar sensitivity				
	INR/SGD- increase by 10% *	-	(9.81)	(25.94)
	INR/SGD- decrease by 10% *	-	9.81	25.94

ii) **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 short term borrowing and long term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Below is the overall exposure of the company to interest rate risk:

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Variable rate borrowing	39,599.72	51,558.73	53,114.56
Fixed rate borrowing	540.00	603.97	521.35
Total borrowings	40,139.72	52,162.70	53,635.91

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Sensitivity

Below is the sensitivity of profit or loss after tax and equity changes in interest rates.

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Interest sensitivity			
Interest rates increases by 100 basis points	272.45	499.17	365.43
Interest rates decrease by 100 basis points	(272.45)	(499.17)	(365.43)

D) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI.

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Fair Value of Quoted Equity Investments	21.30	17.04	20.74
Total Equity Investments	**21.30**	**17.04**	**20.74**

Sensitivity

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Increase in market price by 5%	0.73	0.59	0.71
Decrease in market price by 5%	**(0.73)**	**(0.59)**	**(0.71)**

E) Other Risk

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the year were also impacted due to COVID-19. The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Intangible assets, Trade Receivables, Inventory, investments, other current and non-current assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the financial statements and does not anticipate any challenge in the Company's ability to continue as a going concern. The impact of the pandemic may be different from that estimated as at the date of approval of these results and the management continues to closely monitor any material changes to future economic conditions.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

38. Contingent Liabilities (Ind AS-37)

Contingent Liabilities and commitments to the extent not provided for in respect of:

(₹ in lakhs)

a) Particulars	31st March 2021	31st March 2020	01st April 2029
Excise & Service Tax Matters under dispute/ appeal	1,860.60	1,860.60	2,091.63
Sales Tax & VAT Matters under dispute/ appeal	-	-	52.50
Income Tax Matters under dispute/ appeal (net of payment)	186.21	194.05	212.34
Right to Recompense available with the lenders *	27,801.00	27,801.00	27,801.00

* Right to recompense available to the lenders amounting to Rs. 27,801 Lakhs(previous year - 27,801 lakhs) as per Article VIII of the Master Restructuring Agreement dated March 23, 2015 read with the Master Framework Agreement and Share Transfer & Confirmation Agreement ("Master agreement") executed on January 24, 2018.

b) Relying upon the judgement of the Hon,ble Gujarat High Court in the matter Mohit Minerals Pvt. Ltd. Vs Union of India [2020], - "Levy of the integrated Tax again on the Ocean Freight in such situation amounts to double taxation i.e. under IGST and also under Custom Act - is not permissible" and detailed discussion held with our GST Consultant, the company is of the view that Levy of the integrated tax again on the Ocean Freight in such situation amounts to double taxation which is not permissible under GST regime. Hence, the company has not recognised the RCM liability on Ocean freight. The contingent liability on account of the same amounts to Rs. 40.73 Lakhs as on 31st March, 2021.

c) **Capital Commitment**

The capital commitment for the company amounts to ₹ nil (₹ nil)

39. **Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015.**

(₹ in lakhs)

	Particulars	31st March 2021	31st March 2020	01st April 2029
i	The principal amount remaining unpaid to any supplier as at the end of each accounting year;	127.80	198.13	100.33
ii	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	0.25	1.42	0.54
iii	The amount of interest paid by the buyer under MSMED Act, 2006	Nil	Nil	Nil
iv	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	Nil	Nil	Nil
v	The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.25	1.42	0.54
vi	The amount of further interest due and payable even in the succeeding year, 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.	0.25	1.42	0.54

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

40. Value of inventories is stated after provisions (net of reversal) ₹ 22.65 Lakhs (March 31, 2020: ₹ 100.49 Lakhs, April 01, 2019 - ₹ 756.02 Lakhs) for write-downs to net realizable value and provision for slow-moving and obsolete items.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

41. **Short Term Leases**

The Company's leasing arrangements are in respect of short term leases for office premises at Kolkata and Raigarh, depot at Raipur & guest houses at Raigarh, Gairkata, Kolkata and Nagpur. These leasing arrangements which are cancellable for period of 11 months and the Company has elected not to recognize ROU assets and lease liabilities for short term leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company has paid lease rentals of ₹ 72.02 Lakhs (Previous year - ₹ 75.75 Lakhs).

42. **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'**

Defined Contribution Plan:

The amount recognized as an expense for the Defined Contribution Plans are as under :

(₹ in lakhs)

Sl.No.	Particulars	31st March 2021	31st March 2020
a)	Provident Fund & ESI	220.50	223.99

Defined Benefit Plan:

a) Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

b) Risk Exposure

Defined benefit plans expose the Company to the following types of actuarial risks:

Interest rate risk: The Plan exposes the company to the risk of fall in interest rates . A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements.)

Liquidity Risk: This is the risk that the company is not able to meet the short term gratuity payouts .This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

Salary Escalation Risk: The Present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participate in future . Deviation in the rate of increase of salary in future for plan participant from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The company has used certain mortality and attrition assumption in valuation of the liability . The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirement of the Payment of Gratuity Act, 1972 (as amended from time to time . There is risk of change in regulation requiring higher gratuity payout (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular Investment.

MSP Steel & Power Limited
Notes to the Standalone Financial Statements for the year ended 31st March, 2021

c) Reconciliation Of the net defined benefit (Assets/Liabilities)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Balance at the beginning of the year	719.37	539.45	451.44
Current Service Cost	91.83	83.60	71.29
Interest Cost on Defined Benefit Obligation	49.24	41.89	35.19
Actuarial (gain)/losses arising from:			
Changes in demographic assumptions		0.15	-
Changes in financial assumptions		85.97	3.82
Experience adjustment	(77.43)	(5.75)	49.40
Benefits paid from the plan assets	(11.74)	(25.95)	(71.69)
Balance at the end of the year	**771.27**	**719.36**	**539.45**

d) Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Balance at the beginning of the year	499.43	493.13	421.63
Interest Income on Plan Assets	34.19	38.29	32.86
Remeasurement of Defined Benefit Obligation:			
Return on plan assets greater/ (lesser) than discount rate	0.72	(6.04)	(6.17)
Employer Contributions to the Plan	53.82	-	71.69
Benefits Paid from the Plan Assets	(11.74)	(25.95)	(26.88)
Balance at the end of the year	**576.42**	**499.43**	**493.13**

e) The amount recognised in the Balance Sheet

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Present value of Defined Benefit Obligation	771.27	719.36	539.45
Fair Value of Plan Assets	(576.42)	(499.43)	(493.13)
Net (Asset)/Liability in the Balance Sheet	**194.85**	**219.93**	**46.32**

f) Expenses recognized in profit or loss

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Current Service Cost	91.83	83.60
Interest Cost	49.24	41.89
Interest Income on Plan Assets	(34.19)	(38.29)
Total Defined Benefit Cost recognized in Profit & Loss	**106.88**	**87.20**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

g) **Remeasurements recognized in other comprehensive income**

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions	-	0.15
Changes in financial assumptions	-	85.97
Experience adjustment	(77.43)	(5.75)
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(0.72)	6.04
Total Defined Benefit Cost recognized in Other Comprehensive Income	**(78.15)**	**86.41**

h) **Major Categories of Plan Assets**

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Qualified Insurance Policies	100%	100%

The Gratuity Scheme is invested in policies offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

i) **Asset Liability Matching Strategy**

The company has purchased insurance policy which is basically a year on year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year .The Insurance company as a part of policy rules makes payment of all gratuity outgoes happening during the year (subject to sufficiency of fund under the policy). The Policy, thus mitigate the liquid risk . However , being cash accumulation plan the duration of assets shorter compared to the duration of liabilities . Thus the company is exposed to movement in interest rate (in Particular the significant fall in interest rate which should result in a increase in liability without corresponding increase in assets).

j) **Actuarial Assumptions**

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Financial Assumptions			
Discount Rate	6.85%	6.85%	7.75%
Salary Escalation Rate	7.50%	7.50%	7.50%
Demographic Assumptions			
Normal Retirement age	58 years	58 years	58 years
Mortality Rate	100.00%	100.00%	100.00%
Withdrawal Rate			
- Upto 40 years	0.42%	0.42%	0.42%
- Above 40 years	0.00%	0.00%	0.00%

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

k) The company expect to contribute ₹ 297.10 Lakhs (Previous Year - ₹ 325.11 Lakhs) during the next annual reporting Period to gratuity fund.

l) As at 31st March 2021, the weighted average contribution of the defined benefit obligation was 14 years (previous year- 15 years).The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

(₹ in lakhs)

Expected benefits payment for the year ending on	Gratuity (Funded)
Within next 12 months (next annual reporting period)	28.10
Between 2 and 5 years	100.10
Between 6 and 10 years	230.79
Beyond 10 years	1,915.63

m) Sensitivity Analysis

Significant actuarial assumption for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possibly changes of the assumption occurring at the end of the reporting period, while holding all other assumption constant The result of sensitivity assumption is given below:

(₹ in lakhs)

Particulars	Gratuity		
	31st March, 2021	31st March, 2020	31st March, 2019
Defined Benefit Obligation (Base)	771.27	719.37	539.45

(₹ in lakhs)

Particular	Gratuity					
	31-Mar-21		31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	886.83	674.73	833.44	624.55	623.83	469.18
Salary Growth Rate (-/+1%)	674.59	883.40	624.51	830.59	468.43	622.60
Attrition Rate(-/+ 50% Of attrition rates)	771.72	770.82	719.85	718.88	539.44	539.46
Mortality Rate (- / + 10% of mortality rates)	771.43	771.11	719.53	719.20	539.38	539.51

Although the analysis does not take into account the full distribution of cash flows expected under the period, it does an approximation of the sensitivity of the assumptions shown.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

43. Related Party Disclosures (Ind AS-24)

Related party where control exists

a) Subsidiary Company

MSP Cement Limited	Wholly owned subsidiaries
Prateek Mines & Minerals Private Limited	Subsidiary

b) Associates

AA ESS Tradelinks Private Limited

c) Joint Venture

Madanpur South Coal Company Limited

d) Key Managerial Personnel & their relatives

Name	*Designation*
Suresh Kumar Agrawal	Chairman
Saket Agrawal	Managing Director
Dhananjay Uchit Singh	Executive Director
Manish Agrawal	Non Executive Promoter Director
Kapil Deo Pandey	Non Executive Independent Director
Suneeta Mohanty	Non Executive Independent Director
Navneet Jagatramka	Non Executive Independent Director
Ashok Kumar Soin	Non Executive Independent Director
Kamal Kumar Jain	Chief Financial Officer
Shreya Kar	Company Secretary
Puranmal Agrawal	Relative - Father of Manish Agrawal
Kiran Agrawal	Relative - Mother of Manish Agrawal
Nisha Agrawal	Relative - Wife of Suresh Agrawal
Ekta Agrawal	Relative - Wife of Saket Agrawal
Richa Agrawal	Relative - Wife of Manish Agrawal

e) Enterprises over which Key management Personnel and or relatives have significant influence

Admirable Realtors Private Limited	Shree Khatupati Mercantiles Private Limited
Bharat Earth Mover	Shreevadhu Mercantile Private Limited
Gajgamini Vinimay Private Limited	Shri Enterprise
Howrah Gases Limited	Subh Enterprise
Inertia Enterprise	Swift & Company
K.C. Texofine Private Limited	West Sintex
Mayur Media Services Private Limited	Yantriki
Mecha Cast International	
MSP Infotech Private Limited	
MSP Metallics Limited	
MSP Mines & Minerals Limited	
MSP Power Limited	
MSP Properties India Limited	
MSP Sponge Iron Limited	
Orbit Dealcom Private Limited	
Rakhi Vinimay Private Limited	

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

f) Details of Related Party Transactions during the year ended

(₹ in lakhs)

Particulars	Subsidiary Company		Associated Company		Jointly Controlled Entity		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and or relatives have significant influence		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sales	-	-	-	-	-	-	-	-	6,929.02	3,299.08	6,929.02	3,299.08
Purchase of Raw Material & Components Consumed	-	-	-	-	-	-	-	-	12,278.05	11,740.29	12,278.05	11,740.29
Directors' Remuneration	-	-	-	-	-	-	121.93	120.16	-	-	121.93	120.16
Key Managerial Remuneration	-	-	-	-	-	-	33.70	34.46	-	-	33.70	34.46
Professional Charges Paid	-	-	-	-	-	-	-	-	-	1.77	-	1.77
Expenses Reimbursed by party	-	-	-	-	-	-	-	-	46.01	1.30	46.01	1.30
Expenses Reimbursed by us	0.07	0.22	0.01	0.46	-	-	-	-	9.19	121.81	9.27	122.49
Rent paid	-	-	-	-	-	-	18.48	16.80	54.78	54.78	73.26	71.58
Vehicle Hire Charges Paid	-	-	-	-	-	-	-	-	74.98	73.14	74.98	73.14
Equipment Hire Charges Paid	-	-	-	-	-	-	-	-	451.36	436.44	451.36	436.44
Expense on Raw Materials	-	-	-	-	-	-	-	-	38.35	35.50	38.35	35.50
Loans & Advances Given	0.08	50.00	-	-	-	-	-	-	-	47.03	0.08	97.03
Repayment of Loans & Advances Given	-	-	446.19	-	-	-	-	-	0.45	-	446.64	-
Repayment of Loans & Advances	-	-	-	-	-	-	-	-	22.38	1.12	22.38	1.12
Loans & Advances Taken	-	-	-	-	-	-	-	-	11.20	11.20	11.20	11.20
Closing Balances as at 31st March												
Guarantee Obtained	-	-	-	-	-	-	1,311.44	1,189.31	-	-	1,311.44	1,189.31
Loans & Advances	50.57	50.42	0.01	446.19					11.76	49.39	62.34	545.99
Trade Receivable									4.41	1.99	4.41	1.99
Trade Payable	-	2.77	-	-	-	-	8.08	8.13	473.51	720.95	481.59	731.85
Loans & Advances Taken	-	-	-	-	-	-	-	-	8,275.61	8,310.96	8,275.61	8,310.96
Investments	123.39	123.39	4,370.68	4,370.68	131.96	131.96	-	-	468.96	468.96	5,094.98	5,094.98

Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Terms and Conditions of transactions with Related Parties

The transactions with Related Party are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding Balances at the year end are unsecured and settlement occurs in cash for the year ended 31st March, 2021, the Company has recorded the receivable relating to amount due from Related Parties. This assessment is undertaken each Financial Year through examining the Financial position of the Related Parties and the market in which the Related Party operates.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

g) Disclosure in respect of significant transactions of the same type with related parties during the year

(₹ in lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	Particulars	Total	
		2020-21	2019-20
Sales	Admirable Realtors Private Limited	2.41	1.99
	Howrah Gases Limited	-	-
	Inertia Enterprise	-	1.49
	MSP Sponge Iron Limited	6,926.61	3,295.59
	Chaman Metallics Limited	-	-
Purchase of Raw Material & Components Consumed	Howrah Gases Limited	3.45	24.30
	MSP Metallics Limited	850.72	-
	MSP Sponge Iron Limited	11,423.88	11,715.99
Directors' Remuneration	Dhananjay Uchit Singh	10.09	10.87
	Manish Agrawal	37.42	34.43
	Saket Agrawal	39.28	39.86
	Suresh Kumar Agrawal	35.14	35.00
Key Managerial Remuneration	Kamal Kumar Jain	27.33	27.89
	Shreya Kar	6.37	6.57
	Kapil Deo Pandey	-	-
	MSP Mines & Minerals Limited	-	-
Professional Charges Paid	MSP Power Limited	-	1.77
	Dhananjay Uchit Singh	-	-
	Howrah Gases Limited	-	-
	K.C. Texofine Private Limited	-	-
	Kamal Kumar Jain	-	-
	Kapil Deo Pandey	-	-
	MSP Infotech Private Limited	-	-
Expenses Reimbursed by party	MSP Properties India Limited	0.25	-
	MSP Sponge Iron Limited	45.76	1.30
	Shree Khatupati Mercantiles Private Limited	-	-
	Suresh Kumar Agrawal	-	-
Expenses Reimbursed by us	AA ESS Tradelinks Private Limited	0.01	0.46
	Howrah Gases Limited	1.64	0.28
	MSP Cement Limited	0.07	0.22
	MSP Metallics Limited	0.66	-
	MSP Sponge Iron Limited	6.89	121.53
Rent paid	Ekta Agrawal	10.56	9.60
	K.C. Texofine Private Limited	15.00	15.00
	MSP Properties India Limited	24.78	24.78
	Richa Agrawal	7.92	7.20
	Shree Khatupati Mercantiles Private Limited	15.00	15.00

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Nature of Transactions (including taxes & duties where ever applicable)	Particulars	Total	
		2020-21	2019-20
Vehicle Hire Charges Paid	Bharat Earth Mover	18.17	16.25
	Howrah Gases Limited	28.32	28.32
	Mayur Media Services Private Limited	4.20	4.20
	MSP Infotech Private Limited	10.02	10.10
	MSP Properties India Limited	4.67	4.67
	Shreevadhu Mercantile Private Limited	9.60	9.60
Equipment Hire Charges Paid	Bharat Earth Mover	78.82	83.35
	Inertia Enterprise	91.77	94.05
	Mecha Cast International	38.70	41.18
	Shri Enterprise	37.76	35.76
	Subh Enterprise	53.60	55.88
	Swift & Company	44.84	24.49
	West Sintex	52.06	45.89
	Yantriki	53.81	55.84
Expense on Raw Materials	MSP Mines & Minerals Limited	38.35	35.40
	Shri Enterprise	-	0.10
	AA ESS Tradelinks Private Limited	-	-
Loans & Advances Given	MSP Cement Limited	-	50.00
	MSP Metallics Limited	-	47.03
	Prateek Mines & Minerals Private Limited	0.08	-
	Rakhi Vinimay Private Limited	-	-
Repayment of Loans & Advances Given	AA ESS Tradelinks Private Limited	446.19	-
	Dhananjay Uchit Singh	-	-
	Kamal Kumar Jain	-	-
	MSP Power Limited	0.45	-
	Rakhi Vinimay Private Limited	-	-
Repayment of Loans & Advances	Gajgamini Vinimay Pvt Ltd	13.68	0.72
	Howrah Gases Limited	-	-
	Orbit Dealcom Private Limited	8.70	0.40
Loans & Advances Taken	Gajgamini Vinimay Pvt Ltd	7.20	7.20
	Howrah Gases Limited	-	-
	Orbit Dealcom Private Limited	4.00	4.00

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

44. Segment information

The Company is engaged in manufacturing of "Iron and Steel". Consequent to the adoption of IND-AS, the company has identified one operating segment viz, "Iron and Steel", which is consistent with the internal reporting provided to the managing director who is the chief operating decision maker of the company.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(₹ in lakhs)

Revenue from external customers	2020-21	2019-20
India	165,805.49	140,403.12
Outside India	4,177.32	9,908.91
	169,982.81	150,312.03

(₹ in lakhs)

Non-Current Assets*	2020-21	2019-20
India	85,517.69	90,643.91
Outside India	-	-
	85,517.69	90,643.91

** excludes financial assets, deferred tax, current tax assets, post-employment benefit assets and Investment in Subsidiaries, Associate & Joint Venture.*

Information about major customers

Total amount of revenues from customers (each exceeding 10% of total revenues of the Company) is ₹ Nil (Previous Year ₹ Nil Lakhs) reported under Iron & Steel segment.

45. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in accordance to the CSR Policy of the Company which includes Rural Development Project, eradicating hunger, poverty and malnutrition, healthcare and sanitation, animal welfare, etc. A CSR committee has been formed by the Company as per the Act.

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Gross amount required to be spent by the Company during the year	Nil	Nil
Amount spent during the year		
i) Construction/Acquisition of an Asset	5.44	17.79
ii) On purposes other than as mentioned in (i) above	151.33	156.12
Provision made in relation to CSR expenditure	Nil	Nil

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

46. Assets pledged as security

The carrying amounts of assets pledged as security are:

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
For Term Loan				
First Charge				
Equitable Mortgage				
Land	3	926.80	926.80	926.80
Factory Building	3	9,211.87	9,641.66	10,071.45
Other Building	3	5,975.41	6,259.69	6,543.96
First Hypothecation				
Plant & Machinery, Vehicle, office equipment and Furniture & Fixtures	3	69,305.69	73,704.42	78,314.13
Capital Work in Progress	3	59.10	59.10	112.50
Second Charge				
(a) Inventories	9	37,673.01	52,378.98	38,122.97
(b) Financial Assets				
(i) Trade Receivables	10	5,484.16	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,100.16	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,558.16	1,059.90	1,304.77
(iv) Other Financial Assets	6	72.80	171.61	138.39
(c) Other Current Assets	13	12,045.56	11,808.57	12,750.52
Total Assets Pledged against Term Loan		**143,412.72**	**164,349.63**	**160,699.90**
For Cash Credit				
First Charge				
(a) Inventories	9	37,673.01	52,378.98	38,122.97
(b) Financial Assets				
(i) Trade Receivables	10	5,484.16	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,100.16	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,558.16	1,059.90	1,304.77
(iv) Other Financial Assets	6	72.80	171.61	138.39
(c) Other Current Assets	13	12,045.56	11,808.57	12,750.52
Second Charge				
(a) Property, Plant and Equipment	3	85,419.77	90,532.57	95,856.34
(b) Capital Work in Progress	3	59.10	59.10	112.50
Total Assets Pledged against Cash Credit		**143,412.72**	**164,349.63**	**160,699.90**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

47 Change in Accounting Policy and Disclosures

During the year, the Company has changed the valuation method of its Raw Material inventory from First In First Out (FIFO) method to Weighted Average (WA) Method, for better presentation/valuation. The Company has applied this change retrospectively starting with each reporting period from April 01, 2019. The impact of this change to each reporting line is as under:

(₹ in lakhs)

Effect of change in Balance Sheet	As on 01st April 2019 Reported	Adjustment on account of change in Accounting Policy	As on 01st April 2019 Restated
ASSETS			
Current Assets			
Inventory	37,188.75	934.22	38,122.97
Total Assets	**167,891.19**	**934.22**	**168,825.41**
EQUITY AND LIABILITIES			
EQUITY			
Other Equity	25,957.04	934.22	26,891.26
Total Liabilities	**167,891.19**	**934.22**	**168,825.41**

(₹ in lakhs)

Effect of change in Balance Sheet	As on 31st March 2020 Reported	Adjustment on account of change in Accounting Policy	As on 31st March 2020 Restated
ASSETS			
Non Current Assets			
Deferred Tax Assets	3,129.17	367.52	3,496.70
Current Assets			
Inventory	52,622.73	(243.75)	52,378.98
Total Assets	**171,770.65**	**123.78**	**171,894.43**
EQUITY AND LIABILITIES			
EQUITY			
Other Equity	19,253.85	123.78	19,377.63
Total Liabilities	**171,770.65**	**123.78**	**171,894.43**

(₹ in lakhs)

Effect of change in Statement of Profit & Loss	2019-20 Reported	Adjustment on account of change in Accounting Policy	2019-20 Restated
EXPENSES			
Cost of Materials Consumed	116,353.56	1,209.14	117,562.70
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	1,210.14	(31.17)	1,178.97
Total Expenses	**158,966.33**	**1,177.97**	**160,144.30**
Profit/(Loss) Before Tax	**(5,614.69)**	**(1,177.97)**	**(6,792.66)**
Tax Expenses			
Deferred Tax	1,118.84	(367.52)	751.32
Profit/(Loss) After Tax	**(6,745.31)**	**(810.45)**	**(7,555.76)**
Total Comprehensive Income for the Period	**(6,703.17)**	**(810.45)**	**(7,513.62)**

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

Effect of change in Statement of Cash Flows	2019-20 Reported	Adjustment on account of change in Accounting Policy	2019-20 Restated
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) Before Tax	**(5,614.69)**	**(1,177.97)**	**(6,792.66)**
Movement in Working Capital for			
Decrease in Inventories	(15,433.97)	1,177.97	(14,256.00)
Net Cash generated from Operating Activities	**7,386.26**	**-**	**7,386.26**

Effect of change in Earnings Per Share		2019-20 Reported	2019-20 Restated
Profit/ (Loss) After Tax (Rs. In Lakhs)		(6,745.31)	(7,555.76)
Weighed average number of equity shares in calculating Basic EPS		385,415,000	385,415,000
Weighed average number of equity shares in calculating Diluted EPS		385,415,000	385,415,000
Face value of share (₹)		10	10
Earnings Per Share			
Basic	(₹)	(1.75)	(1.96)
Diluted	(₹)	(1.75)	(1.96)

Due to change in accounting policy, the current year Net Profit and EPS has been decreased by ₹ 3,409.26 Lakhs and ₹ 0.88 respectively.

48 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

49. Miscellaneous Expenses include de-recognition of financial asset (Trade Receivables/Advances/Loan) on account of irrecoverability, the contractual right to receive cash flow from the financial asset of ₹ 83.48 Lakhs(Previous Year - ₹ 102.66 Lakhs).

50 The previous year's figures have been regrouped, rearranged and reclassified to conform to the classification of the current year, wherever necessary.

51 The financial statements have been approved in Audit Committee meeting held on 11.06.2021 and approved by the Board of Directors on the same day.

For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769
Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of MSP Steel & Power Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements of **MSP Steel & Power Limited** (hereinafter referred to as "the Holding") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associate and joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associate and joint venture referred to below in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate and joint venture as at March 31, 2021, and its profit including other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<u>**Revenue Recognition**</u> <u>(Refer Note No. 1 and 23 and of the consolidated Financial Statement):</u> Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.
Inventory Management <u>(Refer Note No. 1 and 9 and of the consolidated Financial Statement):</u> The Group deals with various types of bulk material such as Coal, Iron Ore, and sponge iron & pellets etc. The total inventory of such materials amounts to Rs. 30478.38 Lakhs as on March 31, 2021. The measurement of these inventories involved certain estimations/assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/gain, spillage etc. and thus required assistance of technical expertise. We determined this to be a matter of significance to our audit due to quantum of the amount, estimation involved.	Our audit procedures included the following: ▪ Obtained the understanding of the management with regards to internal financial controls relating of Inventory management. ▪ The Company deployed an Independent agency for verification of Bulk Materials. We have reviewed the internal verification process by the management for certain inventory items. ▪ We have reviewed the report submitted by external agency and obtained reasons/explanation for differences and also confirmed the adjustment made by the company. Based on the above procedures performed, we concluded that measurement and valuation of the inventory at year end is appropriate.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture respectively and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control .
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements / financial information of two subsidiaries whose financial statements / financial information reflect total assets of Rs. 272.67 Lakh and net assets of Rs. 126.80 Lakh as at March 31, 2021, total revenue of Rs. 2.11 Lakh, total comprehensive income of Rs. (-) 9.99 Lakh (comprising profit and other comprehensive income) as considered in the statement. Further, we did not audit the financial statements of one Associate and one Joint Venture whose share of total comprehensive Income considered for consolidation is Rs. (-) 36.19

Lakh and Rs. 2.13 Lakh respectively. These financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated annual financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, the Associate and the Joint Venture are based solely on the report of other auditors.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiaries, associate and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associate and joint venture companies incorporated in India, none of the directors of the Group companies and its associate and joint venture companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company, subsidiaries, associate and joint venture incorporated in India.

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

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

   I. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate and joint venture- Note 38 to the Consolidated financial statements

   II. The Group, its associate and Joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

   III. There is delay in transferring an amount of Rs. 1.17 lakhs to the Investor Education and Protection fund (IEPF) by the group which is required to transfer to IEPF after October 24, 2019 but the same has not been transferred till the date of signing of the audit report.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 21063769AAAAAV5958

Place: Kolkata
Date: June 11, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **MSP Steel & Power Limited** of even date)

Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial control with reference to consolidated financial statement of **MSP Steel & Power Limited** ("the Holding Company") and its subsidiaries and its associate and its joint venture, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries and its associate and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 respective company's policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statement of the Holding Company, its subsidiaries, its associate and joint venture, which are companies incorporated in India 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement 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 with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 of the subsidiaries , associate and Joint Venture , which are companies incorporated in India, 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 financial controls system with reference to financial statement of the Company, its subsidiaries, its associate and joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to financial statement

A company's internal financial control with reference to financial statement 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 with reference to financial statement 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statement

Because of the inherent limitations of internal financial controls with reference to financial statement, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiaries and associate and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial control with reference to financial statement and such internal financial control with reference to financial statement were operating effectively as at March 31 , 2021, based on the criteria for internal controls with reference to financial statement established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement insofar as it relates to the subsidiaries and its associate and joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 21063769AAAAAV5958

Place: Kolkata
Date: June 11, 2021

MSP Steel & Power Limited

Consolidated Balance Sheet as at 31st March, 2021

(₹ in lakhs)

Sl. No.	Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020 * (Restated)	As at 01st April, 2019 * (Restated)
A	ASSETS				
1	Non-Current Assets				
	(a) Property, Plant and Equipment	3	85,441.13	90,554.74	95,856.34
	(b) Capital Work in Progress	3	118.29	118.28	171.72
	(c) Intangible Assets	3	38.82	52.24	65.66
	(d) Goodwill		1.00	1.00	-
	(d) Investment in Subsidiary, Associate & Joint Venture	4	3,683.76	4,371.53	5,067.99
	(e) Financial Assets				
	(i) Investments	4	281.16	323.08	221.49
	(ii) Loans	5	201.61	225.69	206.42
	(iii) Other Financial Assets	6	12.33	336.80	214.82
	(f) Deferred Tax Assets (Net)	7	3,095.73	3,500.56	4,221.05
	(g) Income Tax Assets (Net)	8	173.15	157.44	115.55
	(h) Other Non Current Asset	13	2.98	2.98	-
			93,049.96	99,644.34	106,141.04
2	Current Assets				
	(a) Inventories	9	37,673.01	52,378.98	38,122.97
	(b) Financial Assets				
	(i) Trade Receivables	10	5,621.72	7,353.76	11,041.49
	(ii) Cash and Cash Equivalents	11	1,126.99	1,147.27	1,375.40
	(iii) Bank Balances other than (ii) above	12	1,560.40	1,370.37	1,304.77
	(iv) Other Financial Assets	6	72.80	175.51	138.39
	(c) Other Current Assets	13	11,999.97	11,762.99	12,750.52
			58,054.89	74,188.88	64,733.54
	TOTAL ASSETS		151,104.85	173,833.22	170,874.58
B	EQUITY AND LIABILITIES				
1	EQUITY				
	(a) Equity Share Capital	14	38,541.50	38,541.50	38,541.50
	(b) Other Equity	15	20,661.74	20,861.87	28,935.36
	(c) Non Controlling Interest	15	33.50	34.96	-
			59,236.74	59,438.33	67,476.86
2	LIABILITIES				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	54,294.45	56,613.08	56,499.03
	(ii) Other financial liabilities	20	-	3.00	4.25
	(b) Provisions	17	117.33	118.04	90.18
			54,411.78	56,734.12	56,593.46
3	Current Liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	17,720.46	26,168.86	24,841.71
	(ii) Trade Payables				
	(a) To micro and small enterprises	19	128.05	199.55	100.87
	(b) To other than micro and small enterprises	19	12,207.97	17,869.71	15,644.13
	(iii) Other Financial Liabilities	20	5,263.57	4,306.82	4,966.83
	(b) Other Current Liabilities	21	1,936.63	8,894.52	1,049.51
	(c) Provisions	17	199.65	221.31	48.35
	(d) Current Tax Liabilities	22	-	-	152.86
			37,456.33	57,660.77	46,804.26
	TOTAL EQUITY AND LIABILITIES		151,104.85	173,833.22	170,874.58

* Restated on account of change in accounting policy (refer note 47)

Significant Accounting Policies 1

Key accounting estimates and judgements 2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769
Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Statement of Consolidated Profit and Loss for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Notes	2020-21	2019-20 * (Restated)
INCOME			
Revenue from Operations	23	172,313.44	153,272.71
Other Income	24	93.07	255.55
Total (I)		172,406.51	153,528.26
EXPENSES			
Cost of Materials Consumed	25	130,979.05	117,562.70
Purchase of Stock in Trade	26	2,222.59	964.79
Changes in Inventories of Finished Goods, By-products, Work in Progress and Stock in Trade	27	(1,207.82)	1,178.97
Employee Benefits Expenses	28	4,428.04	4,533.85
Finance Costs	29	7,925.18	8,561.09
Depreciation and Amortization Expenses	30	5,549.22	5,378.99
Other Expenses	31	21,655.49	22,005.37
Total (II)		171,551.75	160,185.76
Profit/(Loss) before Share of Profit/Loss of Associates and Joint Venture (Net of Tax), Exceptional Items and Tax (I-II)		854.76	(6,657.50)
Share of Profit/Loss of Associates and Joint Venture (Net of Tax)	51 & 52	(7.62)	(1.27)
Exceptional Items	32	-	157.17
Profit/(Loss) Before Tax		847.14	(6,815.94)
Tax Expenses	33		
Current Tax		-	-
Income tax for Earlier Year		-	11.78
Deferred Tax		359.20	751.58
Total Tax Expenses		359.20	763.36
Profit/(Loss) for the Year		487.94	(7,579.30)
Other Comprehensive Income	34		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		78.15	(86.41)
(b) Equity Instruments through Other Comprehensive Income		(41.92)	101.59
(ii) Income taxes on items that will not be reclassified to profit or loss		(45.63)	26.96
(iii) Share in OCI of Associate & Joint Venture		(26.43)	(538.02)
Other Comprehensive Income (Net of Tax)		(35.83)	(495.88)
Total Comprehensive Income for the year		452.11	(8,075.18)
Profit for the Period attributable to			
(i) Owners of the Company		489.40	(7,577.59)
(ii) Non Controlling Interest		(1.46)	(1.71)
Other Comprehensive Income for the Period attributable to			
(i) Owners of the Company		(35.83)	(495.88)
(ii) Non Controlling Interest		-	-
Total Comprehensive Income for the Period attributable to			
(i) Owners of the Company		453.57	(8,073.47)
(ii) Non Controlling Interest		(1.46)	(1.71)
Earnings per equity share of face value of ₹ 10/- each	35		
Basic (₹)		0.13	(1.97)
Diluted (₹)		0.13	(1.97)

* Restated on account of change in accounting policy (refer note 47)

Significant Accounting Policies	1
Key accounting estimates and judgements	2

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769
Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in lakhs)

	Particulars	Year ended 31st March,2021	Year ended 31st March,2020 * (Restated)
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
1.	**Net Profit/(Loss) before taxes**	**847.14**	**(6,815.94)**
2	**Adjustments for:**		
	Depreciation & Amortization Expense	5,549.22	5,378.99
	Interest Income	(87.86)	(188.28)
	Interest Expense on Loans	5,032.79	5,981.15
	Interest Expense on OCD	2,520.62	2,250.45
	Other Finance Expenses	371.76	329.42
	Provision for Doubtful debts/ Advances/ Deposits and Claims	1,146.85	1,564.48
	Unrealised (Profit)/Loss on Foreign Exchange Fluctuations	81.12	17.92
	Share of (Profit)/Loss of Associate and Joint Venture	7.62	1.27
	Impairment of Investment in Associate	-	157.17
	(Profit) / Loss on sale of property, plant & equipment (net)	(1.18)	(46.73)
3	**Operating Profit before working capital changes (1+2)**	**15,468.08**	**8,629.90**
4	**Movement in Working Capital for:**		
	(Increase)/ Decrease in Trade & Other Receivables	385.78	3,231.80
	(Increase)/ Decrease in Inventories	14,705.98	(14,255.99)
	Increase/ (Decrease) in Trade & Other Payables	(12,768.70)	10,219.19
	Increase/ (Decrease) in Provisions	55.78	112.69
5	**Cash generated from Operations (4+3)**	**17,846.92**	**7,937.59**
6	Less: Direct Taxes Paid	15.71	206.53
7	**Net Cash generated from Operating Activities (5-6)**	**17,831.21**	**7,731.06**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant & equipment including CWIP	(422.19)	(255.48)
	Sale of property, plant & equipment	1.18	314.18
	Consideration paid towards acquisition of PMMPL	-	(65.32)
	Fixed Deposit given in form of Margin Money	133.09	(187.57)
	Interest received	177.10	163.94
	Net cash generated/(used) in investing activities	**(110.82)**	**(30.25)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Long Term Borrowings Received/ (paid) (Net)	(3,246.36)	(2,824.16)
	Short Term Borrowings Received/ (paid) (Net)	(8,448.40)	1,327.16
	Interest Paid	(5,675.49)	(6,102.52)
	Other Finance Expenses Paid	(371.76)	(329.42)
	Unclaimed Dividend transferred to Investor Education Protection Fund of India	1.35	-
	Net cash used in financing activities	**(17,740.67)**	**(7,928.94)**
	Net (Decrease) in Cash and Cash equivalents (A+B+C)	**(20.28)**	**(228.13)**
E1	**Cash and Cash equivalents as at the beginning of the year**	**1,147.27**	**1,375.40**
E2	**Cash and Cash equivalents as at the end of the year**	**1,126.99**	**1,147.27**
	Net Change in Cash and Cash equivalents (E2-E1)	**(20.28)**	**(228.13)**

Note

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS -7) - Statement of Cash Flow

(₹ in lakhs)

	Particulars	Year ended 31st March,2021	Year ended 31st March,2020 * (Restated)
b)	**Components of Cash and Cash equivalents**		
	Cash on hand	16.70	24.52
	With Scheduled Banks on Current Account	1,110.29	1,122.75
		1,126.99	1,147.27

MSP Steel & Power Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2021

c)

The amendments to Ind AS 7 Cash Flow statements requires 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 flow 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, to meet the disclosure requirement.

(₹ in lakhs)

Head	31st March 2020	Cash Flow	Non Cash Changes		Interest Paid	31st March 2021
			Inter Head Movement	Interest Expenses		
Long Term Borrowings**	38,927.86	(3,246.36)	16.56	2,439.81	2,784.58	35,353.30
Other Financial Liabilities	340.71	-	(313.81)	57.80	58.48	26.22
Borrowings - Current	26,168.86	(8,448.40)	297.25	2,535.18	2,832.43	17,720.46
	65,437.43	(11,694.76)	-	5,032.79	5,675.49	53,099.98

* Restated on account of change in accounting policy (refer note 47)
** Long term borrowings include current maturities and exclude the Liability Component of Compound Financial Instruments

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769

Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
As at the beginning of the year	38,541.50	38,541.50	38,541.50
As at the end of the year	38,541.50	38,541.50	38,541.50

B. Other Equity

(₹ in lakhs)

Particulars	Reserve & Surplus					Items of Other Comprehensive Income	Total	Non Controlling Interest	Total
	Securities Premium	Retained Earnings	6% Compulsorily Convertible Preference Shares	6% Redeemable Preference Shares	Equity Component of compound financial instruments	Equity Instruments through Other Comprehensive Income			
Balance as at 1st April, 2019	15,055.59	(20,180.55)	3,112.99	-	28,506.44	1,506.67	28,001.14	-	28,001.14
Changes on account of change in accounting policy (Refer Note 47)		934.22					934.22	-	934.22
Balance as at 1st April, 2019 Restated *	15,055.59	(19,246.33)	3,112.99	-	28,506.44	1,506.67	28,935.36	-	28,935.36
Profit/ (Loss) for the year	-	(7,577.59)			-	-	(7,577.59)	(1.71)	(7,579.30)
Remeasurement benefits Gain/(Loss) (Net of tax)	-	(59.43)			-		(59.43)		(59.43)
Re-classification of CCPS into RPS	-		(3,112.99)	3,112.99	-		-		-
Fair Value of Equity Instrument through FVOCI						101.59	101.59		101.59
Effect of stake acquired from Non-Controlling Interest							-	36.67	36.67
Adjustment on account of Equity accounting of Joint Venutre and Associate						(538.02)	(538.02)		(538.02)
Balance as at 31st March, 2020	15,055.59	(26,883.35)	-	3,112.99	28,506.44	1,070.24	20,861.91	34.96	20,896.87
Balance as at 1st April, 2020	15,055.59	(26,883.35)	-	3,112.99	28,506.44	1,070.24	20,861.91	34.96	20,896.87
Profit/ (Loss) for the year		489.40					489.40	(1.46)	487.94
Remeasurement benefits Gain/(Loss) (Net of tax)		53.78					53.78		53.75
Fair Value of Equity Instrument through FVOCI						(63.16)	(63.16)		(63.16)
Adjustment on account of Equity accounting of Joint Venutre and Associate *						(680.19)	(680.19)	-	(680.16)
Balance as at 31st March, 2021	15,055.59	(26,340.17)	-	3,112.99	28,506.44	326.89	20,661.74	33.50	20,695.24

* Restated on account of change in accounting policy (refer note 47)

* Includes adjustment to equity of ₹ 653.76 Lakhs on account of proportionate networth of the associate and joint venture.

Significant Accounting Policies 1

Key accounting estimates and judgements 2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date:
For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769

Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
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DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

COMPANY BACKGROUND

The Consolidated financial statements comprise financial statements of MSP Steel & Power Limited ('the Holding Company') and its subsidiaries (collectively the "Group") and includes the Group's share of profit in its associate and joint venture, for the year ended 31st March, 2021. The Holding Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at 1, Crooked Lane, Kolkata – 700069, India. The Group is principally engaged in manufacture and sale of iron and steel products and generation of power. Information on the Group's structure is provided in **Note 48.**

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of financial statements

1.1.1. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and includes the Group's share of profit in its associate and joint venture as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group 's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

1.1.2. Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

f) Investments are accounted for using Equity Method in accordance with IND AS 28 (Investment in Associate & Joint Venture).

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

1.1.3. Compliance with Ind-AS

The Financial Statements comply in all materials aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules 2015] and Other reverent provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. During the year, the Holding Company has changed the valuation method of its Raw Material inventory from First in First out (FIFO) method to Weighted Average (WA) Method during the year, for better presentation/valuation. The Holding Company has applied this change retrospectively starting with each reporting period from April 01, 2019 (refer note 47).

The Ministry of Corporate Affairs (MCA) issued certain amendments in existing Accounting Standards during the year ended March 31, 2020, which are effective from July 24, 2020.

- Ind AS 103 (Business Combinations): Defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.
- Ind AS 107 (Financial Instruments: Disclosures): Disclosures for uncertainty arising from interest rate benchmark reform.
- Ind AS 109 (Financial Instruments): Temporary exceptions from applying specific hedge accounting requirements.
- Ind AS 116 (Leases): Due to the pandemic COVID- 19 – Related Rent concession, a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modification or not.
- Ind AS 1 and Ind AS 8 (Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors): Change/modification in the definition of "Material".
- Ind AS 10 (Events after the Reporting Period): Definition for non – adjusting events and its effective date of application.
- Ind AS 34 (Interim Financial Reporting): Consequential of the above amendments.
- Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets): Consequential amendment and accounting of restructuring plan.

The amendments listed did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

1.1.4. Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.5. Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

- defined benefit plans - plan assets measured as per actuarial valuation.

1.2. Summary of Significant Accounting Policies

A. Property, Plant and Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of Assets	Years
Factory Building	30 years
Other Building	10 to 60 years
Plant & Machinery	5 to 40 years
Vehicle	8 to 10 years
Office Equipment	5 to 6 years
Furniture & Fixtures	10 years

Freehold land is not depreciated.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de- recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

B. Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

P	N
C	5

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

C. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

D. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods/services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods/services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods/services sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. No element of financing is deemed present as the sales are generally made with a credit term of 45 -60 days, which is consistent with market practice. The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

Sale of power/ services: Revenue from sale of power/services is recognized when the services are provided to the customer based on approved tariff rates/agreement established by the respective regulatory authorities/agreement with parties.

Interest and dividends: Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payments established.

E. Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the acquisition/construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

F. Inventories

Raw materials, work-in-progress, finished goods, stores, spares, components, consumables and stock- in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. By-product is valued at net realizable Value.

In determining the cost of raw materials, stock-in-trade, stores, spares, components, consumables and other inventories weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

G. 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.

G.1. Financial Assets

- **Initial recognition and measurement:** The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

  Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

  In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

However, trade receivables that do not contain a significant financing component are measured at transaction price.

- **Subsequent measurement:** For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

  - The Group's business model for managing the financial asset and
  - The contractual cash flow characteristics of the financial asset.

  Based on the above criteria, the Group classifies its financial assets into the following categories:

  - Financial assets measured at amortized cost
  - Financial assets measured at fair value through other comprehensive income (FVTOCI)
  - Financial assets measured at fair value through profit or loss (FVTPL)

- **Financial assets measured at amortized cost:** A financial asset is measured at the amortized cost if both the following conditions are met:

  - The Group's business model objective for managing the financial asset is to hold financial assets 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.

  This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

  Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

  The amortized cost of a financial asset is also adjusted for loss allowance, if any.

- **Financial assets measured at FVTOCI:** A financial asset is measured at FVTOCI if both of the following conditions are met:

  - The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

- 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 Group, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. This equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

- **Financial assets measured at FVTPL:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

  This is a residual category applied to all other investments of the Group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

- **De-recognition:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

  - The contractual rights to cash flows from the financial asset expires;
  - The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
  - The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
  - The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

  In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

  On De-recognition of a financial asset [except as mentioned in above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

- **Impairment of financial assets:** The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

  - Trade receivables
  - Financial assets measured at amortized cost (other than trade receivables and lease receivables)
  - Financial assets measured at fair value through other comprehensive income (FVTOCI)- in case of debt interments

  In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

  In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

  ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

  Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, considering the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

G.2. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

G.2.1. Equity instruments

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

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

G.2.2. Financial liabilities

Initial recognition and measurement: The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability

Subsequent measurement: All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition: 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 de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

H. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

I. Derivatives

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/ expenses.

J. Investments, associates and joint ventures

Investments associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognized, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss

K. Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorization at the end of each reporting period and discloses the same.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

L. Foreign Currency Translation

Initial Recognition: On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date: Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

M. Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax: Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax: Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credit (MAT Credit Entitlement), Unabsorbed depreciation and any unused tax losses. Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax: Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

N. Provisions, Contingent Liabilities & Contingent Assets

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of 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 recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

O. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

P. Employee Benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

Compensated absences: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

Post-Employment Benefits:

Provident Fund scheme: Retirement benefit in the form of Provident Fund is a defined contribution scheme and the Group recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. The Group has no obligations other than the contribution payable to the respective funds.

Gratuity scheme: Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Recognition and measurement of Defined Benefit plans: The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets, are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. Re-measurement of defined benefit plans is recognised as a part of retained earnings in statement of changes in equity as per Division II of Schedule III of the Companies Act, 2013.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

Q. Leases

The Group as lessor

Lease income from operating leases where the Group is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the Group, term and currency of the contract. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Group has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

R. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, 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 capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

S. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

T. Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

U. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

V. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

W. Non-Current Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. On-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

X. Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III, unless otherwise stated.

2. KEY ACCOUNTING ESTIMATES & JUDGEMENTS:

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Group disclosures, and the disclosure of contingent liabilities. 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.

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:

2.1. Significant judgments when applying Ind AS 115

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

2.2. Impairment of Non-current Assets

Ind AS 36 requires that the Group assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Group's market capitalization, significant changes in the Group's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset Group is an integral part of a value chain where no independent prices for the intermediate products exist, a Group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Group uses internal business plans, quoted market prices and the Group's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Group does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

2.3. Employee retirement plans

The Group provides defined benefit employee retirement plans. Measurement of obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality etc.

2.4. Income taxes

The Group calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature.

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2.5. Useful lives of depreciable

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

2.6. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counterparties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counterparties, market information and other relevant factor.

2.7. Fair value measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.8. Contingent assets and liabilities, uncertain assets and liabilities

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether Group will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

New Standards / Amendments to Existing Standard/ New Pronouncement issued but not yet effective:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Rounding Off: For the purpose of rounding off the figures appearing in the Financial Statements for financial year ending 31.03.2022 the total income of the Company shall be considered instead of Turnover.

Additional Disclosure in Notes to Balance Sheet:

- **Shareholding of Promoter:** The note on Share Capital in the Financial Statements shall mention details of the Shareholding of the Promotes along with changes, if any, during the Financial Year.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long term Loan & Advances.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March,2021

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specific disclosure for title deeds of Immovable Property not held in name of the Company and disclosure on revaluation of Assets.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Ratios-Following Ratios to be disclosed: -

  (a) Current Ratio,

  (b) Debt-Equity Ratio,

  (c) Debt Service Coverage Ratio,

  (d) Return on Equity Ratio,

  (e) Inventory turnover ratio,

  (f) Trade Receivables turnover ratio,

  (g) Trade payables turnover ratio,

  (h) Net capital turnover ratio,

  (i) Net profit ratio,

  (j) Return on Capital employed,

  (k) Return on investment

  Specific Disclosure Borrowing & Willful Defaulter

Additional Disclosure in Notes to Profit & Loss Account:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
  The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

3. Property, Plant & Equipment

(₹ in lakhs)

Particulars	Land	Factory Building	Other Building	Plant & Machinery	Vehicle	Office Equipments	Furniture & Fixtures	Total
GROSS CARRYING VALUE								
Balance as at 01st April, 2019	**926.80**	**11,790.60**	**7,681.07**	**98,261.99**	**157.50**	**55.40**	**71.42**	**118,944.78**
Additions	-	-	-	208.97	81.11	17.51	1.32	308.91
Adjustment on account of subsidiary acquisition	16.38			102.07			0.34	118.79
Deductions		-	-	384.95	-	-	-	384.95
Balance as at 31st March, 2020	**943.18**	**11,790.60**	**7,681.07**	**98,188.08**	**238.61**	**72.91**	**73.08**	**118,987.53**
Additions	-	-	-	416.92	20.93	4.76		442.61
Deductions	-	-	-	19.37	20.75			40.12
Balance as at 31st March, 2021	**943.18**	**11,790.60**	**7,681.07**	**98,585.63**	**238.79**	**77.67**	**73.08**	**119,390.02**
ACCUMULATED DEPRECIATION								
Balance as at 01st April, 2019	**-**	**1,719.15**	**1,137.11**	**20,079.96**	**101.39**	**23.21**	**27.62**	**23,088.44**
Depreciation expense		429.79	284.27	4,618.55	18.35	8.30	6.30	5,365.56
Adjustment on account of subsidiary acquisition				95.98			0.31	96.29
Deductions	-	-	-	117.50	-	-	-	117.50
Balance as at 31st March, 2020	**-**	**2,148.94**	**1,421.38**	**24,676.99**	**119.74**	**31.51**	**34.24**	**28,432.80**
Depreciation expense	-	429.79	284.28	4,782.20	23.50	10.15	5.88	5,535.80
Deductions	-	-	-	-	19.71	-	-	19.71
Balance as at 31st March, 2021	**-**	**2,578.73**	**1,705.66**	**29,459.19**	**123.53**	**41.66**	**40.13**	**33,948.89**
NET CARRYING VALUE								
Balance as at 01st April, 2019	926.80	10,071.45	6,543.96	78,182.03	56.11	32.19	43.80	95,856.34
Balance as at 31st March, 2020	943.18	9,641.66	6,259.69	73,511.09	118.87	41.40	38.84	90,554.74
Balance as at 31st March, 2021	943.18	9,211.87	5,975.41	69,126.44	115.26	36.01	32.95	85,441.13

Note : Title deeds of Land of ₹ 6.51 Lakhs (31st March 2020 : ₹ 6.51 lakhs, 01st April 2019 - ₹ 6.51 lakhs) is pending for registration.

(₹ in lakhs)

Capital Work in Progress	As at 31st March, 2021	As at 31st March, 2020
As at the beginning of the year	**118.28**	**171.72**
Movement during the year	0.01	(53.44)
As at the end of the year	**118.29**	**118.28**

(₹ in lakhs)

Intangible Assets	As at 31st March, 2021	As at 31st March, 2020
As at the beginning of the year	52.24	65.66
Capitalized during the year	-	-
Amortized during the year	13.42	13.42
As at the end of the year	**38.82**	**52.24**

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

4. Non Current Investments		As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
		Number of Shares / Units	(₹ in lakhs)	Number of Shares / Units	(₹ in lakhs)	Number of Shares / Units	(₹ in lakhs)
(a) Unquoted Investments in Equity Instruments							
(i)	In Associate Company (at fair value)						
	AA ESS Tradelinks Private Limited (₹ 10 each)	4,650,175	4,370.68	4,650,175	4,370.68	4,650,175	4,370.68
	Adjustment on account of equity accounting of Associate		849.27		1,517.46		2,052.58
	Less: Impairment of investment in Associate (refer note no. 32)		(1,635.91)		(1,635.91)		(1,478.74)
			3,584.04		4,252.23		4,944.52
(ii)	In Joint Venture (at fair value)						
	Madanpur South Coal Company Limited (₹ 10 each)	94,427	131.96	94,427	131.96	94,427	131.96
	Adjustment on account of equity accounting of Joint Venture		(32.24)		(12.66)		(8.49)
			99.72		119.30		123.47
	Investment in Subsidiary, Associate & Joint Venture (i+ii)		3,683.76		4,371.53		5,067.99
(iv)	In Others (at fair value through OCI)						
	MSP Metallics Limited (₹ 10 each)	420,000	-	420,000	-	420,000	-
	MSP Properties (I) Limited (₹ 10 each)	7,500	6.10	7,500	5.56	7,500	5.36
	MSP Sponge Iron Limited (₹ 10 each)	313,000	253.76	313,000	300.35	313,000	194.59
	MSP Power Limited (₹ 10 each)	8,000	-	8,000	0.13	8,000	0.80
			259.86		306.04		200.75
(b) Quoted Investments in Equity Instruments (at fair value through OCI)							
	Howrah Gases Ltd (₹ 10 each)	93,700	15.00	93,700	14.52	93,700	14.52
	Ashirwad Steel and Industries Limited (₹ 10 each)	2,500	0.26	2,500	0.23	2,500	0.27
	Nageshwar Investment Limited (₹ 10 each)	11,000	0.22	11,000	0.22	11,000	0.22
	Indian Overseas Bank (₹ 10 each)	2,900	0.46	2,900	0.20	2,900	0.42
	IDFC Bank Limited (₹ 10 each)	5,201	2.90	5,201	1.10	5,201	2.89
	IDFC Limited (₹ 10 each)	5,201	2.46	5,201	0.77	5,201	2.42
			21.30		17.04		20.74
	Other Non Current Investments		281.16		323.08		221.49
TOTAL (a+b)			3,964.92		4,694.61		5,289.47
Aggregate amount of Quoted Investments - at Cost			19.24		19.24		19.24
Aggregate amount of the Quoted Investments - at Market value			21.30		17.04		20.74
Aggregate value of unquoted Investments - at cost			4,502.64		4,502.64		4,502.64
Aggregate amount of impairment in value of investment (refer note no. 32)			1,635.91		1,635.91		1,478.74

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

5. Loans	Non - Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Unsecured, Considered Good Unless Otherwise Stated						
Loans to Bodies Corporate*	14.27	37.27	1.45			
(A)	14.27	37.27	1.45	-	-	-
Security Deposit	187.34	188.42	204.97	-	-	-
(B)	187.34	188.42	204.97	-	-	-
TOTAL	201.61	225.69	206.42	-	-	-

* For business purpose only.

(₹ in lakhs)

6. Other Financial Assets	Non - Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Unsecured, Considered Good Unless Otherwise Stated						
Deposits with Banks (Refer Note No. 12)	12.33	336.80	214.82	-	-	-
(A)	12.33	336.80	214.82	-	-	-
Interest Accrued on Fixed Deposits and Others	-	-	-	72.80	162.03	137.69
Others				-	13.48	0.70
(B)	-	-	-	72.80	175.51	138.39
TOTAL (A+B)	12.33	336.80	214.82	72.80	175.51	138.39

(₹ in lakhs)

7. Deferred Tax Assets (NET)	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Deferred Tax Liabilities :			
Tax impact on difference between book value of depreciable assets and written down value for tax purpose	(14,901.83)	(14,647.94)	(14,140.57)
Others	(21.24)	-	-
Deferred Tax Assets :			
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax law deferred	1,806.74	1,554.12	1,122.89
Tax impact of unabsorbed loss / Allowances	13,563.35	13,945.67	14,590.02
MAT Credit Entitlement	2,648.71	2,648.71	2,648.71
	3,095.73	3,500.56	4,221.05

Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2020 and 31st March, 2021

(₹ in lakhs)

Particulars	As at 1st April, 2019	Recognized in Statement of Profit & Loss	Adjustment on account of subsidiary acquisition	Recognized in OCI	As at 31st March, 2020
Deferred Income Tax Liabilities					
Property, Plant & Equipment's	(14,140.57)	(511.49)	4.12	-	(14,647.94)
	(14,140.57)	(511.49)	4.12	-	(14,647.94)
Deferred Income Tax Assets					
Allowance for credit loss	927.96	414.42		-	1,342.38
Expense allowed under Income Tax on payment basis	194.93	(10.15)		26.96	211.75
Unabsorbed depreciation	14,590.02	(644.36)			13,945.66
Mat Credit Entitlement	2,648.71	-		-	2,648.71
	18,361.62	(240.09)	-	26.96	18,148.50
Deferred Tax Assets (Net)	4,221.05	(751.58)	4.12	26.96	3,500.56

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	As at 1st April, 2020	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2021
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(14,647.94)	(253.88)	-	(14,901.82)
Others	-	-	(21.24)	(21.24)
	(14,647.94)	**(253.88)**	**(21.24)**	**(14,923.06)**
Deferred Income Tax Assets				
Allowance for credit loss	1,342.38	357.81	-	1,700.19
Expense allowed under Income Tax on payment basis	211.75	(80.81)	(24.39)	106.55
Unabsorbed depreciation	13,945.66	(382.32)		13,563.34
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	18,148.50	**(105.32)**	**(24.39)**	**18,018.79**
Deferred Tax Assets (Net)	**3,500.56**	**(359.20)**	**(45.63)**	**3,095.73**

MAT credit entitlement is the amount which can be recovered and set off in subsequent years as per the provisions of the Income Tax Act, 1961. The MAT credit entitlement recognised will expire as follows:

As at 31st March 2021 *(₹ in lakhs)*

For Fin Year	Amount	Year of expiry#
2010-11	918.18	Financial Year 2025-26
2011-12	472.72	Financial Year 2026-27
2012-13	592.68	Financial Year 2027-28
2013-14	665.13	Financial Year 2028-29
Total	2,648.71	

As a matter of prudence, unused losses and unused deferred tax credits for which no deferred tax assets have been recognised in the balance sheet.

(₹ in lakhs)

	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
Particulars	**Amount**	**Expiry Date**	**Amount**	**Expiry Date**	**Amount**	**Expiry Date**
Tax Losses (revenue loss on which no tax is created	5,474.93	FY 2022-23 to FY 2024-25	9,084.45	FY 2022-23 to FY 2024-25	9,084.45	FY 2022-23 to FY 2024-25
Unused Tax Credits (MAT credit not recognized)	1,235.37	FY 2022-23 to FY 2024-25	1,235.37	FY 2022-23 to FY 2024-25	1,235.37	FY 2022-23 to FY 2024-25
	6,710.30		10,319.82		10,319.82	

Expiry date has been stated based on the last day of the financial year for which MAT credit is available for use as per prevailing tax laws as at the reporting date.

(₹ in lakhs)

8. Income Tax Assets (Net)	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Advance Income Tax & TDS (Net)	75.85	157.44	115.55
Income Tax Receivable	97.30	-	-
	173.15	157.44	115.55

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

9. Inventories (Valued at Lower of Cost and Net Realizable Value)*	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Raw Materials and Components [includes in transit ₹ 221.07 lakhs (31st March 2020 : ₹ 4,006.20 lakhs, 01st April 2019 - ₹ 2525.53 Lakhs)]	25,687.25	41,420.84	26,700.91
Work - in - Progress	2,842.18	2,376.77	3,134.13
Finished Goods [includes in transit ₹ 135.70 lakhs (31st March 2020 : ₹ 56.92 lakhs, 01st April 2019 - ₹ 200.46 Lakhs)]	5,038.08	4,828.29	5,496.53
Stores and Spares	2,768.79	2,949.00	2,233.96
By Products (at Net Realisable Value)	1,267.14	804.08	557.44
Stock in Trade	69.57	-	-
Total	**37,673.01**	**52,378.98**	**38,122.97**

*refer note no. 40

(₹ in lakhs)

10. Trade Receivables	Non-Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Trade Receivables	-	-		7,661.26	8,686.07	9,323.44
Receivables from Related Party	-	-		123.00	124.99	2,874.62
Less : loss Allowance	-	-		(2,162.54)	(1,457.30)	(1,156.57)
	-	-		5,621.72	7,353.76	11,041.49
Breakup						
Trade Receivables considered Goods - Secured	-	-		-	-	-
Trade Receivables considered Goods - Un Secured	-	-		5,621.72	7,353.76	11,041.49
Trade Receivables -Doubtful	-	-		2,162.54	1,457.30	1,156.57
	-	-		7,784.26	8,811.06	12,198.06
Less : loss Allowance				(2,162.54)	(1,457.30)	(1,156.57)
Total	-	-		5,621.72	7,353.76	11,041.49

a) Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days.

b) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

c) In determining allowance for credit losses of trade receivables, the Group has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

Ageing of Trade Receivables and Credit Risk arising therefrom is as below :-

(₹ in lakhs)

As on 31st March 2021	Within 1 Year	1-2 years	2-3 Years	More then 3 Years	Total
Gross credit risk	5,412.05	96.49	19.38	2,256.34	7,784.26
Less: Expected credit loss provision		(18.44)	(10.76)	(2,133.34)	(2,162.54)
Net Credit Risk	5,412.05	78.05	8.62	123.00	5,621.72

(₹ in lakhs)

As on 31st March 2020	Within 1 Year	1-2 years	2-3 Years	More then 3 Years	Total
Gross credit risk	6,468.45	65.95	155.81	2,120.85	8,811.06
Less : Expected credit loss provision		(11.38)	(8.61)	(1,437.31)	(1,457.30)
Net Credit Risk	6,468.45	54.57	147.20	683.54	7,353.76

(₹ in lakhs)

As on 01st April 2019	Within 1 Year	1-2 years	2-3 Years	More then 3 Years	Total
Gross credit risk	9,449.85	53.18	34.49	2,660.54	12,198.06
Less : Expected credit loss provision		(11.50)	(46.49)	(1,098.58)	(1,156.57)
Net Credit Risk	9,449.85	41.68	(12.00)	1,561.96	11,041.49

Reconciliation of Expected credit loss Allowance provision

(₹ in lakhs)

Particulars	Amount
As at 01st April 2019	1,156.57
Changes in provision	300.73
As at 31st March 2020	1,457.30
Changes in provision	705.24
As at 31st March 2021	2,162.54

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

11. Cash and Cash equivalents	Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Cash and Cash Equivalents			
Cash on Hand	16.70	24.52	13.80
Balance with Banks:			
On Current Accounts	1,110.29	1,122.75	1,361.60
	1,126.99	1,147.27	1,375.40

(₹ in lakhs)

12. Bank Balances other than Cash and Cash equivalents	Non - Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Fixed Deposits - Earmarked for LC & BG	12.33	336.80	214.82	1,559.23	1,057.38	1,302.25
Fixed Deposits - Non - Earmarked					310.47	
	12.33	336.80	214.82	1,559.23	1,367.85	1,302.25
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 6)	(12.33)	(336.80)	(214.82)	-	-	-
Unpaid Dividend Accounts	-	-	-	1.17	2.52	2.52
	-	-	-	1,560.40	1,370.37	1,304.77

13. Other Current Assets

(₹ in lakhs)

Particulars	Non-Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Advances to Suppliers other than capital advances						
Considered Good				11,659.47	10,918.31	11,931.07
Considered Doubtful				3,286.81	2,845.20	1,938.19
	-	-	-	14,946.28	13,763.51	13,869.26
Less: Allowances for doubtful advances				3,286.81	2,845.20	1,938.19
(A)	-	-	-	11,659.47	10,918.31	11,931.07
Other Advances						
Prepaid Expenses				128.68	141.38	88.84
Advances to Related Parties				-	495.57	449.06
Balances with Statutory/Government Authorities	2.98	2.98	-	197.66	207.73	281.55
Others				14.16	-	-
(B)	2.98	2.98	-	340.50	844.68	819.45
TOTAL (A+B)	2.98	2.98	-	11,999.97	11,762.99	12,750.52

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

14. Equity Share Capital *(₹ in lakhs)*

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Authorised Share Capital			
800,000,000 (31.03.2020 - 800,000,000, 01.04.2019 - 800,000,000) equity shares of ₹ 10/- each	80,000.00	80,000.00	80,000.00
100,000,000 (31.03.2020 - 100,000,000, 01.04.2019 - 800,000,000) preference shares of ₹ 10/- each	10,000.00	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up Share Capital			
38,54,15,000 (31.03.2020 - 38,54,15,000) equity shares of ₹ 10/- each	38,541.50	38,541.50	38,541.50
Total	**38,541.50**	**38,541.50**	**38,541.50**

Notes:

(i) Reconciliation of number of Shares

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Equity Shares:						
Balance at the beginning of the year	385,415,000	38,541.50	385,415,000	38,541.50	385,415,000	38,541.50
Balance at the end of the year	**385,415,000**	**38,541.50**	**385,415,000**	**38,541.50**	**385,415,000**	**38,541.50**

(ii) Rights, Preferences and restrictions attached to equity shares

The holding company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shareholders holding more than 5% share in the Group are as follows:

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	No of shares	% of shares	No of shares	% of shares	No of shares	% of shares
State Bank of India	46,334,367	12.02%	46,334,367	12.02%	46,334,367	12.02%
Mod Commodeal Pvt. Limited	31,499,538	8.17%	31,501,014	8.17%	31,501,014	8.17%
Adhunik Gases Limited	23,479,000	6.09%	23,479,000	6.09%	23,479,000	6.09%
Sikhar Commotrade Pvt. Limited	28,984,056	7.52%	28,984,056	7.52%	28,984,056	7.52%
Shringar Mercentile Pvt. Limited	28,211,200	7.32%	28,211,200	7.32%	28,211,200	7.32%
MSP Sponge Iron Limited	24,736,500	6.42%	24,736,500	6.42%	24,736,500	6.42%
Union Bank of India	19,805,945	5.14%	-	-	-	-

Additional Disclosure in the respect of Equity Share

(i) The MSP Steel & Power Ltd is the Holding Company of the group.

(ii) No ordinary shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

(iii) The holding company has not bought back any shares during the period of five years preceding the date at which the Balance Sheet is prepared.

(iv) The holding company has allotted 297,315,000 equity shares of ₹ 10 each as per the approval accorded by the shareholders of the Company on March 12, 2018 pursuant to contract(s) without payment being received in cash.

(v) 26,50,000 shares (31st March 2020 : 26,50,000 shares, 01st April 2019 - 26,50,000 shares) held by associate of the holding company.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

15. Other Equity

(₹ In lakhs)

Particulars	Reserve & Surplus					Items of Other Comprehensive Income	Total	Non Controlling Interest	Total
	Securities Premium	Retained Earnings	6% Compulsorily Convertible Preference Shares	6% Redeemable Preference Shares	Equity Component of compound financial instruments	Equity Instruments through Other Comprehensive Income			
Balance as at 1st April, 2019	15,055.59	(20,180.55)	3,112.99	-	28,506.44	1,506.67	28,001.14	-	28,001.14
Changes on account of change in accounting policy (Refer Note 47)		934.22					934.22		934.22
Balance as at 1st April, 2019 Restated *	15,055.59	(19,246.33)	3,112.99	-	28,506.44	1,506.67	28,935.36	-	28,935.36
Profit/ (Loss) for the year	-	(7,577.59)			-	-	(7,577.59)	(1.71)	(7,579.30)
Remeasurement benefits Gain/(Loss) (Net of tax)	-	(59.43)			-		(59.43)		(59.43)
Re-classification of CCPS into RPS	-		(3,112.99)	3,112.99	-		-		-
Fair Value of Equity Instrument through FVOCI						101.59	101.59		101.59
Effect of stake acquired from Non-Controlling Interest							-	36.67	36.67
Adjustment on account of Equity accounting of Joint Venture and Associate *						(538.02)	(538.02)		(538.02)
Balance as at 31st March, 2020	15,055.59	(26,883.35)	-	3,112.99	28,506.44	1,070.24	20,861.91	34.96	20,896.87
Balance as at 1st April, 2020	15,055.59	(26,883.35)	-	3,112.99	28,506.44	1,070.24	20,861.91	34.96	20,896.87
Profit/ (Loss) for the year		489.40					489.40	(1.46)	487.94
Remeasurement benefits Gain/(Loss) (Net of tax)		53.78					53.78		53.78
Fair Value of Equity Instrument through FVOCI						(63.16)	(63.16)		(63.16)
Adjustment on account of Equity accounting of Joint Venture and Associate *						(680.19)	(680.19)	-	(680.19)
Balance as at 31st March, 2021	15,055.59	(26,340.17)	-	3,112.99	28,506.44	326.89	20,661.74	33.50	20,695.24

* Includes adjustment to equity of ₹ 653.73 Lakhs on account of proportionate networth of the associate and joint venture.

Description of nature and purpose of each reserve

Securities Premium

This reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings

It comprises of accumulated profit/(losses) of the company.

Compulsorily Convertible Preference Share (CCPS)

CCPS represents the residual balance of Preference Shares left after conversion to equity as per the terms of the restructuring scheme. 31,13,000 number of shares is pending for conversion as on the balance sheet date due to pending statutory approvals.

6% Redeemable Preference Shares

The CCPS was converted to 6% Redeemable Preference Shares under section 48 of the Companies Act, 2013 and the Article 10 of the Articles of Association of the Company which is ratified in writing by holders of atleast 3/4th of nominal value of issued Preference Shares. The company will convert the same into CCPS and subsequently into equity in future.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

Equity Component of compound financial instruments

This contains the equity portion of the Optionally convertible debentures issued in lieu of long term borrowings as per the terms of the restructuring scheme.

Equity Instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of quoted investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(₹ in lakhs)

16. Long Term Borrowings	Non-Current Portion			Current Maturities		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Secured						
a. Term loans						
From Banks						
Indian rupee loan	17,304.26	22,079.54	24,374.78	4,575.00	3,167.75	3,521.00
Foreign currency loan	-	-	-	-	142.58	377.07
	17,304.26	22,079.54	24,374.78	4,575.00	3,310.33	3,898.07
b. Unsecured						
Inter-Corporate Deposits	166.21	169.44	20.67			
Loans from related parties	450.00	510.75	500.68	-	-	-
Interest free loan	12,857.80	12,857.80	12,857.80			
	13,474.01	13,537.99	13,379.15	-	-	-
c. Liability Component of Compound Financial Instruments						
Optionally Convertible Debenture	23,516.18	20,995.55	18,745.10			
	23,516.18	20,995.55	18,745.10	-	-	-
Total (a+b+c)	54,294.45	56,613.08	56,499.03	4,575.00	3,310.33	3,898.07
The above amount includes:						
Secured borrowings	17,304.26	22,079.54	24,374.78	4,575.00	3,310.33	3,898.07
Unsecured borrowings	36,990.19	34,533.54	32,124.25	-	-	-
Less: Amount disclosed under the head "Other Financial Liabilities" (Note No. 20)	-	-	-	(4,575.00)	(3,310.33)	(3,898.07)
Net Amount	54,294.45	56,613.08	56,499.03	-	-	

Terms of Repayments

a) Term Loan facilities from banks are secured by first pari-passu charge on the entire fixed assets (both present & future) and Second pari-passu charge on the entire current assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The interest rate on the domestic long term borrowings are in the range of 2% above 1 year MCLR and on foreign long term borrowings is 4.5%.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

b) The Company has issued 451,970,554 nos. of OCDs amounting to ₹ 451,97.05 lakhs during the year 2017-18. The OCDs shall have moratorium period of 7 years and shall be repayable in 36 structured quarterly instalments starting from December, 2024 and maturing on September 2033. The OCDs shall carry a coupon rate of 0.01% pa. payable quarterly till maturity. The OCDs will be converted to Equity at the option of the Debenture holders. OCDs may be redeemed alongwith a redemption premium. The redemption premium will be calculated with YTM @ 2.00% p.a. compounded quarterly. The OCD which has been issued by the company is the nature of compound financial instruments hence, as per IND AS – 109, split accounting has been done based on valuation report. As per report, PV of OCD as on the OCD issuing date i.e. March 21, 2018 is Rs. 166.90 crore which has been treated as financial liability and balance of Rs. 285.07 crore has been treated as other equity. Subsequently interest expenses (the unwinding of the discount) have been booked at market rate (11.5%) to unwind the liability component to the extent of value of OCD.

c) Pursuant to the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India , the Promoter / Promoters' group has transferred 12,85,78,044 equity shares, at ₹ 10/- per equity share of Rs. 12857.80 lakhs, to JLF lenders, as a part payment of unsustainable debt and the same is treated as unsecured loan and shall always be subordinated to the existing senior debt of the borrower.

d) Rate of Interest for the loan from the related parties is maximum being 10%.

(₹ in lakhs)

Terms of Repayments	As at 31st March, 2021		As at 31st March, 2020		As at 01st April, 2019	
	Non-Current	Current Maturities	Non-Current	Current Maturities	Non-Current	Current Maturities
Rupee Term Loans From Banks (Secured) (Repayable in 30 Quarterly Instalments from December 2017. Last instalment due in September 2025.	17,304.26	4,575.00	22,079.54	3,167.75	24,374.78	3,521.00
Foreign Currency Term Loans From Banks (Secured)	-	-	-	142.58	-	377.07
Total Term loan –Secured	17,304.26	4,575.00	22,079.54	3,310.33	24,374.78	3,898.07
Unsecured Borrowings	36,990.19	-	34,533.54	-	32,124.25	-
Total Term Loan	54,294.45	4,575.00	56,613.08	3,310.33	56,499.03	3,898.07

(₹ in lakhs)

17. Provisions	Non-Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Provision for employee benefits						
For Gratuity (Refer Note No. 42)	-	-	-	194.85	219.93	46.32
For Leave Benefits	116.05	116.76	90.18	4.38	1.26	2.03
Others	1.28	1.28	-	0.42	0.12	-
Other provisions	117.33	118.04	90.18	199.65	221.31	48.35

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

18. Short-Term Borrowings	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Secured			
Rupee Loan from Banks			
Cash Credit Facility	17,720.46	26,168.86	24,841.71
	17,720.46	26,168.86	24,841.71
The above amount includes			
Secured Borrowings	17,720.46	26,168.86	24,841.71
Unsecured Borrowings	-	-	-

Terms and conditions attached to Short term borrowings

Cash Credit facilities from banks are secured by first pari-passu charge on the entire current assets (both present & future) and Second pari-passu charge on the entire fixed assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The rate of interest on cash credit is 2% above 1 year MCLR.

(₹ in lakhs)

19. Trade Payables	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Total outstanding dues of creditors			
to micro enterprises and small enterprises (refer Note no. 39)	128.05	199.55	100.87
to other than micro enterprises and small enterprises	12,207.97	17,869.71	15,644.13
	12,336.02	18,069.26	15,745.00

Trade payables are non-interest bearing and are generally on terms of 45 to 60 days.
Includes acceptances and arrangements where operational suppliers of goods and services are paid by banks while the company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 or 180 days amounting to ₹ 6,296.68 lakhs (previous year ₹ 5,162.97 lakhs, 01st April 2019 - ₹ 6754.72 Lakhs)

(₹ in lakhs)

20. Other Financial Liabilities	Non Current			Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Retention / Security Deposit				466.27	383.36	309.27
Current maturities of long-term borrowings (refer Note No. 16)				4,575.00	3,310.33	3,898.07
Other Payables on capital purchases				194.91	269.90	269.90
Interest accrued and due on borrowings				26.22	340.71	486.25
Unpaid Dividend				1.17	2.52	2.52
Other Payables	-	3.00	4.25	-	-	0.82
	-	3.00	4.25	5,263.57	4,306.82	4,966.83

(₹ in lakhs)

21. Other Current Liabilities	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Contract Liabilities	294.00	8,224.66	541.20
Others (including statutory dues payable)	1,642.63	669.86	508.31
	1,936.63	8,894.52	1,049.51

(₹ in lakhs)

22 Current Tax Liabilities	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Income Tax Liability	-	-	152.86
	-	-	152.86

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

23. Revenue from Operations	2020-21	2019-20
Sale of Products		
Finished Goods	164,180.77	147,536.60
Power	2,135.20	1,780.75
Traded Goods	2,340.00	994.68
Sale of Services		
Job Work Service	1,326.84	-
Other Operating Revenue		
Sale of scrap and By-products	2,330.63	2,833.36
Miscellaneous Income	-	127.32
Total	**172,313.44**	**153,272.71**

The Company is engaged in the manufacturing of Iron & Steel Products and generates revenue from the sale of Iron & Steel products and the same is only the reportable segment of the Company.

(₹ in lakhs)

Disaggregation of Revenue	2020-21	2019-20
Revenue as per Geography		
Domestic	165,805.49	140,403.12
Exports	4,177.32	9,908.91
Total	**169,982.81**	**150,312.03**
Revenue as per Major Products		
Pellet	37,904.97	32,960.68
Sponge Iron	23,369.87	20,202.24
MS Billets	5,680.37	11,398.43
TMT Bars (incl Structural Products)	97,225.56	82,975.25
Power	2,135.20	1,780.75
Job Work Service	1,326.84	-
Others	2,340.00	994.68
Total	**169,982.81**	**150,312.03**
Timing of Revenue		
At a point in time	169,982.81	150,312.03
Over time	-	-
Total	**169,982.81**	**150,312.03**
Sales Channel		
Direct to Customers	36,825.11	38,833.71
Through Intermediaries	133,157.70	111,478.32
Total	**169,982.81**	**150,312.03**

Contract balances		
The following table		
Trade Receivables	5,621.72	7,353.76
Contract assets	-	-
Contract liabilities	294.00	8,224.66

Other Information		
a) Transaction price allocated to the remaining performance obligations	442.69	107.83
b) The amount of revenue recognised in the current year that was included in the opening contract liability balance	1,290.01	458.76
c) The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
d) Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil
Significant payment terms		
Financing Component	Nil	Nil

(₹ in lakhs)

Reconciliation of Revenue from operations with contract price	2020-21	2019-20
Contract Price	171,474.37	150,866.33
Less :		
Sales Returns	206.02	289.30
Trade & Cash Discount	950.68	157.17
Deferred Performance Obligations	334.86	107.83
Total	**169,982.81**	**150,312.03**

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

24. Other Income	2020-21	2019-20
Interest income on		
Loans, Fixed Deposits, etc.	89.97	192.75
Profit on sale of fixed assets	1.18	46.73
Other Non-Operating Income	1.92	16.07
Total	93.07	255.55

(₹ in lakhs)

25. Cost of Materials Consumed	2020-21	2019-20
Inventory at the beginning of the period	41,420.84	26,700.91
Add: Purchases	115,245.46	132,282.63
Less: Inventory at the end of the period	25,687.25	41,420.84
Total	130,979.05	117,562.70

(₹ in lakhs)

26. Purchase of Stock in Trade	2020-21	2019-20
Coal	1,806.36	964.79
Steel Products	416.23	-
Total	2,222.59	964.79

(₹ in lakhs)

27. Changes in Inventories of Finished Goods, By-products and Work-in Progress	2020-21	2019-20
Inventories at the end of the period		
Finished Goods	5,038.08	4,828.29
Work-in-Progress	2,842.18	2,376.77
By-Products	1,267.14	804.08
Stock in Trade	69.57	
	9,216.97	8,009.14
Inventories at the beginning of the period		
Finished Goods	4,828.29	5,496.53
Work-in-Progress	2,376.77	3,134.13
By-Products	804.08	557.44
	8,009.14	9,188.10
(Increase)/Decrease in Inventories		
Finished Goods	(209.79)	668.24
Work-in-Progress	(465.41)	757.36
By-Products	(463.05)	(246.64)
Stock in Trade	(69.57)	
Total	(1,207.82)	1,178.96

(₹ in lakhs)

28. Employee Benefits Expenses	2020-21	2019-20
Salaries, Wages and Bonus	4,046.06	4,167.14
Contribution to Provident and Other Funds	220.50	223.99
Gratuity (refer note 42)	106.89	87.20
Staff Welfare Expenses	54.59	55.52
Total	4,428.04	4,533.85

(₹ in lakhs)

29. Finance Costs	2020-21	2019-20
Interest Expenses		
- On Loans	5,016.08	5,981.22
- On OCD *	2,520.62	2,250.45
Exchange Differences regarded as an adjustment to borrowing cost	16.72	-
Other Finance Charges	371.76	329.42
Total	7,925.18	8,561.09

* It represents the unwinding of the discount on OCD (refer Note 16(b))

(₹ in lakhs)

30. Depreciation and amortization expense	2020-21	2019-20
Depreciation of tangible assets	5,535.80	5,365.57
Amortization of intangible assets	13.42	13.42
Total	5,549.22	5,378.99

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

31. Other Expenses	2020-21	2019-20
Consumption of Stores and Spares	7,134.54	8,032.20
Power and Fuel	1,171.68	1,184.35
Rent	72.02	75.75
Rates and Taxes	818.69	249.98
Insurance	182.00	121.29
Repairs and Maintenance		
Plant and Machinery	877.69	1,639.76
Buildings	201.58	206.21
Others	133.07	414.55
Material Handling Charges	4,592.45	3,646.78
Vehicle Running Expenses	600.38	713.24
Advertising and Sales Promotion	401.62	311.39
Freight Outward	517.95	362.45
Sales Commission	587.78	393.38
Legal and Professional Charges	332.21	685.06
Charity and Donations	32.93	103.29
Payment to Auditors (Refer details below (31.1))	15.55	16.05
Exchange Differences (Net)	81.12	157.15
Provision for Expected Credit Loss on Trade Receivable & Advances	1,146.85	1,207.74
Corporate Social Responsibility (refer note no. 45)	156.77	173.91
Miscellaneous Expenses (refer note no. 49)	2,598.61	2,310.84
Total	**21,655.49**	**22,005.37**

(₹ in lakhs)

31.1 Payment to Auditors	2020-21	2019-20
As Auditors:		
Statutory Audit fee	8.70	8.70
Limited Review	4.50	4.50
Certification fees and other services	2.20	2.75
Reimbursement of expenses	0.15	0.10
Total	**15.55**	**16.05**

(₹ in lakhs)

32. Exceptional Items	2020-21	2019-20
Impairment of Investment in Associate (refer note below)	-	157.17
Total	-	**157.17**

Note

On the basis of physical verification of non-current assets and cash generation capacity of those assets, in the management perception, there is no impairment of non current assets as on 31st March 2021. On the basis of registered valuation report, the management has not recognised any impairment on the investment of the Group in its associate AA ESS Tradelinks Pvt Ltd for the FY 2020-21 (Previous year - ₹ 157.17 Lakhs).

33: Income Tax *(₹ in lakhs)*

Particulars			2020-21	2019-20
A.	**The major components of income taxes expense for the year are as under:**			
	i	Income tax expense recognised in the statement of profit and loss	-	-
		Current Tax for the year		
		Income tax for earlier year	-	11.78
		Current Tax	-	-
		Deferred Tax	359.20	751.58
		Income tax expense recognised in the statement of profit and loss	**359.20**	**763.36**
	ii	Income tax expense recognised in OCI		
		Deferred Tax :		
		Deferred tax (expenses) on remeasurement benefit of defined benefit plans	45.63	(26.96)
		Income tax (expense) recognised in OCI	45.63	(26.96)
		Total Tax (i+ii)	**404.83**	**736.40**

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

B.	Reconciliation of tax expense and the accounting profit for the year is as under	2020-21	2019-20
	Profit before tax	847.14	(6,815.94)
	Income tax expense	264.31	(2,126.57)
	MAT Credit Reversal/ Deferred tax assets reversal on unabsorbed depreciation	382.32	2,171.43
	Effects of permanent disallowances	786.43	702.14
	Utilisation of carried forward loss	(1,126.17)	-
	Other Items	97.94	(22.38)
	Adjustment in respect of current income tax of earlier year	-	11.78
	Tax expenses as per Statement of Profit and Loss & OCI	**404.83**	**736.40**

C.

The Taxation Laws (Amendment) Ordinance 2019 was promulgated on September 20, 2019. The Ordinance amends the income tax Act 1961 and the Finance Act 2019. The Ordinance provides domestic companies with a non-reversible option to opt for lower tax rates, provided they do not claim certain deductions. The Group has evaluated the same and decided to continue with the existing tax structure until utilisation of accumulated minimum alternate tax (MAT) , tax incentives and other deductions available to the Group.

(₹ in lakhs)

34. Other Comprehensive Income	**2020-21**	**2019-20**
Remeasurements of the defined benefit plans	78.15	(86.41)
Equity Instruments through Other Comprehensive Income	(41.92)	101.59
Less : Income tax on the above	(45.63)	26.96
Share in OCI of associates & joint venture	(26.43)	(538.02)
Total	**(35.83)**	**(495.88)**

(₹ in lakhs)

35. Earnings Per Share (EPS)	**2020-21**	**2019-20**
Earnings Per Share has been computed as under:		
Profit/ (Loss) After Tax	489.40	(7,577.59)
Net Profit for Calculation of Basic and Diluted EPS	**489.40**	**(7,577.59)**
	No.	No.
Weighed average number of equity shares in calculating Basic EPS	385,415,000	385,415,000
Weighed average number of equity shares in calculating Diluted EPS *	416,535,000	385,415,000
Face value of share (₹)	10	10
Earnings Per Share		
Basic (₹)	**0.13**	**(1.97)**
Diluted (₹)	**0.13**	**(1.97)**

* The potential ordinary shares,on account of conversion of OCD, are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

36. **Financial instrumei**

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 (G) to the financial statements.

i) **Financial assets & liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019:,

(₹ in lakhs)

Particulars	31st March 2021			31st March 2020			01st April 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments									
Equity instruments*	-	281.16	-	-	323.08	-	-	221.49	-
Trade receivables	-	-	5,621.72	-	-	7,353.76	-	-	11,041.49
Cash and cash equivalents	-	-	1,126.99	-	-	1,147.27	-	-	1,375.40
Other Bank Balances	-	-	1,560.40	-	-	1,370.37	-	-	1,304.77
Loans	-	-	201.61	-	-	225.69	-	-	206.42
Other Financial Assets	-	-	85.13	173.52	-	338.79	-	-	353.21
Total	**-**	**281.16**	**8,595.85**	**173.52**	**323.08**	**10,435.88**	**-**	**221.49**	**14,277.36**
Financial liabilities									
Borrowing	-	-	72,014.91	-	-	82,781.94	-	-	81,340.74
Trade Payable	-	-	12,336.02	-	-	18,069.26	-	-	15,745.00
Other financial Liabilities	120.16	-	5,143.41	-	-	4,309.82	98.50	-	4,872.58
Total	**120.16**	**-**	**89,494.34**	**-**	**-**	**105,161.02**	**98.50**	**-**	**101,958.32**

*Equity investments exclude investments made in subsidiaries, associates & joint venture (net of impairment loss) of ₹ 3,683.76 Lakhs (previous year - ₹ 4,371.53 Lakhs, 01.04.2019 - ₹ 5,067.99 Lakhs) which have been measured at cost.

ii) **Fair values hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

31st March, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity instruments		21.30			21.30
Unquoted		-	-	259.86	259.86
Total financial assets		**21.30**	**-**	**259.86**	**281.16**
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability			120.16		120.16
Total financial liabilities		**-**	**120.16**	**-**	**120.16**

There were no movement between level 1 and level 2 during the period.

Financial Instruments measured at fair value *(₹ in lakhs)*

31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity instruments		17.04			17.04
Unquoted		-	-	306.04	306.04
Derivative asset			173.52		173.52
Total financial assets		**17.04**	**173.52**	**306.04**	**496.60**
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

There were no movement between level 1 and level 2 during the period.

Financial Instruments measured at fair value *(₹ in lakhs)*

01st April, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity instruments		20.74			20.74
Unquoted		-	-	200.75	200.75
Total financial assets		**20.74**	**-**	**200.75**	**221.49**
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	98.50	-	98.50
Total financial liabilities		**-**	**98.50**	**-**	**-**

There were no movement between level 1 and level 2 during the period.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

iii) **Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

(a) Quoted investments (Equity Shares)- Market Value

(b) Unquoted Investments - As determined by Independent Valuer. The equity shares of ₹ 259.86 Lakhs (31.03.2020 - ₹ 306.04 lakhs, 01.04.2019 - ₹ 200.75 Lakhs) are not listed. Fair value estimates of equity investments are included in level-3 and are based on information relating to value of investee Group's net assets and DCF methods.

(c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iv) iv) **Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. Refer (iii)(b) above for the valuation techniques adopted.

(₹ in lakhs)

Particulars	Significant Unobservable Input	Fair Value as at			Sensitivity of the input to fair value			
		31st March 2021	31st March 2020	01st April 2019				
Equity instruments	DCF	253.76	300.35	194.59	+(0.5%)	223.36	273.16	192.87
					-(0.5%)	288.09	330.09	196.31
	NAV	6.10	5.70	6.16	+(0.5%)	6.13	5.73	6.19
					-(0.5%)	6.07	5.67	6.13

v) **The following table presents the changes in level 3 items for the periods ended 31st March 2021, 31st March 2020 and 01 April 2019:**

(₹ in lakhs)

Particulars	Amount
As at 01 April 2019	200.75
Gains/losses recognised in other comprehensive income	105.29
As at 31st March 2020	306.04
Gains/losses recognised in other comprehensive income	(46.18)
As at 31st March 2021	259.86

37. Financial Risk Management, Objectives and Policies

A) **Capital Management**

i) **Risk Management**

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group

The following table summarises the Net Debt, Equity and Ratio thereof.

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Total Borrowings (including current maturities)	76,589.91	86,092.27	85,238.80
Less: Cash & Cash Equivalents & Other bank balances (including non current earmarked balances)	2,699.72	2,854.44	2,894.99
Net Debts (A)	**73,890.19**	**83,237.83**	**82,343.81**
Total equity (refer note 14 & 15)	59,236.74	59,438.33	67,476.86
Total equity & Net Debt (B)	**133,126.93**	**142,676.16**	**149,820.67**
Net debt to capital employed Ratio (A/B)	**0.56**	**0.58**	**0.55**

No changes were made in the objective policies & process for expenditure as on 31st March 2021, 31st March 2020 & 01st April 2019.

ii) **Dividends**

Due to insufficient profits, the Group has not declared any dividend for FY 2019-20 and no dividend has been proposed for FY 2020-21.

B) **Financial Risk Management**

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, the Group has risk management policies as described below :-

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

i) **Credit risk**

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Group is exposed to credit risk for receivables, cash and cash equivalents. None of the financial instruments of the Group result in material concentration of credit risks.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the Group operates, an impairment analysis is performed at each reporting date for trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10.

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

ii) **Liquidity risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

(₹ in lakhs)

Contractual maturities of financial liabilities as at 31st March 2021		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	17,720.46	4,752.00	4,928.00	44,614.45	72,014.91
	Trade payable	12,336.02	-	-	-	12,336.02
	Other payables	5,143.41	-	-	-	5,143.41
Derivatives	Derivative Liability	120.16	-	-	-	120.16
Total		35,320.05	4,752.00	4,928.00	44,614.45	89,614.50

Contractual maturities of financial liabilities as at 31st March 2020		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	26,168.86	4,575.00	4,839.00	47,199.08	82,781.94
	Trade payable	18,069.26	-	-	-	18,069.26
	Other payables	4,309.82	-	-	-	4,309.82
Total		48,547.94	4,575.00	4,839.00	47,199.08	105,161.02

Contractual maturities of financial liabilities as at 01st April 2019		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	24,841.71	4,575.00	4,575.00	47,349.03	81,340.74
	Trade payable	15,745.00	-	-	-	15,745.00
	Other payables	4,872.58	-	-	-	4,872.58
Derivatives	Derivative Liability	98.50				98.50
Total		45,557.79	4,575.00	4,575.00	47,349.03	102,056.82

C) **Market Risk**

i) **Foreign currency risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and Singapore Dollar . Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

Foreign currency risk exposure - Unhedged

The Group's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

Currency	Liabilities		
	31st March 2021	31st March 2020	01st April 2019
USD	-	711.96	5,640.65
Singapore Dollar	-	142.58	377.07

Sensitivity

The sensitivity of profit or loss after tax and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
USD sensitivity			
INR/USD- increase by 10% *	-	(48.98)	(388.08)
INR/USD- decrease by 10% *	-	48.98	388.08
Singapore Dollar sensitivity			
INR/SGD- increase by 10% *	-	(9.81)	(25.94)
INR/SGD- decrease by 10% *	-	9.81	25.94

ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term borrowing and long term borrowings with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost

Below is the overall exposure of the Group to interest rate risk:

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Variable rate borrowing	39,599.72	51,558.73	53,114.56
Fixed rate borrowing	616.21	680.19	521.35
Total borrowings	**40,215.93**	**52,238.92**	**53,635.91**

Sensitivity

Below is the sensitivity of profit or loss after tax and equity changes in interest rates.

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Interest sensitivity			
Interest rates increases by 100 basis points	272.45	499.17	365.43
Interest rates decrease by 100 basis points	(272.45)	(499.17)	(365.43)

D) **Other Price Risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Group is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Fair Value of Quoted Equity Investments	21.30	17.04	20.74
Total Equity Investments	**21.30**	**17.04**	**20.74**

Sensitivity

(₹ in lakhs)

Particulars	31st March 2021	31st March 2020	01st April 2019
Increase in market price by 5%	0.73	0.59	0.71
Decrease in market price by 5%	(0.73)	(0.59)	(0.71)

E) **Other Risk**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group's operations and revenue during the year were also impacted due to COVID-19. The Group has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Intangible assets, Trade Receivables, Inventory, investments, other current and non-current assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the financial statements and does not anticipate any challenge in the Group's ability to continue as a going concern. The impact of the pandemic may be different from that estimated as at the date of approval of these results and the management continues to closely monitor any material changes to future economic conditions.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

38. Contingent Liabilities (Ind AS-37)

Contingent Liabilities and commitments to the extent not provided for in respect of:

(₹ in lakhs)

a)

Particulars	31st March 2021	31st March 2020	01st April 2029
Excise & Service Tax Matters under dispute/ appeal	1,860.60	1,860.60	2,091.63
Sales Tax & VAT Matters under dispute/ appeal	-	-	52.50
Income Tax Matters under dispute/ appeal (net of payment)	186.20	194.05	212.34
Right to Recompense available with the lenders *	27,801.00	27,801.00	27,801.00

* Right to recompense available to the lenders amounting to ₹ 27,801 Lakhs(31.03.2020 - ₹ 27,801 Lakhs, 01.04.2019 - ₹ 27,801 Lakhs) as per Article VIII of the Master Restructuring Agreement dated March 23, 2015 read with the Master Framework Agreement and Share Transfer & Confirmation Agreement ("Master agreement") executed on January 24, 2018.

b) Relying upon the judgement of the Hon,ble Gujarat High Court in the matter Mohit Minerals Pvt. Ltd. Vs Union of India [2020], - "Levy of the integrated Tax again on the Ocean Freight in such situation amounts to double taxation i.e. under IGST and also under Custom Act - is not permissible" and detailed discussion held with our GST Consultant, the company is of the view that Levy of the integrated tax again on the Ocean Freight in such situation amounts to double taxation which is not permissible under GST regime. Hence, the company has not recognised the RCM liability on Ocean freight. The contingent liability on account of the same amounts to ₹ 40.73 Lakhs as on 31st March, 2021.

c) **Capital Commitment**

The capital commitment for the Group amounts to ₹ nil (₹ nil)

39. Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015.

(₹ in lakhs)

	Particulars	31st March 2021	31st March 2020	01st April 2029
i	The principal amount remaining unpaid to any supplier as at the end of each accounting year;	127.80	198.13	100.33
ii	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	0.25	1.42	0.54
iii	The amount of interest paid by the buyer under MSMED Act, 2006	Nil	Nil	Nil
iv	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	Nil	Nil	Nil
v	The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.25	1.42	0.54
vi	The amount of further interest due and payable even in the succeeding year, 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.	0.25	1.42	0.54

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

40. Value of inventories is stated after provisions (net of reversal) ₹ 22.65 Lakhs (March 31, 2020: ₹ 100.49 Lakhs, April 01, 2019 - ₹ 756.02 Lakhs) for write-downs to net realizable value and provision for slow-moving and obsolete items.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

41. Short Term Leases

The Group's leasing arrangements are in respect of short term leases for office premises at Kolkata and Raigarh, depot at Raipur & guest houses at Raigarh, Gairkata, Kolkata and Nagpur. These leasing arrangements which are cancellable for period of 11 months and the Group has elected not to recognize ROU assets and lease liabilities for short term leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has paid lease rentals of ₹ 72.02 Lakhs (Previous year - ₹ 75.75 Lakhs).

42. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

Defined Contribution Plan:

The amount recognized as an expense for the Defined Contribution Plans are as under :

(₹ in lakhs)

Sl.No.	Particulars	31st March 2021	31st March 2020
a)	**Provident Fund & ESI**	220.50	223.99

Defined Benefit Plan:

a) **Gratuity Plan**

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

b) **Risk Exposure**

Defined benefit plans expose the Group to the following types of actuarial risks:

Interest rate risk: The Plan exposes the Group to the risk of fall in interest rates . A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements.)

Liquidity Risk: This is the risk that the Group is not able to meet the short term gratuity payouts .This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

Salary Escalation Risk: The Present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participate in future . Deviation in the rate of increase of salary in future for plan participant from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Group has used certain mortality and attrition assumption in valuation of the liability . The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirement of the Payment of Gratuity Act, 1972 (as amended from time to time . There is risk of change in regulation requiring higher gratuity payout (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular Investment

c) **Reconciliation Of the net defined benefit (Assets/Liabilities)**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Balance at the beginning of the year	719.37	539.45	451.44
Current Service Cost	91.83	83.60	71.29
Interest Cost on Defined Benefit Obligation	49.24	41.89	35.19
Actuarial (gain)/losses arising from:			
Changes in demographic assumptions		0.15	-
Changes in financial assumptions		85.97	3.82
Experience adjustment	(77.43)	(5.75)	49.40
Benefits paid from the plan assets	(11.74)	(25.95)	(71.69)
Balance at the end of the year	**771.27**	**719.36**	**539.45**

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

d) Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Balance at the beginning of the year	499.43	493.13	421.63
Interest Income on Plan Assets	34.19	38.29	32.86
Remeasurement of Defined Benefit Obligation:			
Return on plan assets greater/ (lesser) than discount rate	0.72	(6.04)	(6.17)
Employer Contributions to the Plan	53.82	-	71.69
Benefits Paid from the Plan Assets	(11.74)	(25.95)	(26.88)
Balance at the end of the year	**576.42**	**499.43**	**493.13**

e) The amount recognised in the Balance Sheet

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Present value of Defined Benefit Obligation	771.27	719.36	539.45
Fair Value of Plan Assets	(576.42)	(499.43)	(493.13)
Net (Asset)/Liability in the Balance Sheet	**194.85**	**219.93**	**46.32**

f) Expenses recognized in profit or loss

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Current Service Cost	91.83	83.60
Interest Cost	49.23	41.89
Interest Income on Plan Assets	(34.19)	(38.29)
Total Defined Benefit Cost recognized in Profit & Loss	**106.88**	**87.20**

g) Remeasurements recognized in other comprehensive income

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions	-	0.15
Changes in financial assumptions	-	85.97
Experience adjustment	(77.43)	(5.75)
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(0.72)	6.04
Total Defined Benefit Cost recognized in Other Comprehensive Income	**(78.15)**	**86.41**

h) Major Categories of Plan Assets

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Qualified Insurance Policies	100%	100%

The Gratuity Scheme is invested in policies offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

i) **Asset Liability Matching Strategy**

The Group has purchased insurance policy which is basically a year on year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year .The Insurance Group as a part of policy rules makes payment of all gratuity outgoes happening during the year (subject to sufficiency of fund under the policy). The Policy, thus mitigate the liquid risk . However , being cash accumulation plan the duration of assets shorter compared to the duration of liabilities . Thus the Group is exposed to movement in interest rate (in Particular the significant fall in interest rate which should result in a increase in liability without corresponding increase in assets).

j) **Actuarial Assumptions**

(₹ in lakhs)

Particulars	Gratuity (Funded)		
	2020-21	2019-20	2018-19
Financial Assumptions			
Discount Rate	6.85%	6.85%	7.75%
Salary Escalation Rate	7.50%	7.50%	7.50%
Demographic Assumptions			
Normal Retirement age	58 years	58 years	58 years
Mortality Rate	100.00%	100.00%	100.00%
Withdrawal Rate			
- Upto 40 years	0.42%	0.42%	0.42%
- Above 40 years	0.00%	0.00%	0.00%

k) The Group expect to contribute ₹ 297.10 Lakhs (Previous Year - ₹ 325.11 Lakhs) during the next annual reporting Period to gratuity fund.

l) As at 31st March 2021, the weighted average contribution of the defined benefit obligation was 14 years (previous year- 15 years).The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

(₹ in lakhs)

Expected benefits payment for the year ending on	Gratuity (Funded)
Within next 12 months (next annual reporting period)	28.10
Between 2 and 5 years	100.10
Between 6 and 10 years	230.79
Beyond 10 years	1,915.63

m) **Sensitivity Analysis**

Significant actuarial assumption for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possibly changes of the assumption occurring at the end of the reporting period, while holding all other assumption constant The result of sensitivity assumption is given below:

(₹ in lakhs)

Particulars	Gratuity		
	31st March, 2021	31st March, 2020	31st March, 2019
Defined Benefit Obligation (Base)	771.27	719.37	539.45

(₹ in lakhs)

Particular	Gratuity					
	31-Mar-21		31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	886.83	674.73	833.44	624.55	623.83	469.18
Salary Growth Rate (-/+1%)	674.59	883.40	624.51	830.59	468.43	622.60
Attrition Rate(-/+ 50% Of attrition rates)	771.72	770.82	719.85	718.88	539.44	539.46
Mortality Rate (- / + 10% of mortality rates)	771.43	771.11	719.53	719.20	539.38	539.51

Although the analysis does not take into account the full distribution of cash flows expected under the period, it does an approximation of the sensitivity of the assumptions shown.

MSP Steel & Power Limited
Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

43 Related Party Disclosures (Ind AS-24)

Related party where control exists

a) Associates

AA ESS Tradelinks Private Limited

b) Joint Venture

Madanpur South Coal Company Limited

c) Key Managerial Personnel & their relatives

Name	*Designation*
Suresh Kumar Agrawal	Chairman
Saket Agrawal	Managing Director
Dhananjay Uchit Singh	Executive Director
Manish Agrawal	Non Executive Promoter Director
Kapil Deo Pandey	Non Executive Independent Director
Suneeta Mohanty	Non Executive Independent Director
Navneet Jagatramka	Non Executive Independent Director
Ashok Kumar Soin	Non Executive Independent Director
Kamal Kumar Jain	Chief Financial Officer
Shreya Kar	Company Secretary
Puranmal Agrawal	Relative - Father of Manish Agrawal
Kiran Agrawal	Relative - Mother of Manish Agrawal
Nisha Agrawal	Relative - Wife of Suresh Agrawal
Ekta Agrawal	Relative - Wife of Saket Agrawal
Richa Agrawal	Relative - Wife of Manish Agrawal

d) Enterprises over which Key management Personnel and or relatives have significant influence

Admirable Realtors Private Limited	Shree Khatupati Mercantiles Private Limited
Bharat Earth Mover	Shreevadhu Mercantile Private Limited
Gajgamini Vinimay Private Limited	Shri Enterprise
Howrah Gases Limited	Subh Enterprise
Inertia Enterprise	Swift & Company
K.C. Texofine Private Limited	West Sintex
Mayur Media Services Private Limited	Yantriki
Mecha Cast International	
MSP Infotech Private Limited	
MSP Metallics Limited	
MSP Mines & Minerals Limited	
MSP Power Limited	
MSP Properties India Limited	
MSP Sponge Iron Limited	
Orbit Dealcom Private Limited	
Rakhi Vinimay Private Limited	

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

e) **Details of Related Party Transactions during the year ended**

(₹ in lakhs)

Particulars	Associated Company		Jointly Controlled Entity		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and or relatives have significant influence		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sales	-	-	-	-	-	-	6,929.02	3,299.08	6,929.02	3,299.08
Purchase of Raw Material & Components Consumed	-	-	-	-	-	-	12,278.05	11,740.29	12,278.05	11,740.29
Directors' Remuneration	-	-	-	-	121.93	120.16	-	-	121.93	120.16
Key Managerial Remuneration	-	-	-	-	33.70	34.46	-	-	33.70	34.46
Professional Charges Paid	-	-	-	-	-	-	-	1.77	-	1.77
Expenses Reimbursed by party	-	-	-	-	-	-	46.01	1.30	46.01	1.30
Expenses Reimbursed by us	0.01	0.46	-	-	-	-	9.19	121.81	9.20	122.27
Rent paid	-	-	-	-	18.48	16.80	54.78	54.78	73.26	71.58
Vehicle Hire Charges Paid	-	-	-	-	-	-	74.98	73.14	74.98	73.14
Equipment Hire Charges Paid	-	-	-	-	-	-	451.36	436.44	451.36	436.44
Expense on Raw Materials	-	-	-	-	-	-	38.35	35.50	38.35	35.50
Loans & Advances Given	-	-	-	-	-	-	-	47.03	-	47.03
Repayment of Loans & Advances Given	446.19	-	-	-	-	-	0.45	-	446.64	-
Repayment of Loans & Advances	-	-	-	-	-	-	22.38	1.12	22.38	1.12
Loans & Advances Taken	-	-	-	-	-	-	11.20	11.20	11.20	11.20
Closing Balances as at 31st March										
Guarantee Obtained	-	-	-	-	1,311.44	1,189.31	-	-	1,311.44	1,189.31
Loans & Advances	0.01	446.19					11.76	49.39	11.77	495.58
Trade Receivable							4.41	1.99	4.41	1.99
Trade Payable	-	-	-	-	8.08	8.13	473.51	720.95	481.59	729.08
Loans & Advances Taken	-	-	-	-	-	-	8,275.61	8,310.96	8,275.61	8,310.96
Investments	4,370.68	4,370.68	131.96	131.96	-	-	468.96	468.96	4,971.59	4,971.59

Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Terms and Conditions of transactions with Related Parties

The transactions with Related Party are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding Balances at the year end are unsecured and settlement occurs in cash for the year ended 31st March, 2021, the Company has recorded the receivable relating to amount due from Related Parties. This assessment is undertaken each Financial Year through examining the Financial position of the Related Parties and the market in which the Related Party operates.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

f) Disclosure in respect of significant transactions of the same type with related parties during the year

(₹ in lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	Particulars	Total	
		2020-21	2019-20
Sales	Admirable Realtors Private Limited	2.41	1.99
	Inertia Enterprise	-	1.49
	MSP Sponge Iron Limited	6,926.61	3,295.59
Purchase of Raw Material & Components Consumed	Howrah Gases Limited	3.45	24.30
	MSP Metallics Limited	850.72	-
	MSP Sponge Iron Limited	11,423.88	11,715.99
Directors' Remuneration	Dhananjay Uchit Singh	10.09	10.87
	Manish Agrawal	37.42	34.43
	Saket Agrawal	39.28	39.86
	Suresh Kumar Agrawal	35.14	35.00
Key Managerial Remuneration	Kamal Kumar Jain	27.33	27.89
	Shreya Kar	6.37	6.57
Professional Charges Paid	MSP Power Limited	-	1.77
Expenses Reimbursed by party	MSP Properties India Limited	0.25	-
	MSP Sponge Iron Limited	45.76	1.30
Expenses Reimbursed by us	AA ESS Tradelinks Private Limited	0.01	0.46
	Howrah Gases Limited	1.64	0.28
	MSP Metallics Limited	0.66	-
	MSP Sponge Iron Limited	6.89	121.53
Rent paid	Ekta Agrawal	10.56	9.60
	K.C. Texofine Private Limited	15.00	15.00
	MSP Properties India Limited	24.78	24.78
	Richa Agrawal	7.92	7.20
	Shree Khatupati Mercantiles Private Limited	15.00	15.00
Vehicle Hire Charges Paid	Bharat Earth Mover	18.17	16.25
	Howrah Gases Limited	28.32	28.32
	Mayur Media Services Private Limited	4.20	4.20
	MSP Infotech Private Limited	10.02	10.10
	MSP Properties India Limited	4.67	4.67
	Shreevadhu Mercantile Private Limited	9.60	9.60
Equipment Hire Charges Paid	Bharat Earth Mover	78.82	83.35
	Inertia Enterprise	91.77	94.05
	Mecha Cast International	38.70	41.18
	Shri Enterprise	37.76	35.76
	Subh Enterprise	53.60	55.88
	Swift & Company	44.84	24.49
	West Sintex	52.06	45.89
	Yantriki	53.81	55.84
Expense on Raw Materials	MSP Mines & Minerals Limited	38.35	35.40
	Shri Enterprise	-	0.10
Loans & Advances Given	MSP Metallics Limited	-	47.03
Repayment of Loans & Advances Given	AA ESS Tradelinks Private Limited	446.19	-
	MSP Power Limited	0.45	-
Repayment of Loans & Advances	Gajgamini Vinimay Pvt Ltd	13.68	0.72
	Orbit Dealcom Private Limited	8.70	0.40
Loans & Advances Taken	Gajgamini Vinimay Pvt Ltd	7.20	7.20
	Orbit Dealcom Private Limited	4.00	4.00

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

44. Segment information

The group is engaged in manufacturing of "Iron and Steel". Consequent to the adoption of IND-AS, the group has identified one operating segment viz, "Iron and Steel", which is consistent with the internal reporting provided to the managing director who is the chief operating decision maker of the group.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(₹ in lakhs)

Revenue from external customers	2020-21	2019-20
India	165,805.49	140,403.12
Outside India	4,177.32	9,908.91
	169,982.81	**150,312.03**

(₹ in lakhs)

Non-Current Assets*	2020-21	2019-20
India	85,598.24	90,729.24
Outside India	-	-
	85,598.24	**90,729.24**

** excludes financial assets, deferred tax assets, post-employment benefit assets and Investment in Subsidiaries, Associate & Joint Venture*

Information about major customers

Total amount of revenues from customers (each exceeding 10% of total revenues of the group) is ₹ Nil (Previous Year ₹ Nil Lakhs) reported under Iron & Steel segment.

45. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a group meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in accordance to the CSR Policy of the group which includes Rural Development Project, eradicating hunger, poverty and malnutrition, healthcare and sanitation, animal welfare, etc. A CSR committee has been formed by the group as per the Act.

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Gross amount required to be spent by the group during the year	Nil	Nil
Amount spent during the year		
i) Construction/Acquisition of an Asset	5.44	17.79
ii) On purposes other than as mentioned in (i) above	151.33	156.12
Provision made in relation to CSR expenditure	Nil	Nil

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

46. Assets pledged as security

The carrying amounts of assets pledged as security are:

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
For Term Loan				
First Charge				
Equitable Mortgage				
Land	3	926.80	926.80	926.80
Factory Building	3	9,211.87	9,641.66	10,071.45
Other Building	3	5,975.41	6,259.69	6,543.96
First Hypothecation				
Other Non Current Assets	3	69,305.69	73,704.42	78,314.13
Capital Work in Progress	3	59.10	59.10	112.50
Second Charge				
(a) Inventories	9	37,673.01	52,378.98	38,122.97
(b) Financial Assets				
(i) Trade Receivables	10	5,484.16	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,100.16	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,558.16	1,059.90	1,304.77
(iv) Other Financial Assets	6	72.80	171.61	138.39
(c) Other Current Assets	13	12,045.56	11,808.57	12,750.52
Total Assets Pledged against Term Loan		**143,412.72**	**164,349.63**	**160,699.90**
For Cash Credit				
First Charge				
(a) Inventories	9	37,673.01	52,378.98	38,122.97
(b) Financial Assets				
(i) Trade Receivables	10	5,484.16	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,100.16	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,558.16	1,059.90	1,304.77
(iv) Other Financial Assets	6	72.80	171.61	138.39
(c) Other Current Assets	13	12,045.56	11,808.57	12,750.52
Second Charge				
(a) Property, Plant and Equipment	3	85,419.77	90,532.57	95,856.34
(b) Capital Work in Progress	3	59.10	59.10	112.50
Total Assets Pledged against Cash Credit		**143,412.72**	**164,349.63**	**160,699.90**

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

47. Change in Accounting Policy and Disclosures

During the year, the holding company has changed the valuation method of its Raw Material inventory from First In First Out (FIFO) method to Weighted Average (WA) Method, for better presentation/valuation. The holding company has applied this change retrospectively starting with each reporting period from April 01, 2019. The impact of this change to each reporting line is as under:

(₹ in lakhs)

Effect of change in Balance Sheet	As on 01st April 2019 Reported	Adjustment on account of change in Accounting Policy	As on 01st April 2019 Restated
ASSETS			
Current Assets			
Inventory	37,188.75	934.22	38,122.97
Total Assets	169,940.36	934.22	170,874.58
EQUITY AND LIABILITIES			
EQUITY			
Other Equity	28,001.14	934.22	28,935.36
Total Liabilities	169,940.36	934.22	170,874.58

(₹ in lakhs)

Effect of change in Balance Sheet	As on 31st March 2020 Reported	Adjustment on account of change in Accounting Policy	As on 31st March 2020 Restated
ASSETS			
Non Current Assets			
Deferred Tax Assets	3,133.03	367.52	3,500.56
Current Assets			
Inventory	52,622.73	(243.75)	52,378.98
Total Assets	173,709.44	123.78	173,833.22
EQUITY AND LIABILITIES			
EQUITY			
Other Equity	20,738.09	123.78	20,861.87
Total Liabilities	173,709.44	123.78	173,833.22

(₹ in lakhs)

Effect of change in Statement of Profit & Loss	2019-20 Reported	Adjustment on account of change in Accounting Policy	2019-20 Restated
EXPENSES			
Cost of Materials Consumed	116,353.56	1,209.14	117,562.70
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	1,210.14	(31.17)	1,178.97
Total Expenses	158,966.33	1,177.97	160,144.30
Profit/(Loss) Before Tax	(5,637.97)	(1,177.97)	(6,815.94)
Tax Expenses			
Deferred & Current Tax	1,130.88	(367.52)	763.36
Profit/(Loss) After Tax	(6,768.85)	(810.45)	(7,579.30)
Total Comprehensive Income for the Period	(7,264.73)	(810.45)	(8,075.18)

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

Effect of change in Statement of Cash Flows	2019-20 Reported	Adjustment on account of change in Accounting Policy	2019-20 Restated
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) Before Tax	(5,637.97)	(1,177.97)	(6,815.94)
Movement in Working Capital for			
Decrease in Inventories	(15,433.97)	1,177.97	(14,255.99)
Net Cash generated from Operating Activities	7,731.06	-	7,731.06

Effect of change in Earnings Per Share	2019-20 Reported	2019-20 Restated
₹rofit/ (₹oss) ₹fter ₹ax (₹ in lakhs)	(6,768.85)	(7,579.30)
Weighed average number of equity shares in calculating Basic EPS	385,415,000	385,415,000
Weighed average number of equity shares in calculating Diluted EPS	385,415,000	385,415,000
Face value of share (₹)	10	10
Earnings Per Share		
Basic (₹)	(1.76)	(1.97)
Diluted (₹)	(1.76)	(1.97)

Due to change in accounting policy, the current year Net Profit and EPS has been decreased by ₹ 3,409.26 Lakhs and ₹ 0.88 respectively.

48. Group Information

The Consolidated Financial Statements relate to MSP Steel & Power Limited ('the Holding Company'), its subsidiaries & associates and itsjointly controlled entity (collectively referred to as 'Group'). The details are given below :

Name of Company	Place of Incorporation	Relation	Proportion of Interest 2020-21	Proportion of Interest 2019-20	Proportion of Interest 2018-19
Indian Subsidiaries					
MSP Cement Ltd	India	Subsidiary	100%	100%	100%
Prateek Mines & Minerals Private Limited	India	Subsidiary	63.69%	63.69%	-

Joint Venture

The Holding Company has a 14.54% interest in Madanpur South Coal Company Ltd. (Previous Year - 14.54%)

Associate

The Holding Company has a 42.75% interest in AA ESS Tradelinks Pvt Ltd. (Previous Year - 42.75%)

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

49. Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Associate and Joint Venture in respect of Net Assets:

(₹ in lakhs)

Entity Name	2020-21		2019-20		2018-19	
	% of Consolidated Assets	Amount	% of Consolidated Assets	Amount	% of Consolidated Assets	Amount
Holding Company						
MSP Steel & power Limited	93.57	55,396.09	92.43	54,908.45	92.40	62,350.80
Indian Subsidiaries						
MSP Cement Ltd	0.10	58.07	0.10	58.07	0.09	58.07
Prateek Mines & Minerals Private Limited	0.11	65.32	0.11	65.32		-
Joint Venture						
Madanpur South Coal Company Ltd	0.17	99.72	0.20	119.30	0.18	123.47
Associate						
AA ESS Tradelinks Pvt Ltd	6.05	3,584.04	7.16	4,252.23	7.33	4,944.52
Total		59,203.24		59,403.37		67,476.86

50. Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Associate and Joint Venture in respect of Share of Profit / (Loss), Other Comprehensive Income (OCI) and Total Comprehensive Income (TCI):

(₹ in lakhs)

Entity Name	Share of Profit		OCI		TCI	
	As on 31st March 2021	%	As on 31st March 2021	%	As on 31st March 2021	%
Holding Company						
MSP Steel & power Limited	505.55	103.61	(9.40)	26.23	496.15	109.74
Indian Subsidiaries						
MSP Cement Ltd	(5.97)	(1.22)	-	-	(5.97)	(1.32)
Prateek Mines & Minerals Private Limited	(4.02)	(0.82)	-	-	(3.00)	(0.66)
Joint Venture						
Madanpur South Coal Company Ltd.	(0.68)	(0.14)	2.82	(7.87)	2.14	0.47
Associate						
AA ESS Tradelinks Pvt Ltd	(6.94)	(1.42)	(29.25)	81.64	(36.19)	(8.00)
Total	487.94	100.00	(35.83)	100.00	452.11	200.00

(₹ in lakhs)

Entity Name	Share of Profit		OCI		TCI	
	As on 31st March 2020	%	As on 31st March 2020	%	As on 31st March 2020	%
Holding Company						
MSP Steel & power Limited	(7,557.47)	99.71	42.14	(8.50)	(7,515.33)	93.07
Indian Subsidiaries						
MSP Cement Ltd	(17.56)	0.23		-	(17.56)	0.22
Prateek Mines & Minerals Private Limited	(3.00)	0.04		-	(3.00)	0.04
Joint Venture						
Madanpur South Coal Company Ltd.	(1.79)	0.02	(2.38)	0.48	(4.17)	0.05
Associate						
AA ESS Tradelinks Pvt Ltd	0.52	(0.01)	(535.64)	108.02	(535.12)	6.63
Total	(7,579.30)	100.00	(495.88)	100.00	(8,075.18)	100.00

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

51 Investment in Joint Venture

The Group has a 14.54% interest in Madanpur South Coal Company Ltd (Previous Year - 14.54%). The joint venture is incorporated in India. The Group's interest in joint venture is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the aggregate financial information relating to joint ventures as required by Ind AS

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Current Assets	336.75	322.06
Non Current Assets	349.36	349.38
Current Liabilities	(0.30)	(0.30)
Non Current Liabilities	-	-
Equity	685.81	671.14
Proportion of Group's Ownership Interest	14.54%	14.54%

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Revenue	0.64	0.69
Employee Benefit Expenses	(2.10)	(2.10)
Other Expenses	(3.23)	(10.93)
Profit Before Tax	(4.69)	(12.34)
Income Tax Expense	-	-
Profit After Tax	(4.69)	(12.34)
Other Comprehensive Income	19.36	(16.34)
Total Comprehensive Income	14.67	(28.68)
Group's Share of Profit for the year	(0.68)	(1.79)
Group's Share of Other Comprehensive Income for the year	2.81	(2.38)
Group's Share of Total Comprehensive Income for the year	2.13	(4.17)

52 Investment in Associate

The Group has a 42.75% interest in AA ESS Tradelinks Pvt Ltd (Previous Year - 42.75%). The associate is incorporated in India. The Group's interest in associate is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the aggregate financial information relating to associate as required by Ind AS :

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Current Assets	482.07	15.65
Non Current Assets	13,298.64	12,667.16
Current Liabilities	(13.74)	(14.10)
Non Current Liabilities	(5,383.31)	(6,271.21)
Equity	8,383.66	6,397.50
Proportion of Group's Ownership Interest	42.75%	42.75%

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Revenue	8.44	21.70
Purchase of Traded Goods	(4.55)	(12.94)
Employee Benefit Expenses	(2.90)	(1.97)
Finance Expenses	(14.92)	(0.02)
Other Expenses	(2.30)	(5.53)
Profit Before Tax	(16.23)	1.24
Income Tax Expense	-	-
Profit After Tax	(16.23)	1.24
Other Comprehensive Income	(68.51)	(1,252.98)
Total Comprehensive Income	(84.74)	(1,251.74)
Group's Share of Profit for the year	(6.94)	0.53
Group's Share of Other Comprehensive Income for the year	(29.29)	(535.65)
Group's Share of Total Comprehensive Income for the year	(36.23)	(535.12)

53 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

54 Miscellaneous Expenses include de-recognition of financial asset (Trade Receivables/Advances/Loan) on account of irrecoverability, the contractual right to receive cash flow from the financial asset of Rs. 83.48 Lakhs(Previous Year - Rs. 102.66 Lakhs)

55 The previous year's figures have been regrouped, rearranged and reclassified to conform to the classification of the current year, wherever necessary.

56 The financial statements have been approved in Audit Committee meeting held on 11.06.2021 and approved by the Board of Directors on the same day.

For Singhi & Co
Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta
Partner
Membership No.-063769

Kolkata, 11th June, 2021

For and behalf of Board of Directors

Saket Agrawal
Managing Director
DIN - 00129209

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

16/S, Block A, New Alipore
Kolkata 700 053, West Bengal