

Date: 5th September, 2022

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 53rd Annual General Meeting (AGM) along with the Annual Report for the Financial Year ended 31st March, 2022

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 following:

1. **Notice of the 53rd Annual General Meeting** ("the AGM") of your Company to be held on Tuesday, September 27, 2022 at 3.30 P.M. (IST) through Video Conferencing or Other Audio Visual Means
2. **Annual Report of the Company for Financial Year ended March 31, 2022.**

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide remote e-Voting facility. **The remote e-voting period will commence on Saturday, September 24, 2022 (9:00 A.M. IST) and will end on Monday, September 26, 2022 (5:00 P.M. IST).** During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e. Friday, September 16, 2022, may cast their votes. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

The web-link of the Notice along with the Annual Report for the Financial Year ended March 31, 2022 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/investors/annual-report>

This is for your information and record.

Thanking you.

Yours faithfully,

For **MSP STEEL & POWER LIMITED**


Shreya Kar

Company Secretary & Compliance Officer

Mem No: A41041

Encl.: As above



**MSP STEEL & POWER LIMITED****CIN: L27109WB1968PLC027399**

Registered Office: 16/S Block-A, New Alipore Kolkata-700053

Website: www.mspsteel.com; Email Id : investor.contact@mspsteel.com,

Phone No.: 033-4005 7777, Fax : 033-33-2398 2239/033-4005 7738

NOTICE**53rd ANNUAL GENERAL MEETING**

To
The Members,
MSP Steel & Power Limited

Notice is hereby given that the 53rd Annual General Meeting ("AGM") of **MSP STEEL & POWER LIMITED** will be held on Tuesday, 27th day of September 2022 at 3.30 p.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon, and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

2. To appoint a Director, in place of Mr. Manish Agrawal (DIN: 00129240) who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Manish Agrawal (DIN: 00129240), who retires by rotation in accordance with Section 152 of the Companies Act, 2013 and other applicable provision of the Company (including any statutory modification(s) or re-enactment(s) be and is hereby re-appointed as a director liable to retire by rotation."

3. To appoint M/s. S.K Agrawal & Co., Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**: -

“RESOLVED THAT pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force M/s. S.K Agrawal & Co. Chartered Accountants LLP , Chartered Accountants, Kolkata, (*Institute of Chartered Accountant of India Firm Registration No. 306033E*), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, be and are hereby appointed as Statutory Auditors of the company (in place of M/s. Singhi & Co., Chartered Accountants, the retiring auditors) for a term of Two years commencing from the conclusion of this meeting until the conclusion of the 55th Annual General Meeting of the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorised to vary, alter, enhance or widen the remuneration payable to the Statutory Auditors, for the said tenure, from time to time, pursuant to the recommendation of the Audit Committee.

FURTHER RESOLVED THAT the Board be and is hereby also authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this Resolution and to settle any question or difficulty in connection herewith and incidental hereto.”

SPECIAL BUSINESS:

4. Ratification of Remuneration of the Cost Auditor of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**: -

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and as approved by the Board of Directors of the Company, remuneration of Rs. 25,000/- (*Rupees Twenty-Five thousand only*) (Excluding applicable taxes & out of pocket expenses) to be paid to Mr. Sambhu Banerjee (Membership No. 9780), Cost Auditor of the Company to conduct the Cost Audit of the Company for the financial year 31st March, 2022, as approved by the Board of Directors of the Company based on the recommendation of the Audit Committee subject to the ratification by the shareholders of the Company.”

“RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is hereby authorized to do all such deeds, acts and things as may be necessary and expedient for the said purpose.”

5. Appointment of Mr. Prateek Bansal (DIN 01836662) as an Independent Director.

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the provisions of Regulations 16 (1) (b), 17 and 25 (2A) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, as amended and that of the Articles of Association of the Company, Mr. Prateek Bansal (DIN 01836662), who was appointed as an Additional Director of the Company in the category of Independent Director by the Board of Directors with effect from 1st September, 2022 and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, in the category of Independent Director, for a term upto 1st September 2027 (5 years).

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution”.

By order of the Board

Place : Kolkata

Date : 1st September, 2022

Shreya Kar

Company Secretary & Compliance Officer
ICSI Membership No: ACS 41041

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021, 21/2021 dated January 13, 2021 December 14, 2021 and circular 02/2022 dated May 05, 2022 respectively in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at their AGM and accordingly, the **53rd Annual General Meeting** (the "AGM" or the "Meeting") of **MSP Steel & Power Limited** (the "Company") will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
3. Corporate members intending to attend/vote at AGM through VC / OAVM by their respective authorized representative(s) pursuant to section 113 of the Act are requested to send their authorisations/ resolutions/ power of attorney on requisite non- judicial stamp paper , to the Scrutinizer by e-mail on ps@bajajtodi.in /swati@bajajtodi.in with a copy marked to evoting.karvy.com and Ms. Shreya Kar (shreya.kar@mspsteel.com) authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.
4. In accordance with the provisions of the Act, the Listing Regulations, and Secretarial Standard 2 on General Meeting issued by Institute of Companies Secretaries of India (ICSI) the proceeding of the AGM shall be deemed to be conducted at the Registered office of the company which shall be the deemed venue of AGM.
5. Statement pursuant to Section 102 of the Act and the rules made thereunder setting out the material facts and the reasons for each item of Special Business is annexed hereto.

The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations for each item of Special Business, which are

considered unavoidable by the Board, is also provided in the said Statement.

Necessary disclosures as required under Regulation 36(5) of the Listing Regulations are also included as a part of the Statement to the Notice. Necessary information of the Directors as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.

The Statement read together with the Annexures hereto and these notes form an integral part of this Notice.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The Register of Members and Share Transfer Books of the Company shall not remain close as the Company is not declaring any Dividend for the F.Y 2021-2022.
8. All the documents referred in the accompanying notice along with the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contract or Arrangements in which Directors are interested maintained under Section 189 of the Act will be available for inspection through electronic mode on all working days till the date of this Annual General Meeting. Shareholders who would like to inspect the above mentioned registers may send their request in advance latest by 23rd September 2022 system at shreya.kar@mbspsteel.com
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and May 05, 2022 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
10. ***Dispatch of Annual Report through E-Mail***

In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020 and January 15, 2021 and Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014 the Notice along with the Annual Report of the Company for the financial year ended March 31, 2022, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. K-Fin Technologies Limited (Formerly known as K-Fin Technologies Private Limited) or the Depository Participant(s). In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated

April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mspsteel.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com. The Notice and the Annual Report for the financial year ended March 31, 2022 shall be available on the websites of the Company viz., www.mspsteel.com and of the Stock Exchanges where Equity Shares of the Company are listed i.e. BSE Limited (<https://www.bseindia.com>) and National Stock Exchange of India Limited (<https://www.nseindia.com>). The Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

11. The instructions for members for Remote E-Voting and joining Annual General Meeting are as under: -

The remote e-voting period begins on Saturday, 24th Day of September, 2022 at 9:00 A.M. and ends on Monday, 26th Day of September 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 16th Day of September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16th Day of September, 2022.

The procedure for remote e-voting using NSDL e-voting is as under: -

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “ Beneficial Owner ” icon under “ Login ” which is available under ‘ IDeAS ’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ Access to e-Voting ” under e-Voting services and

	<p>you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are

	<p>https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43
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B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below ***in process for those shareholders whose email ids are not registered.***
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password
 - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the company **122106** for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For

joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ps@bajajtodi.in/swati@bajajtodi.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **16th September, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Shreya.kar@mspsteel.com or einward@kfintech.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **16th September, 2022** may follow steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system" (Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download

section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

12. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice.

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhar Card) by email to investor.contact@mspsteel.com or shreya.kar@mspsteel.com or to the RTA at einward.ris@kfintech.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhar Card) to investor.contact@mspsteel.com or shreya.kar@mspsteel.com or to the RTA at einward.ris@kfintech.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

13. The instructions for members for e-voting on the day of the AGM are as under: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

14. Instructions for members for attending the AGM through vc/ oavm are as under: -

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at shreya.kar@mspsteel.com latest by 5:00 p.m. (IST) on Tuesday 20th Day of September, 2022.
8. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at shreya.kar@mspsteel.com latest by 5:00 p.m. (IST) on Tuesday 20th Day of September, 2022. The same will be replied by the company suitably.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre Senior Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.
11. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
12. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

15. Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e- Voting system, after registering their e-mail addresses by sending the following documents to the Company at shreya.kar@mspsteel.com or to the RTA at einward.ris@kfintech.com

- (i) Scanned copy of a signed request letter, mentioning the name, folio number/ demat account details and number of the shares held and complete postal address;
- (ii) Self-attested scanned copy of PAN Card; and
- (iii) Self-attested scanned copy of any document (such as AADHAAR Card/ latest Electricity Bill/ latest Telephone Bill/ Driving License/ Passport / Voter ID Card/ Bank Passbook particulars) in support of the postal address of the member as registered against their shareholding. Members, who hold shares in physical mod and already having valid e-mail addresses registered with the Company/ the RTA, need not take any further action in this regard

16. Transfer of Unclaimed Amounts to the Investor Education and Protection Fund (IEPF)

- a. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends that are unpaid or unclaimed for a period of seven years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which unclaimed dividend in respect of Financial Year 2009-10 to 2011-12 have been transferred to the demat account of IEPF.
- b. The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the Unclaimed dividend are also available on the website at www.mspsteel.com and the said details have also been uploaded on the website of the IEPF Authority.

17. Other Information:

- (i) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "e-voting" for all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.
- (ii) Pursuant to the provision of Sec 108 of the Act, the Company has appointed CS Swati Bajaj, Practicing Company Secretary from Bajaj Todi & Associates (ACS: 13216/CP no: 3502) to act as the Scrutinizer, to scrutinize the e-voting process as well as voting by member (who have not casted their vote through remote e-voting) participating at the AGM through VC or OAVM as on the date of the AGM in a fair and transparent manner, who have communicated their willingness to be appointed.
- (iii) The Scrutinizer shall after the conclusion of voting at the general meeting, unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (iv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.mspsteel.com, the e-Voting website of NSDL- www.evoting.nsdl.com and on the notice board of the Company's registered office

immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited where shares of the Company are Listed.

- (v) Subject to receipt of requisite number of voter, the resolution proposed in the Notice shall be deemed to be passed on the date of the Meeting itself i.e. 27th September, 2022

By order of the Board

Place : Kolkata
Date : 1st September, 2022

Shreya Kar
Company Secretary & Compliance Officer
ICSI Membership No: ACS 41041

STATEMENT TO THE NOTICE (Refer Note No. 5 above)**Item No. 3**

The Members of the Company at the 49th Annual General Meeting held on 14th August, 2018 approved the appointment of M/s. Singhi & Co. Chartered Accountants [*Institute of Chartered Accountant of India Firm Registration No. 302049E*], as the Statutory Auditors of the Company to hold office from the conclusion of the said 49th AGM until the conclusion of 53rd AGM. The remuneration payable to Singhi & Co. Chartered Accountants, including reimbursement of expenses payable for the financial year 2021-22 is Rs.15,28,000, details of which are given in Note No.29.1 of the Notes to Financial Statements for the financial year ended March 31, 2022.

The Board of Directors at its meeting held on 1st September, 2022 based on the recommendation of Audit Committee have recommended the appointment of S K Agrawal & Co. Chartered Accountants LLP, Chartered Accountant [*Institute of Chartered Accountant of India Firm Registration No. E300272*]. in terms of Section 139 of the Companies Act, 2013 (as amended) (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (as amended) at a remuneration of Rs. 12 Lakhs (plus taxes). This excludes out-of-pocket expenses, and any certification charges.

S K Agrawal & Co. Chartered Accountants LLP, Chartered Accountants have further confirmed that their appointment, if made, would be within the limits laid down by or under the authority of the Act. They have also confirmed that they are not disqualified for the proposed appointment under the Act, including under Section 141 of the Act, the Chartered Accountants Act, 1949 and the rules and regulations made thereunder.

The details required to be disclosed under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are as under:

- **Proposed fees payable to the Statutory Auditor(s):** Rs. 12 Lakhs (plus taxes) which excludes out-of-pocket expenses and annual certification charges. Fees will be generally billed in a manner consistent with the progress of audit / engagements.
- **Terms of Appointment:** Appointment as statutory auditor for a period of 2 years from the conclusion of this Annual General meeting till the conclusion of 55th Annual General Meeting.
- **In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:** No Material Changes in the fee payable to S K Agrawal & Co. Chartered Accountants LLP
- **Bases of recommendation for appointment:** The Board and the Audit Committee in their meeting held on 1st September, 2022 have considered the appointment of S K Agrawal & Co. Chartered Accountants LLP who have the capability to serve the Company in a Broader Spectrum and handle critical accounting issues faced in a manufacturing concern.
- **Credentials of the Statutory Auditor(s) proposed to be appointed:** S.K.Agrawal and Co. Chartered Accountants LLP (formerly known as S K Agrawal & Co.) have remarkable experiences over 50 years in the fields of Audit & Assurance, Advisory Services pertaining to Taxation and Legal, M&A Planning, various categories of Valuations of securities, Assets, Brand etc. Chartered Accountant profession in India is governed by the Chartered Accountants Act, 1949 ('the Act') and as per the provision of the Act, the firm is subject to peer reviews which are conducted regularly by Institute of Chartered Accountants of India – ICAI. The firm has a valid peer review certificate. The Firm serves large Clients like listed companies, Banks, Large Unlisted Companies etc.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item 3.

Your Director recommends the resolution as at Item no 3 for your approval.

Item No. 4

The Board of Directors of the Company based on the recommendation of the Audit Committee at its meeting held on 01st September, 2022 has considered and approved the appointment of Mr. Sambhu Banerjee, Cost Accountant (Membership No. 9780) as Cost Auditor of the Company to carry on the Cost Audit of the Company for the financial year ending 2022-2023 on a yearly remuneration of Rs. 25,000/- (excluding applicable taxes & out of pocket expenses) subject to the ratification by the shareholders of the Company.

Pursuant to Section 148(3) and all other applicable provisions, of the Companies Act, 2013 ('the Act') and the Rules made there under the remuneration paid to the Cost Auditor needs to be ratified by the shareholders of the Company. Accordingly members consent by Ordinary Resolution is sought for the resolution set out in Item No. 4 of the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item 4.

Your Director recommends the resolution as at Item no 4 for your approval.

Item No.5

On the recommendation of the Nomination & Remuneration Committee, Mr. Prateek Bansal (DIN 01836662), was appointed as an Additional Director by the Board with effect from September 01 2022, pursuant to Section 161 of the Companies Act, 2013, read with Article 123 of the Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Prateek Bansal will hold office upto the date of the forthcoming Annual General Meeting. The Company has received a Notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Prateek Bansal for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) further provides that an Independent Director may hold office for up to two consecutive terms.

A Brief resume of Mr. Prateek Bansal, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, are provided in the statement giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting, annexed to this Notice. Mr. Prateek Bansal, aged 38 years, has 14 years of experience in Real Estate. He holds degree in Economics Honors from KNOX College, USA. Considering the rich experience that Mr. Prateek Bansal brings to bear, your Board considers that his appointment as a Director of the Company will be in its best interest.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribes that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has received a declaration from Mr. Prateek Bansal that he meets the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under the Listing Regulations. He is also independent of the management. Mr. Prateek Bansal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director.

A copy of the draft letter of appointment of Mr. Prateek Bansal setting out the terms and conditions of his appointment is available for inspection by the members at the registered office of the Company on all working days between 10.30 AM and 12.30 PM (except Sundays and Public Holidays) up to the date of the AGM and is also available on the website of the Company at www.mspsteel.com

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Prateek Bansal or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. Your Directors recommend the resolution as at Item No.5 for your approval.

By order of the Board

Place : Kolkata

***Date: 1st September,
2022***

Shreya Kar
Company Secretary & Compliance Officer
ICSI Membership No: ACS 41041

ANNEXURE TO THE EXPLANATORY STATEMENT

Pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and ss-2 issued by the institute of company secretaries of India (ICSI) details of director seeking appointment/re-appointment at the ensuing annual general meeting have been provided in the table below: -

Particulars	Item no. 2	Item No. 5
Name of the Director	Mr. Manish Agrawal (liable to retire by rotation)	Mr. Prateek Bansal (Independent Director)
DIN	00129240	01836662
Date of birth	04/02/1980	24/12/1984
Age	42	38
Nationality	Indian	Indian
Date of Appointment on Board	05.07.2003	01.09.2022
Shareholding in the Company	309,000 equity shares	Nil
Qualification	Management Graduate from IIM, New Delhi	Economics Honors from KNOX College, USA
Expertise in specific functional area and Sustainability	Have hands on experience in corporate finance and Taxations. He has been associated with the Company right from its inception and is the principal promoter of the Company. His knowledge of tax planning have redefined the tax structure of the Company.	His experience in Real Estate will be instrumental in successfully channelizing our steel business in the Real Estate Market.
Relationship with other Director & KMP	Brother of Mr. Saket Agrawal – Managing Director	Nil
No. of Board Meetings attended during F.Y 2021-2022 *	12	Nil
Terms of appointment/re-appointment	Proposed to be appointed as Non- Executive Director on remuneration approved by the Board and as agreed. Provided that such appointment shall be liable to retire by rotation	Proposed to be regularized as an Independent Director from additional Director. Provided that Such appointment shall not be liable to retire by rotation.
Chairperson/Membership of Committee in other Company (Excluding MSP Steel & Power Ltd)	Nil	Nil
Remuneration Details (including sitting fees & commission)	Please refer to the 'Report on Corporate Governance which is a part of this Annual Report'	

List of Directorship held in other companies (Excluding MSP Steel & Power Ltd)	<ol style="list-style-type: none"> 1. Prateek Mines & Minerals Private Limited 2. B S Confin Private Limited 3. Emerald Tradelink Private Limited 4. AA ESS Tradelinks Private Limited 5. Suyash Finovest Private Limited 6. MSP Sponge Iron Limited 7. Madanpur South Coal Company Limited 8. MSP Mines & Minerals Limited 9. Sampat Marketing Company Private Limited 	<ol style="list-style-type: none"> 1. Ritman Fullmark Inks Private Limited 2. Greyhound Movers Private Limited 3. BCSI Realtors Private Limited 4. BCSI Infrastructure Private Limited 5. BCSI Projects Private Limited 6. BCSI Constructions Private Limited 7. B. Consultancy & Solutions India Private Limited
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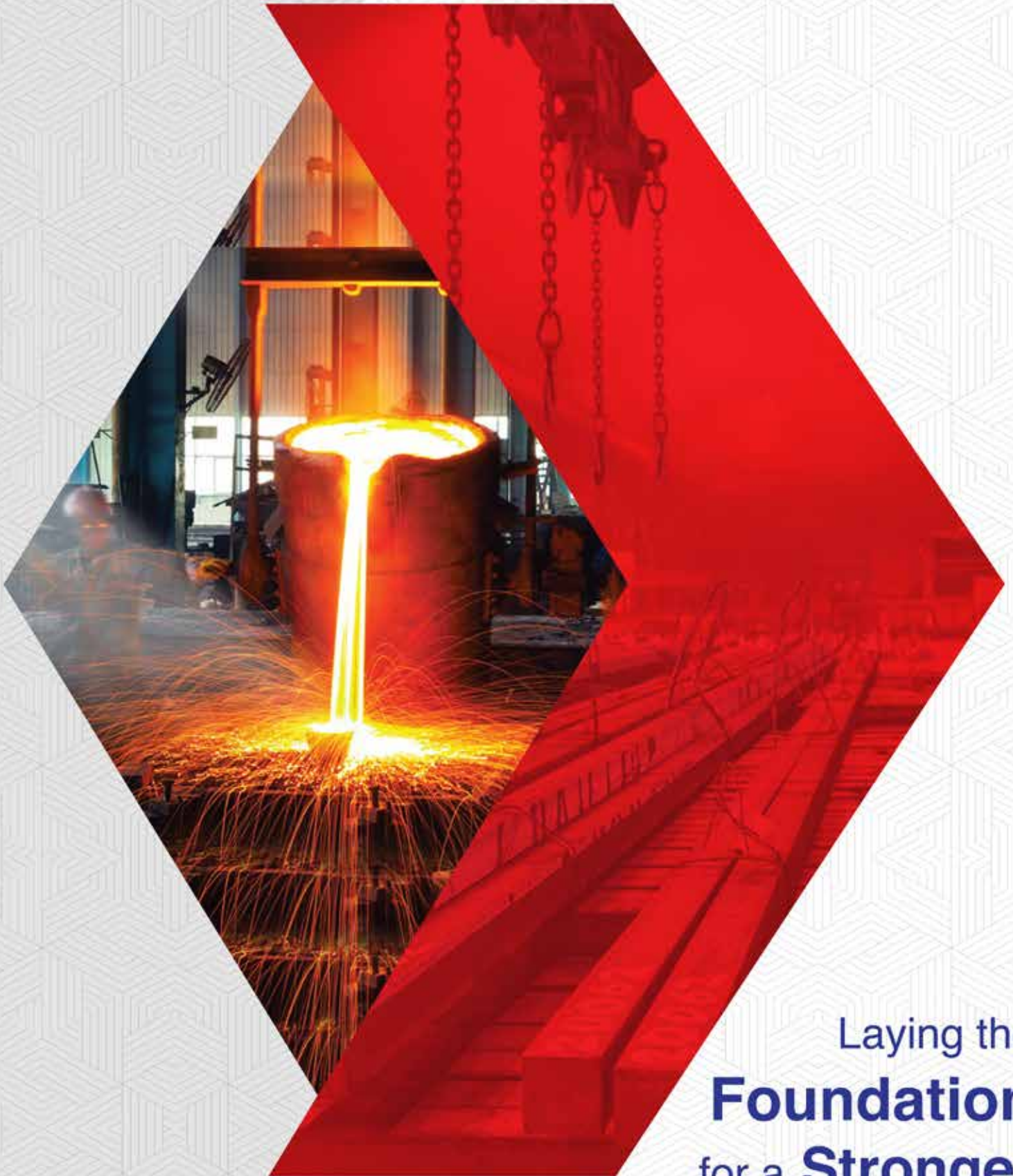
- Mr. Manish Agrawal resigned from the post of Director from Howrah Gases Limited from 13th November 2021.
- *All Board Meetings for the financial year 2021-2022 were conducted physically.
- None of the above Directors are disqualified and/or debarred by virtue of any order passed by SEBI, MCA, any court or any other Statutory Authority, to be appointed/re-appointed/continue as a Director of the Company.

All documents referred to in the accompanying Notice are open for inspection only through electronic mode on all working days before the date of Annual General Meeting.

By order of the Board

Place : Kolkata
Date: 1st September, 2022

Shreya Kar
Company Secretary & Compliance Officer
ICSI Membership No: ACS 41041



Laying the
Foundation
for a **Stronger**
Tomorrow

Annual Report 2021-22



Size : 10 MM
MSP Gold
THERMEX TMT BARS
BOND OF TRUST

ISO 9001:2000
MS
THERMEX
BOND OF TRUST

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About MSP

“To build an unshakeable foundation, you need a lifelong promise of uncompromised security”

MSP STEEL & POWER LIMITED, incorporated in 1968, is one of the leading and efficient steel manufacturers in India. We are fully integrated and consolidated across the value chain and have manufacturing facilities located at Raigarh, Chhattisgarh which aid us in serving the length and breadth of various iron and steel industries in the nearest vicinity.

Forward-Looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations. We have tried wherever possible to identify such statements by using words such as ‘beliefs’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘plans’, ‘outlook’ and other words of similar meaning in connection with a discussion of future operational or financial performance. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Core Values

Integrity

- ▶ Adhere to the highest standards of integrity with all stakeholders
- ▶ Commit to the highest level of ethical & professional standards
- ▶ Build relationships based on trust by being fair in communication and transaction
- ▶ Manage company resources efficiently



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 interactions with your colleagues



Innovation

- ▶ Continuously improve the company's performance through innovation
- ▶ Apply new management practices to drive organisational performance
- ▶ Adopt and invest in new technologies to maintain a competitive edge
- ▶ Adopt a learning/intellectual mindset



Excellence

- ▶ Strive for excellence in performance, quality and behaviour
- ▶ Combine bold thinking and a practical approach to deliver results
- ▶ Embrace an ownership mindset by taking responsibility and translating decisions into actions
- ▶ Sustain a meritocratic culture that rewards people for individual and collective performance



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 & Executive Director)
- ▶ Mr Dhananjay Uchit Singh
(Non-Independent Executive Director)
- ▶ Mr Manish Agrawal
(Non-Independent Executive Director)
- ▶ Mrs Suneeta Mohanty
(Non-Executive Independent Director)
- ▶ Mr Navneet Jagatramka
(Non-Executive Independent Director)
- ▶ Mr Ashok Kumar Soin
(Non-Executive Independent Director)
- ▶ Mr. Kapil Deo Pandey
(Non- Executive Independent Director)*

Key Managerial Personnel

- ▶ Mr. Kamal Kumar Jain
- ▶ Ms Shreya Kar

* Mr. Kapil Deo Pandey (DIN: 07208719) passed away on 27.07.2022

Statutory Auditors

M/s Singhi & Co.

Cost Auditor

Mr Sambhu Banerjee

Secretarial Auditor

M/S Bajaj Todi & Associates

Bankers

- ▶ State Bank Of India
- ▶ Union bank of India
- ▶ Indian Bank
- ▶ Punjab National Bank
- ▶ Canara Bank Ltd.
- ▶ ICICI Bank Ltd.
- ▶ Indian Overseas Bank
- ▶ UCO Bank
- ▶ Bank of Baroda
- ▶ Kotak Mahindra Bank
- ▶ DBS Bank Ltd.

REGISTERED OFFICE

16/S Block -A, New Alipore, Kolkata-700053
Ph. No.:033-40057777; Fax No.:033-23982239
Email: investor.contact@mspsteel.com
Website: www.mspsteel.com

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Ltd

(Formerly known as KFin Technologies Pvt. Ltd.)
Karvy Selenium Tower-B, Plot No. -31& 32, Gachibowli, Financial District
Nanakramguda, Seriligampally, Hyderabad- 500032
Ph. No. (040)-6716-2222/3321-1000, Fax No.:(040)-2300-1153
Email:compliance.ksbl@karvy.com, einward.ris@kfintech.com
Website: www.karvyfintech.com

Vision

Vision

To be an admired & leading steel producer.



Mission

We endeavour to build a strong nation by believing in ourselves to provide the best quality steel at affordable prices and create value for all our stakeholders.

Mission



Chairman's Epilogue

“There is no Substitute for Hard Work”

Dear Shareholder,

It provides me great pleasure in writing to you to share my thoughts. Let me a first place on record my heartfelt gratitude to all stakeholders for their support through the times of Covid disruption we have all faced and for coming out stronger.

While it was a huge relief for all of us to witness the reducing impact of Covid over the last few months of the Financial Year and see a degree of normality returning, we cannot afford to ignore all precautions to ensure that the pandemic does not rear its unpleasant head again. The cost in human terms, as also economic terms are too large to bear again. Several steps taken by the Government and the Regulators have helped in a faster revival of the economy.

At MSP, we pride ourselves on understanding and serving the needs of people. The last two decades of the pandemic has a significant impact on the nation and its citizens. At the same time, we believe that it has made us an even more agile and resilient organisation. We have been taking several actions to help us stay relevant in an increasingly volatile and challenging business environment.

We also pride ourselves on our ability to address the needs of our customers across socio-economic pyramid, while also anticipating and building markets of the future.

The Company's financial performance has been impressive; the significant increase in profits and positive financial results quarter on quarter indicate that MSP is entering a transformative period. During the financial year, the Company's EBIDA increased to Rs. 15862.23 Lakhs as compared to Rs. 14337.71 Lakhs in the previous year 2020-2021. Our Profit Before Tax (PBT) for the year ended 31st March, 2022 is Rs. 3816.29 lakhs as compared to Rs. 864.14 Lakhs in the previous year. I want to express my gratitude to our customers for their trust and confidence in us.

The members of the Board have taken an active role in providing strategic direction to the company. They have always been available to the Company's leadership and management teams.

Maintaining Universal balance is the Company's Corporate Social Responsibility vision with a focus on quality education and social innovation. We believe in being a responsible corporate citizen. We have also strived throughout the year for making people life better through managing schools, skill development programs, providing health care & medical facilities, infrastructural developments and community welfare. Sustainability and reforestation are also a part of CSR mandate to ensure that we make a wholesome difference.

MSP is a people-oriented organisation. We believe prosperity comes with our employees growing with us socially, economically and culturally.

We are committed to:

- ▶ Satisfying customer needs with premium quality, competitively-priced steel products on time, every time.
- ▶ Continuous improvements in process, quality, sales and delivery.
- ▶ Abiding by all applicable legislation on maintaining a green and safe environment, ensuring prevention of pollution and accidents.
- ▶ Developing green zones by planting saplings, nurturing trees and green open spaces.
- ▶ Making improvements through periodical reviews of objectives, practices, targets and achievements.
- ▶ Developing our people continuously through training & development programmes.
- ▶ Ensuring zero tolerance towards lack of commitment and integrity in our entire organization.

Over the last few years our Company has shown itself to be very purpose-driven, resilient and adaptable, staying relevant to its customers and doing good for all its stakeholders. This is the secret behind its longevity and sustainability.

I would like to extend my profound appreciation for the overwhelming support of my fellow Board members, our employees, business partners, governments, investors and our community members, whose support and guidance have helped create the dynamic legacy of MSP Group.

Stay safe and in good health!

Warm regards,

Suresh Kumar Agrawal
Chairman & Director

Managing Director's Communique

“In a commodity business, price is something you can always compete with, service is what you need to develop over a period of time, and that will be your differentiator.” – Saket Agrawal

The year started with a second severe wave of COVID sweeping across the Country. We witnessed socio-political unrest in several parts of the world, resulting in the disruption of global supply chains and unprecedented volatility in commodity costs. In this uncertain operating environment, our focus remained on the health and safety of our people, ensuring uninterrupted supply of our products, safeguarding the environment.

Global steel prices continued to remain under pressure from two basic sides in April 2022: one, the Russia-Ukraine conflict and its many-sided repercussions particularly on raw material and logistics and secondly, the significantly rising COVID-19 cases in China, which has gone on to impact both supply and demand side movements. Steel prices remained north-bound in April 2022 with some softening noted at month-end due largely to limited transactions and dull market conditions almost everywhere, with market participants adopting a wait-and-watch outlook for trends in prices, with reported softening in global raw material prices after the initial shock.

Our main focus was to achieve a degree of differentiation to gain a competitive advantage in the industry. We made continuous efforts to be innovative across the organisation at all levels, across all departments.

We shifted our target markets to the markets we knew where we were most viable & where we could attain an edge over the others. We were able to successfully identify that logistics cost is a key component when it comes to the landed cost for the dealers. Reducing the logistics cost could be a game changer as it would bring down the costs exponentially.

Another major change in our operations, was to expand the network of dealers that we were working with. Earlier we were working with the big distributors in the region in certain limited areas only. Now, we have approached all the dealers in the target market rather than working with limited dealers. We aim to create a win-win situation for our dealers so as to improve their ROI by ensuring guaranteed availability, assured supply lead times.

We were facing huge challenges in terms of on-time delivery. In TMT & Structures, the product range offered was extensive, often including as many as 30-40 SKUs. Dealers frequently place bundled orders with us asking for diverse products in a single order. On certain occasions, we faced to satisfy such orders as per the dealer's custom basket due to non-availability with us. This led to a tussle between the marketing and the production teams to ensure we roll products as per customer needs.

OTIF or On Time in Full Delivery, our newest program solved this dilemma. We worked hard to achieve availability of production and inventory of all SKUs at all times. We made sure we had the entire range for both TMT & Structures available to us at all times and we set internal delivery targets of 48 hours for ourselves.

MSP is continuously striving to meet the expectation of her stakeholders. Our transformation from being manufacturers to "innovative, energy and environment efficient, technology-driven manufacturers" is our main motto.

Moreover, we changed our ordering module radically, where the dealers placed orders infrequently which in turn not only helped us bring down logistic costs but also helped the dealers increase their ROI by reducing their inventory.

We installed 'Vector Flow', a new program where we set up buffer penetration norms. Once, this new program was in place, the production team was producing on the basis of actual sales. Thus we were producing to ensure stock availability and not chasing 'projections'. This eliminated the tussle between the marketing and the production teams.

Our dealers had massive apprehensions about our new strategies. They were not entirely sure if we could achieve the ambitious 48 hour on-time delivery targets that we were chasing. However, our efforts of consistent delivery over a sustained period of time convinced them to get on board with our program. Moreover, they could clearly see the advantages of holding smaller inventories during COVID times due to fluctuating demand.

We at MSP were able to achieve major milestones

- ▶ We now assure 48 hour delivery as compared to 7-8 day delivery time previously.
- ▶ All time availability of all SKUs has gone up to 97-100% from 55-60%
- ▶ Our Structures sales have doubled.
- ▶ Our sale of TMT bars have improved by 70-80%.
- ▶ We are now working to increase the premium on our products.
- ▶ We are now working with a widespread of dealers.
- ▶ We identified demand for new products like rings and binding wire to include in our product range.

MSPL is well poised to take the lead in partnering customers to recover and rebound on to the growth and transformation journey.

There have been a lot of Training sessions like Kaizen, EOS, vector etc. which has continuously helped us in improving the our approach towards all our stakeholders. We have enhanced asset utilization and debottlenecking at every stage to ensure highest capacity utilisation. Quality is fundamental to everything we do. It is the cornerstone of our company's mission and a building block of our products, processes, relationships and achievements.

On behalf of the Board of Directors of MSP Steel & Power Limited, I want to thank all shareholders for your continued support and guidance that have helped MSP to continue its legacy.

With Warm Regards

Saket Agrawal
Managing Director

CSR Pictures



STATUTORY REPORT



Management Discussion and Analysis Report 2021-2022

The objective of this report is to convey the Management's perspective on the financial and operating performance of the Company during the period 2021-2022 and outlook for the current financial year. Your attention is also drawn to sections on opportunities, risks and strategic planning forming part of the Report.

1. ECONOMIC ENVIRONMENT

GLOBAL ECONOMY

The global economy was significantly impacted by the pandemic COVID-19 and led to disruptions due to regulatory lockdowns during last financial year 2020-21, although recovery was seen in the second half of 2021-22 with lifting of lockdowns, the growth has been inconsistent across countries due to resurgence of 2nd and 3rd wave and new Omicron Covid-19 infections, varying levels of policy support and access to medical facilities.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023 due to ongoing Russia-Ukraine crisis which has impacted the availability and prices of Key commodities such as steel. Russia is the 2nd largest steel exporter (followed by China) and 5th largest steel producer (Refer table-1) in the world, thus the ongoing tension between Russia and Ukraine will have an impact on international supply situation and thus leading in increased prices.

Table 1: Top 5 Steel Producers and Exporters

Country	Production (in MT)	Country	Exports (in MT)
China	1,033	China	51
India	118	Russia	32
Japan	96	Japan	30
USA	86	South Korea	28
Russia	76	European Union (28)*	23

Source: World Steel Association

Note: Production numbers are of CY 2021 and Export numbers are of CY 2020

OUTLOOK

The global economic recovery is facing significant headwinds amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain challenges and rising inflationary pressures. The robust recovery in 2021 – driven by strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels – marked the highest growth rate in more than four decades. Yet the momentum for growth – especially in China, the United States and the European Union – slowed considerably by the end of 2021, as the effects of monetary and fiscal stimuli began to recede and major supply-chain disruptions emerged. Rising inflationary pressures in many economies are posing additional risks to recovery. Global growth prospects have weakened significantly amid the war in Ukraine, rising energy, food and commodity prices, soaring inflation and tightening monetary policy stances by major central banks.

A pick up in global and domestic demand and investment capital expenditure supported the upward momentum in prices. In addition to this, higher iron ore prices also contributed towards the growth in steel prices. Further, the demand-supply issues caused by the conflict and the increase in input costs (iron ore and coking coal) are expected to keep the steel prices firm.

Growth forecasts for the United States, European Union and China have been revised downward, with the

Management Discussion and Analysis Report 2021-2022

European Union registering the most significant downward revision. The European Union economy – most directly hit by disruptions in the energy supply from the Russian Federation – is now expected to grow by 2.7 per cent in 2022, down from 3.9 per cent expected in January. The United States economy is expected to grow by 2.6 per cent, while China is expected to grow by 4.5 per cent in 2022. The developing countries, as a group, are projected to grow by 4.1 per cent in 2022, down from 6.7 per cent in 2021.

Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than what was projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and to end the pandemic are essential.

INDIAN ECONOMY – An expectation to add impetus to Economic Growth

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. During the year 2021 COVID 19 Vaccination has a crucial role in reducing the number of deaths, restoring confidence in the economy, and decreasing the effects of the second wave on India's economy. India is expected to remain one of the fastest-growing major economies in the world. Pegged at USD 3.1 trillion in 2022, based on the current price in dollar terms, India is chasing a target of becoming a USD 5 trillion economy by 2025, as the government pushes ahead with various economic reforms to drive manufacturing capacity and domestic consumption. Instead of relying on demand management, India has been concentrating on the supply side, such as simplification of process, Deregulation of numerous sectors and privatisation. The global supply chain vacuum caused by geo-political changes work in India's favour and is expected to add an impetus to economic growth trajectory as India becomes a key natural choice for sourcing.

In FY21, Indian economy had contracted by 7.3% due to pandemic-related disruptions. The Indian economy, along with other global economies, suffered many tribulations since the start of the pandemic. However, the economic rebound has been sharp post the second wave, and the GDP crossed the pre-pandemic levels in the second quarter of FY22. With an improvement in the economic scenario, there have been investments across various sectors of the economy.

Government Initiatives & Digitalisation

The Government of India has taken several initiatives to improve the economic condition of the country.

1. Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like **Make in India and Digital India**. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
2. Recent policy reforms including the reduction in corporate tax rates, focus on reducing regulatory burden, reducing the logistics cost by augmenting logistics infrastructure and the proposed National Logistics Policy along with the consolidation of labour laws, will all help build India's manufacturing sector and the economy at large.

Management Discussion and Analysis Report 2021-2022 (Contd.)

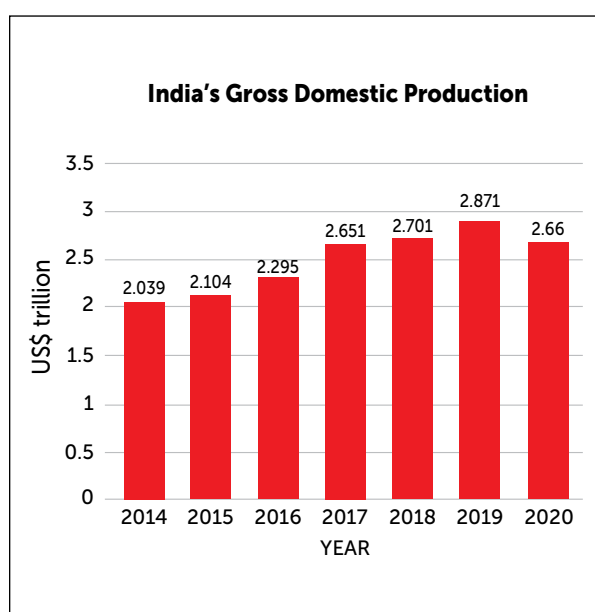
3. The measures are also expected to help attract FDI as global corporations are looking at diversifying their supply chains. This in turn will lead to job creation and boost exports in the manufacturing sector.
4. The PM Gati Shakti National Masterplan was launched in October 2021 with the aim of faster and synchronised execution of key projects covering roads, railways, airports, ports, mass transport, waterways and logistics infrastructure.
5. The Union Budget 2022 further aided economic growth prospects with strong focus on boosting government capex and reviving private sector investments.
6. Also PLI schemes were extended with additional fund allocation to support large scale manufacturing in India. According to the Reserve Bank of India, the GDP growth for FY23 is projected at 7.2%. Uncertainties stemming from volatile geopolitical situation, surge in international energy and commodity prices, supply-side disruptions, tightening of global financial conditions and weak external demand pose risks to these assumptions.

OUTLOOK

The outlook assumes sustained progress in coronavirus disease (COVID-19) vaccinations and that any new variants of the virus are of limited severity. It also factors in the impacts of Russia's invasion of Ukraine—primarily higher global oil and commodity prices that will contribute to rising inflation and a widening of the current account deficit.

Risks to the outlook include uncertain global economic conditions, potential new surges in COVID-19 cases, and sharp rises in commodity prices.

Inflation will likely to increase in FY2022 amid rising oil prices. While monetary policy will remain accommodative, the central bank may hike policy rates in the later part of the fiscal year due to tightening of the United States federal funds rate and elevated oil prices. The current account deficit is projected to widen to approx 3% of gross domestic product in FY2022, due to the rising oil import bill. Foreign direct investment inflow is expected to be moderate amid rising global uncertainty and tightening of global economic and financial conditions.



India's nominal gross domestic product (GDP) is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark. India's electronic exports are expected to reach US\$ 300 billion by 2025-26. This will be nearly 40 times the FY2021-22 exports (till December 2021) of US\$ 67 billion.

Reserve Bank of India (RBI) has projected India's GDP growth at 7.2 % for 2022.

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2. STEEL INDUSTRY SCENARIO

Global Steel Industry Scenario

In 2021, recovery from the pandemic shock turned out to be stronger than expected in many regions, despite continuing supply chain issues and COVID waves. However, a sharper than anticipated deceleration in China led to lower global steel demand growth in 2021. The expectation of a continued and stable recovery from the pandemic has been shaken by the war in Ukraine and rising inflation.

The magnitude of the impact of this conflict will vary across regions, depending on their direct trade and financial exposure to Russia and Ukraine. There is an immediate devastating effect on Ukraine, consequences for Russia, and major impact on the EU due to its reliance on Russian energy and its geographic proximity to the conflict area. The impact will also be felt globally via higher energy and commodity prices – especially raw materials for steel production – and continued supply chain disruptions, which were troubling the global steel industry even before the war. Furthermore, financial market volatility and heightened uncertainty will undermine investment. This conflict has caused panic in the market about supply shortage with the result that prices have moved north radically, be it iron ore or coking coal. Prices of steel have also responded to the crisis but its northward movement so far has been limited. Increasing risk of procurement, constraints of financial approval, non-accessibility due to port blockage, growing uncertainty about availability, rising safety and security concerns are among the major factors that have driven sentiments in the commodity markets around the world. To what extent, steel prices would be impacted hinges significantly on the extent of aggravation of the Russia-Ukraine crisis and its longevity.

Such global spillovers from the war in Ukraine, along with low growth in China, point to reduced growth expectations for global steel demand in 2022. There are further downside risks from the continued surge in virus infections in some parts of the world, especially China, and rising interest rates. The expected tightening of US monetary policies will hurt financially vulnerable emerging economies.

Further, increase in raw material prices mainly concerning coking coal, iron ore and oil & fuel have pushed the market prices of steel. Global crude steel production reached at 1,951 Mt. in 2021, which was higher by 70 Mt. than 2020. While China continued to be the largest global crude steel producer, there was moderate growth in steel production in countries such as India, Japan, USA, Russia, North Korea and Germany, amongst others, signifying normalcy in operations during the pandemic.

During the Financial year 2021-22 China produced 1007.4 Mt, India produced 117.9Mt, Japan produced 95.5 Mt, The United States produced 86.1 Mt, Russia is estimated to have produced 76.6Mt, South Korea produced 70.2Mt, Germany produced 39.6Mt. of steel.



Management Discussion and Analysis Report 2021-2022 (Contd.)

Demand Supply Outlook

In 2022, recovery from the pandemic shock turned out to be stronger than expected in many regions, despite continuing supply chain issues and COVID waves. For 2023, the outlook is highly uncertain. The expectation of a continued and stable recovery from the pandemic has been shaken by the war in Ukraine and rising inflation. The World Steel Association (world steel) released its Short Range Outlook (SRO) for 2022 and 2023. World steel forecasts that steel demand will grow by 0.4% in 2022 to reach 1,840.2 Mt after increasing by 2.7% in 2021. In 2023 steel demand will see further growth of 2.2% to reach 1,881.4 Mt. The forecast is made against the backdrop of the war in Ukraine and is subject to high uncertainty.

Chinese steel demand saw a major slowdown in 2021 due to the tough government measures on real estate developers. Steel demand in 2022 will remain flat as the government tries to boost infrastructure investment and stabilise the real estate market. The stimuli introduced in 2022 are likely to support small positive growth in steel demand in 2023. There is upside potential from more substantial stimulus measures, which is likely if the economy faces more challenges from the deteriorating external environment.

Despite the sporadic COVID infection waves and the manufacturing sector's supply chain constraints, steel demand recovered strongly in 2021, especially in the EU and the US. However, the outlook for 2022 has weakened due to inflationary pressure, which is further reinforced by the events surrounding Ukraine. The impact of the war will be particularly pronounced in the EU due to its high dependence on Russian energy and refugee inflows. Steel demand in the developed world is forecast to increase by 1.1% and 2.4% in 2022 and 2023 respectively, after recovering by 16.5% in 2021.

In the developing economies, recovery from the pandemic faced more challenges with the continued impact of the pandemic and surging inflation, which prompted a monetary tightening cycle in many emerging economies. After falling by 7.7% in 2020, steel demand in the developing world excluding China grew by 10.7% in 2021, slightly less than our earlier forecast. In 2022 and 2023, the emerging economies excluding China will continue to face challenges from the worsening external environment, the Russia-Ukraine war, and US monetary tightening, leading to low growth of 0.5% in 2022 and 4.5% in 2023.

World Steel Price Trend

Global steel prices continued to remain under pressure from two basic sides in April 2022: one, the Russia-Ukraine conflict and its many-sided repercussions particularly on raw material and logistics and secondly, the significantly rising COVID-19 cases in China, which has gone on to impact both supply and demand side movements. Steel prices remained north-bound in April 2022 with some softening noted at month-end due largely to limited transactions and dull market conditions almost everywhere, with market participants adopting a wait-and-watch outlook for trends in prices, with reported softening in global raw material prices after the initial shock.

Indian Steel Industry Scenario

The industrial revolution saw an exponential demand in metals and to meet that demand, the metal industry flourished explosively. And the demand is ever-growing. One metal that has changed the industry is Steel.

The steel industry's production and consumption grew by 18.12% and 11.4%, respectively, on a year-on-year basis(y-o-y) in FY 22. As per CareEdge Research the medium-term steel demand will continue to be robust due to the government's infrastructure push and increased investments amid an overall rebound in the Indian economy.

Steel exports remained robust for the third straight year and increased by 25.1% during FY 22 after recording

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a growth of 29.1 % in FY 21 and 31.4% in FY20. International factors such as environmental concerns surrounding China's steel industry, an uptrend in global steel prices and higher demand from European nations led to the increased shipments from India.

Opportunities:

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000 - December 2021, Indian metallurgical industries attracted FDI inflows of US\$ 16.1 billion.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted a policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement. In 2019, the Government introduced Steel Scrap Recycling Policy with an aim to reduce import.

Government focuses on strengthening the domestic manufacturing base under the Aatmanirbhar Bharat program which presents a strong opportunity for steel production and consumption in India. The production linked incentive scheme, which intends to incentivise the additional steel production in India, is expected to boost special steel demand in Automobile & Auto components, consumer durables, solar equipment, telecom, etc.

The industry is also benefitting from the developments happening across various industries. The new Vehicle Scrappage policy will help in reducing the steel prices since the policy enables recycling the materials used in old vehicles. In the healthcare front, major steel producers are now exceeding their production capacities to produce oxygen cylinders for COVID patients. In 2021, Indian Railways is planning to procure over 11 lakh tons of steel from Steel Authority of India Limited (SAIL) for the track renewal and laying new lines across the country.

Threats

The main challenges facing the steel industry today are capacity bottlenecks, high raw material and energy costs and end product price volatility. Taking these in order, the industry in the last 5 years has made unplanned and over- investment in new capacity for several reasons:

- Investments in technology upgrades are often accompanied by capacity increases.
- Availability of relatively cheap capital for new investment in countries such as China.
- China, Russia and India are geographically large, with high internal transport costs, meaning mills supplying local markets can survive.
- Producers in Russia, India and Ukraine in particular have low production costs (due to the availability of local raw materials); this is also partly true for Turkey.



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Outlook of Indian Steel Industry

The steel industry is one of India's core industries, contributing to slightly more than 2 % of GDP. According to the national steel policy, the business has planned to accomplish 300 MTPA by 2030-2031 and become independent in manufacturing a few special grades. The planned capacity expansion and demand growth is expected to leverage Rs 10 lakh crore incremental capital infusion and 30 GW power supply to the steel business. India's steel industry employs more than 20 lakh individuals through direct and indirect positions. It is expected to grow to produce 36 lakh employments by 2031- broadly adding to the country's economic success directly (total value creation) and indirectly by assisting with building buying power through the generation of employment.

The Indian government has announced a variety of initiatives over the years to promote the development of the domestic steel industry, for instance, advancing steel-consuming businesses, for example, infrastructure projects, including rail transport network, dedicated freight corridors, high-speed railway tracks, affordable housing projects, and low-cost power transmission. The Ministry of Steel has likewise made efforts to support this area over the past few years. Some drivers include securing raw materials and helping efficient production stream by using digitization in mining, promoting a shift to an energy-efficient and environmentally friendly steel industry, expanding the capabilities of domestic steel plants, enabling supply through phrased best-in-class greenfield and brownfield capacity addition, and setting up value adding coast-based steel clusters for logistical transformation.

All the major steelmakers in India have deferred the capacity addition plans of almost 15 MT in the last two years. In early FY21, Indian steel players saw utilizations reduced by 5 to 10 percent compared with previous years; some players also had higher dependence on exports. For most players, sustained negative cash-flows cannot support high leverage. But India has raw materials cost advantage with huge iron ore reserves; the cost curve will tend to lower with raw materials, logistics, productivity, and energy improvements.

Infrastructure growth requires the availability of steel, MSP having its integrated plant at Raigarh is ideally positioned to capitalize on these opportunities. While the current operations and balance sheet indicate past performance, the potential for future performance and value addition through the assets of MSP and its subsidiaries can be significant. However, this will require reshaping the investments, market, and operations strategy for MSP and its subsidiaries to create value-added products and services for the market while exploring synergies with other related firms.

India's GDP growth is expected to remain muted. Therefore, the steel industry's growth will likely stay strong in 2022 – overcoming the challenges mentioned above. Consequently, the country will need a strategy and revival plan to mitigate the impact of the pandemic induced slowdown.

1. The Rising Demand for Steel

The rising demand for Steel in the world has predicted that in FY22 crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes. The growth in the Indian steel sector has been driven by the 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. The nation has modified old plants and upgraded them to higher energy efficiency levels. To put things in perspective, the Indian steel industry is classified into three categories – major producers, main producers and secondary producers.

India's finished steel consumption is anticipated to increase to 230 MT by 2030-31 from 86.3 MT in FY22. As of October 2021, India was the world's second-largest producer of crude steel, with an output of 9.8 MT.

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2. 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.

3. Policy Support

In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.

Under the Union Budget 2022-23, the government allocated Rs. 47 crore (US\$ 6.2 million) to the Ministry of Steel.

4. Competitive Advantage

As of September 2021, India was the world's second-largest producer of crude steel, with an output of 9.5 MT.

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

India is home to fifth-highest reserves of iron ore in the world.

3. COMPANY'S (FINANCIAL AND OPERATIONAL) PERFORMANCE

a. The Financial performance of the Company for 2021-2022 is given below:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	F.Y. 21-22	F.Y. 20-21	F.Y. 21-22	F.Y. 20-21
Revenue from Operations	2,33,957.86	1,72,313.44	2,33,957.86	1,72,313.44
Other Income	3,39.42	90.96	339.59	93.07
Total Income (A)	2,34,297.28	1,72,404.40	2,34,297.45	1,72,406.51
Profit/(Loss) Before Tax	3,816.29	864.14	2,990.01	847.14
Provision For Taxation	-	-	-	-
Deferred Tax	421.09	358.61	421.59	359.2
Net Profit/(Loss)	3,395.20	505.53	2,568.42	487.94
Other Comprehensive Income/(Loss)(net of tax)	62.43	(9.40)	62.43	(35.83)
Total Comprehensive Income	3,457.63	496.13	2,630.85	452.11

● Standalone

The standalone gross revenue from operation stood at Rs. 2,33,957.86 Lacs in the financial year 2021-2022 as compared to Rs. 1,72,313.44 Lacs in the previous financial year 2020-2021.

● Consolidated

The company reported consolidated revenue from operation of Rs. 2,33,957.86 Lacs in the financial year 2021-2022 as compared to Rs. 1,72,313.44 Lacs in the previous financial year 2020-2021.

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

Sl. No.	Particulars	UOM	Year Ended 31.03.2022	Year Ended 31.03.2021	Growth YOY
1	Debtor Turnover Ratio	Times	29.56	21.71	7.85
2	Inventory Turnover Ratio	Times	5.37	3.70	1.67
3.	Interest Coverage Ratio	Times	1.40	1.11	0.29
4	Revenue Growth	Rs. In Lakhs	61644.42	19040.73	42603.69
5	EBITDA	Rs. In Lakhs	15862.23	14337.71	1524.52
6	Operating Profit Margin	%	5.88	7.06	1.18
7	Net Profit Margin	%	1.45	0.29	1.16
8	EBITDA MARGIN	%	6.78	8.32	-1.54
9	ROE %	%	8.81	1.31	7.50
10	ROCE%	%	9.10	7.80	1.30
11	PBT	Rs. In Lakhs	3816.29	864.14	2952.15
12	PAT	Rs. In Lakhs	3395.20	505.53	2889.67
13	Net Worth	Rs. In Lakhs	61872.91	58415.28	3457.63
14	Capital Employed	Rs. In Lakhs	114516.39	112749.57	1766.82
15	Current Ratio	Times	1.39	1.55	-0.16
16	Debt to Equity Ratio	Times	1.33	1.31	0.02
17	Fixed Assets Turnover Ratio	Times	2.83	2.02	0.81

c. Return on Network

The details of return on net worth are given below:

Particulars	2021-2022	2020-2021	Growth YOY
Return on Network (%)	1.61	1.52	0.09

The Network of the Company has increased in the Current Financial Year 2021-2022 due to increase in the profits of the Company. It increased to Rs. 61872.91 Lakhs in comparison to the previous Financial Year 2020-2021 of Rs. 58415.28 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:

MSP STEEL & POWER LIMITED	AA ESS Tradelinks Private Limited (Associate Company) 42.75%
	Madanpur South Coal Company Limited (Joint Venture) 14.54%
	MSP Cement Limited (Wholly Owned Subsidiary) 100%
	Prateek Mines & Minerals Private Limited (Subsidiary) 63.69%

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

(₹ In Lacs)

Name of the Company	% of Share	Networth as on 31.03.2022	Profit/ (Loss) for the Year 31.03.2022
MSP Cement Limited CIN: U26940CT2008PLC002120	100 %	28.46	(6.08)
Prateek Mines & Minerals Private Limited CIN:U14219WB2006PTC112186	63.69%	88.59	(3.67)
Aa Ess Tradelink Private Limited CIN: U51109WB1995PTC072185	42.75 %	8381.71	(2.03)
Madanpur South Coal Company Limited CIN: U10300CT2006PLC020006	14.54 %	696.10	15.54

e. Earnings Per Share (EPS)

The Earnings per Share (EPS-Basic and Diluted) of the Company for the current financial year 2021-2022 is Rs. 0.88 and Rs.0.13 respectively as compared to the (EPS-Basic and Diluted) for the previous financial year 2020-2021 was Rs.0.82 and Rs. 0.13 respectively.

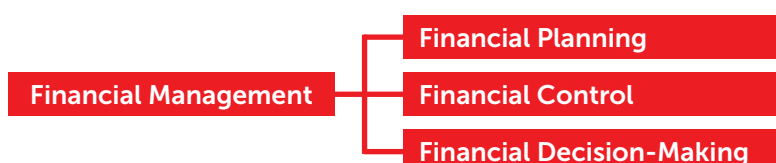
4. FINANCIAL MANAGEMENT

Financial management is **strategic planning, organising, directing, and controlling of financial undertakings** in the Company. It also includes applying management principles to the financial assets of an organisation, while also playing an important part in fiscal management.

The objectives involved in financial management include:

- Maintaining enough **supply of funds** for the organisation;
- Ensuring shareholders get **good returns** on their investment;
- Optimum and efficient **utilisation of funds**;
- Creating real and safe **investment opportunities**.

The scope of Financial Management is as follows:



The Board of Directors and the Senior Management personnel of the Company takes part in financial decision of the Company such as adequate forecasting of the total financial cash requirements, proper utilisation of 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. This ensures regular and adequate supply of funds, optimum funds utilization, safety on investment, i.e, funds should be invested in safe ventures so that adequate rate of return can be achieved.

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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 considers the quality and commitment of its human resources to be its most important asset and places great emphasis on training and development of human resources at all levels and providing conducive working environment. The Management firmly believes that business cannot grow without utilising the potential of its human resources.

As on 31st March, 2022 the total strength of employees is 1044 as compared to 1060 in the previous year as on 31st March, 2021. Your Company maintains a cordial relationship with its employees and values the safety of its employees ensuring safe work practices. Despite the pandemic bringing new challenges before the Company, your Company continued to evolve its people practices in supporting its employees through the challenging times. The Company pursued vaccination of its workforce and their family members and achieved the vaccination coverage of over 99% of employees across all location and businesses.

Your Company has a culture of working together through joint consultation between Senior Management and employees and a very strong commitment towards mutual development. Your Company believes in developing long term relationships with all our employees on an ongoing basis. Industrial relations at all the manufacturing units of your Company have been harmonious and peaceful with active involvement of the employees in the collective bargaining process.

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

The Company is having adequate systems of internal control commensurate with its size and nature of its business. These internal controls have been designed to provide reasonable assurance that all company operational and financial processes are adequate to safeguard and protect against any loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

Internal control system is highly important in the light of current economic downturn. Monitoring, review and assessment of internal controls across various functions is performed at regular intervals by the Audit Committee and corrective actions are initiated whenever deemed necessary. Continuous evaluations is necessary to ensure whether the implemented internal control system is effective as intended by the Board of Directors. The Audit Committee also meets the Company's Internal Auditors as well as Statutory Auditors to ascertain for their views on the adequacy of internal control systems of the Company and keeps the management informed of its major observations.

Management Discussion and Analysis Report 2021-2022 (Contd.)

8. RISK AND CONCERN

Risk is an integral factor in virtually in all types of businesses and have to be addressed and mitigated to minimize the risks. At MSPL, risks are adequately identified, estimated and controlled by proper risk mitigations. The company has taken adequate risk minimization measures in all the business verticals and activities in the operations, finance and HR by leveraging its in-depth knowledge of the business acquired by knowing the markets trends, its competitors and steel sector policies and respond accordingly towards the management of risks. However, the unpredictable challenges like inflation, liquidity crunch, slower industrial growth, depreciating rupee, political instability and volatile commodity prices may likely to affect performance of the industry in future despite the risk measures taken by the company.

The Company has a focused towards value chain excellence, overall operational excellence, pandemic & crisis management, throughput maximization, enriching product mix, customer centricity with diversification of customer base, sustainable initiatives, employee engagement, synergy & integration and leveraging IT & digital to sustain the most critical situation in the pandemic times.

9. CAUTIONARY STATEMENT

The Management Discussions and Analysis Report describe 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 criticality 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 are pleased to present the Fifty-Third Annual Report of the Company along with the audited standalone and consolidated financial statements for the year ended 31st March 2022.

CORPORATE OVERVIEW

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.

Notwithstanding these near-term challenges, Indian Steel sector offers significant potential for growth. In the mid to long term, we will continue to create value for all its stakeholders by growing ahead of the market, delivering modest margin expansion and through disciplined use of capital.

FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Standalone and Consolidated financial results for the year ended 31st March, 2022 are as follows:-

Particulars	Standalone		Consolidated	
	F.Y. 21-22	F.Y. 20-21	F.Y. 21-22	F.Y. 20-21
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Revenue from Operations	2,33,957.86	1,72,313.44	2,33,957.86	1,72,313.44
Other Income	3,39.42	90.96	339.59	93.07
Total Income (A)	2,34,297.28	1,72,404.40	2,34,297.45	1,72,406.51
Profit/(Loss) Before Tax	3,816.29	864.14	2,990.01	847.14
Provision For Taxation	-	-	-	-
Deferred Tax	421.09	358.61	421.59	359.2
Net Profit/(Loss)	3,395.2	505.53	2,568.42	487.94
Other Comprehensive Income/(Loss) (net of tax)	62.43	(9.40)	62.43	(35.83)
Total Comprehensive Income	3,457.63	496.13	2,630.85	452.11

Presentation of Standalone and Consolidated Financial Statements

The financial statements of the Company for the year ended on March 31, 2022, 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 (referred to as the 'Listing regulations') and amendments thereto, 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.

RESULT OF OPERATIONS AND PERFORMANCE

The COVID-19 pandemic has led to the an unprecedented health crisis and has disrupted economic activities and global trade while weighing on consumer sentiments. During the year under review, the nation experienced high severity and mortality of citizens brought by the second wave of the ongoing COVID-19 pandemic. With intermittent nationwide lockdowns and disruption in regular economic activities, there was price volatility of raw materials and sluggish market demand during first half of the year under review.

Board's Report (Contd.)

At MSP, as we continue in our endeavor to fight waves of COVID-19 our priority remains the safety and well-being of our employees, and business continuity for our clients. Business continuity programs were tested and practiced, and the processes were proven to be resilient. We facilitated Company-sponsored vaccination drives in India for employees both at the office and at the Plant. To mitigate the risks and challenges faced by the Company during the pandemic, the Company enhanced safety and hygiene norms at offices, implemented work from home, staggered shift timings for safety of employees and leveraged digital platforms for its day-to-day operations. Even amid an unprecedented global crisis, we continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders. During the fiscal year 2022, India saw second and third waves of COVID-19 driven by the highly transmissible Delta and Omicron COVID variants respectively. This led to a fresh set of restrictions in the country which impacted the economic activity. However, the Company dealt with the pandemic by continuing to focus on operational excellence, marketing strategies, and keeping its employees and community at the core of it.

Standalone Highlights:

The Company was able to gradually normalize its operations, 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. 2,33,957.86 Lacs as against Rs. 1,72,313.44 Lacs in the financial year 2020-2021, showing an increase of approx 36%.

Profit before tax for the current year is Rs 2,998.63 Lacs as against Rs 864.14 Lacs in the previous year representing a growth of thereby.

Profit after tax for the current year is Rs 3,395.20 Lacs as against Rs 505.53 Lacs in the previous year representing a growth of thereon.

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 statements of the Company.

The Consolidated gross revenue from operations stood at Rs. 2,33,957.86 Lacs as against Rs. 1,72,313.44 Lacs in the financial year 2020-2021 thereby.

Profit before tax for the current year is Rs2,990.01 Lacs as against Rs 847.14 Lacs in the previous year representing a growth of thereon.

Profit after tax for the current year is Rs2,568.42Lacs as against Rs 487.94Lacs in the previous year representing a growth of 426.38%

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, 2022. In terms of the Regulation 43A of the Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the Company's website at www.mspsteel.com/about-us/corporate-policies.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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"), unpaid or unclaimed dividend amounting

Board's Report (Contd.)

to Rs 1,17,486/- for the financial year 2009-2010 was transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by 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 are also transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred 25,714 shares, 37,901 shares, and 4 shares for the financial year 2009-2010, 2010-2011 and 2011-2012 respectively to IEPF Authority.

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 Nodal Officer for the purpose of co-ordination with the IEPF Authority are available at the website of the Company at www.mspsteel.com

TRANSFER TO RESERVES

In accordance with IEPF Rules, the BOD have appointed Ms. Shreya Kar, CS of the Co., as the nodal officer of the Co. Details for the purpose of co-ordination with the IEPF Authority are available at the website of the Company.

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 Listing Regulations.

CHANGE IN REGISTERED OFFICE OF THE COMPANY

The registered office of the company has changed from 1, Crooked Lane, Kolkata-700069 to 16/S, Block-A, New Alipore, Kolkata-700053 w.e.f. 15th November 2021.

SHARE CAPITAL

During the Financial Year 2021-2022, there was no change in the Authorized Share Capital and Paid-up Share Capital of the Company. As on March 31, 2022, 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.

OPTIONALLY CONVERTIBLE DEBENTURES (OCD)

The aggregate outstanding amount of Optionally Convertible Debentures ("OCD") of the Company as on March 31, 2022 is. Rs. 451,97,05,540/- (Rupees Four Hundred Fifty One Crores Ninety Seven Lakhs Five Hundred And Five Forty Only) consisting of 45,19,70,554 (Rupees Forty-five Crore Nineteen Lakhs seventy Thousand Five Hundred And Fifty Four Only) 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.

SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

In line with Section 129(3) of the Act read with Companies (Accounts) Rules, 2014, the Listing Regulations and in accordance with Indian Accounting Standards, Consolidated Financial Statements (CFS) prepared by your

Board's Report (Contd.)

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 Director's Report and forms part of this report. The Statement provides the detailed performance of the Subsidiaries including associate company and Joint venture.

The Company has 2 Subsidiaries i.e. MSP Cement Limited & Prateek Mines & Minerals Private Limited, 1 Associate i.e. AA ESS Tradelinks Private Limited and 1 Joint Venture Companies i.e. Madanpur South Coal Company Limited as on 31st March, 2022.

The Annual Report alongwith the Audited Financial Statements of each of subsidiary of your Co. are also available on the website of your Company at www.mspsteel.com. Details of the subsidiary are given in the Annual Report in Form MGT-7.

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 <https://www.mspsteel.com/about-us/corporate-policies>

In accordance with Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and separate financial statements of each of the subsidiary companies are available on the company's website at <https://www.mspsteel.com/investors/financials>

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 the Act read with the Companies (Acceptance of Deposit) Rule, 2014.

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.

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.

CORPORATE GOVERNANCE

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 Listing Regulations, the Act and its relevant rules, a separate section on Corporate Governance practices followed by the Company, together with the requisite Certificate from the Company's Auditor confirming compliance forms an integral part of report.

BUSINESS RESPONSIBILITY REPORT

The Company accordingly does not falls under the top 1000 listed companies based on the market capitalization as on March 31, 2022. Therefore, the BRR as stipulated under the Regulation 34(2) of the Listing Regulations is not applicable to the Company for the financial year 2021-2022.

Board's Report (Contd.)

DIRECTORS & KEY MANAGERIAL PERSONNEL

Board of Directors

Detailed notes on the composition of Board including its term of reference is provided in the Corporate Governance Report.

Composition of the Board of Directors:

The Company recognizes and embraces the importance of a diverse Board in its success. Your Company's Board is duly constituted and is in compliance with the requirements of the Act, the Listing Regulations and provisions of the Articles of Association of the Company.

Change in Directorate:

- ***Retirement by Rotation***

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Manish Agrawal (DIN: 00129240) Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

- ***Appointment and Cessation***

With profound sadness and grief, the Directors report the sad demise of Mr. Kapil Deo Pandey, Non-Executive Independent Director of the Company on Wednesday, July 27th 2022. Mr. Kapil Deo Pandey was initially appointed as an Independent Director of the Company w.e.f.17th June, 2015 and presently was re-appointed as Independent Director of the company for second term of 4 consecutive years from 21st September 2021 to 20th September 2025 and played crucial leadership roles through which the company was immensely benefitted. The Board conveys its deep sympathy, sorrow and condolences to his family and places on record. Its deep appreciation of the valuable services rendered by Mr. Kapil Deo Pandey during his tenure on the Board of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has approved the appointment of Mr. Prateek Bansal (DIN: 01836662) as an additional director in the post of Independent Director in place of Late Mr. Kapil Deo Pandey w.e.f.1st September, 2022 Brief Profile of Mr. Prateek Bansal has been given in the notice convening Annual General Meeting.

Key Managerial Personnel in the Board

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***

During the year under review Following persons are designated as Independent Directors of the Company pursuant to The Act and Regulation 25 of the Listing Regulations:

Board's Report (Contd.)

- i. Mr. Kapil Deo Pandey*
- ii. Mr. Navneet Jagatramka
- iii. Mrs. Suneeta Mohanty
- iv. Mr. Ashok Kumar Soin
- v. Mr. Prateek Bansal**

*Mr. Kapil Deo Pandey got expired on 27.07.2022

**Prateek Bansal is appointed as Independent Director on 01.09.2022

● Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 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 judgment and without any external influence, after undertaking due assessment of veracity of the same.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further in terms of Section 134(3)(m) of the Act read with Rule 8(5) (iia) of the Companies (Accounts) Rules, 2014 (as amended) all the Independent Directors of the Company have enrolled or will enroll themselves with the Indian Institute of Corporate Affairs (IICA) as was notified and required under Section 150(1) of the Act.

The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the the Act and the Listing Regulations.

None of the Directors on the Board of your Company are disqualified for being appointed as a Director as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014 or applicable regulations of the Listing Regulations.

Committees of the Board

The Board of Directors of your Company had constituted the following 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

During the year, all recommendations of the committees of the Board which were mandatorily required have been accepted by the Board. Detail overview of the Committee forms part of Corporate Governance report.

Meetings of the Board of Directors & Independent Directors

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 Board of Directors met twelve times during the financial year 2021-2022. on the following dates: 19th April, 2021, 11th June, 2021, 14th July, 2021, 12th August, 2021, 24th August, 2021, 22nd October, 2021, 2nd November, 2021, 15th November, 2021, 20th December, 2021, 11th January, 2022, 12th February, 2022, 31st March, 2022.

Board's Report (Contd.)

Details of the meetings of the Board of Directors and Committee held and attended by the Directors during the year under review are given in the Corporate Governance Report which form part of this 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, 2022, A Detailed overview of the meeting and roles of the Independent Directors are given in Corporate Governance Report which forms part of the Annual Report.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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.

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 Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall: (i) formulate the criteria for board membership, including the appropriate mix of Executive & Non-Executive Directors; (ii) approve and recommend compensation packages and policies for Directors and Senior Management; and (iii) lay down the effective manner of performance evaluation of the Board, its Committees and the Directors.

The salient features of the Nomination and Remuneration Policy of the Company along with highlights of changes made during the year are outlined in the Corporate Governance Report which forms part of this Report. The Nomination and remuneration policy has been revised by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations. The detail of the policy along with Board Evaluation process for the Financial Year 21-22 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 <https://www.mspsteel.com/about-us/corporate-policies>

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 (CSR) 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.

Board's Report (Contd.)

In line with the Company's CSR Policy and strategy, the Company has undertaken projects in the areas of eradication of illiteracy, Infrastructural Development, Health Care facilities and Social Activity. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy.

The Company has pioneered various CSR initiatives. The Company continues to address societal challenges through societal development programmes and remains focused on improving the quality of life. 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 CSR Policy was revised by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations.

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company's CSR policy provides guidelines to conduct CSR activities of the Company. The salient features of the Policy forms part of the Annual Report on CSR activities annexed to the Board's Report. The CSR policy is available on the website of the Company at the link: <http://mspsteel.com/about-us/corporate-policies>.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2022, 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.

RISK MANAGEMENT

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.

With the continuation of the COVID 19 pandemic, the challenges of uncertain lockdowns, unlock phases, health hazards and supply chain disruptions across the globe continues to impact the business. These challenges have brought a mix of opportunities and uncertainties impacting the Company's objectives. Risk management, which aims at managing the impact of these uncertainties, is an integral part of the Company's strategy setting and decision making process. The Company regularly identifies uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact your Company's long term goals. This process of identifying and assessing the risks is a two-way process with inputs being taken from employees across the organisation.

The Board of Director of your Company has adopted a Risk Management Policy aimed to ensure resilience for sustainable growth and sound corporate governance by having a process of risk identification and management in compliance with the provisions of the Act and the Listing Regulations. 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 defines the 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>

Board's Report (Contd.)

VIGIL MECHANISM/WHISTLE BLOWER

The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices. The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations. As per the said policy, the protected disclosures can be made by a Whistle Blower through an email, or a letter to the Chairperson of the Audit Committee.

The Policy was revised by the Board during the year under review to build and strengthen a culture of transparency and trust. 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 the web-link: <https://www.mspsteel.com/about-us/corporate-policies>.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment Act"), the Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates and it has zero tolerance towards sexual harassment at the workplace. 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 31.03.2022	Nil
b	No. of Complaints disposed of during the financial year	Nil
c	No. of pending Complaints as on 31.03.2022	Nil

26. RELATED PARTY TRANSACTIONS

During the year under review, all related party transactions entered into by the Company, were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. 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** pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company. The routine related party transactions were placed before the Audit Committee for their omnibus approval.

There are no materially significant related party transactions.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone/consolidated financial statements forming part of this Annual Report 2021-22.

The Company in terms of Regulation 23 of the Listing Regulations submits within the stipulated time from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related

Board's Report (Contd.)

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>

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 2021-22, i.e. Indian Accounting Standards (IND AS) have been followed along with proper explanation relating to material departures;
- (b) that the directors have 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, 2022 and of the profit of the company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) that the directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1), Revised Secretarial Standard on General Meetings (SS-2), Secretarial Standard on Dividend (SS-3) Secretarial Standard on Report of the Board of Directors (SS-4) respectively issued by Institute of Company Secretaries of India.

LISTING ON STOCK EXCHANGE

The Company's shares are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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.

STATUTORY AUDITOR & AUDITOR'S REPORT THEREON

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.

Board's Report (Contd.)

In terms of the provisions of the the Act, an audit firm acting as the statutory auditor of a company is eligible to be appointed as statutory auditors for two consecutive terms of five years each. The first term of Singhi & Co. as statutory auditors of the Company expires at the conclusion of the 53rd Annual General Meeting of the Company scheduled to be held on 27th September 2022.

However the Board of Directors of the Company at their meeting held on 1st September 2022 on the recommendation of the Audit Committee and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the appointment M/s S K Agrawal & Co Chartered Accountants LLP (Formerly S K Agrawal & Co.) (LLPIN-AAV-2926, Firm Registration No.-306033E/E300272), as the Statutory Auditors, for a period of 2 (Two) Consecutive years i.e. from the conclusion of the AGM held for the Financial year 2021-2022 till the conclusion of AGM of the Company to be held for the Financial year 2023-2024.

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, 2022. The said Auditors' Report(s) for the financial year ended 31st March, 2022 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.

As required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance received from M/s. Singhi & Co., Chartered Accountants is annexed to the Corporate Governance Report forming part of this Annual Report.

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

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps. The internal audit team hired by the Company has access to all information in the organisation – this is largely facilitated by ERP & Light House implementation across the organisation. The Internal Auditor reports directly to the Chairman of Audit Committee.

Secretarial Auditor

The Board of Directors of the Company, in pursuant to the provisions of Section 204 of the Act and on the recommendation made by the Audit Committee, have re-appointed M/s. Bajaj Todi & Associates, Practicing Company Secretaries, (C.P. No.:3502), as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2022-23 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year 2021-22 under the Act read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in **Annexure – 5** to this Report.

The Secretarial Audit Report (MR-3) for FY 2021-2022 does not contain any qualification, reservation or adverse remarks.

As required by Schedule V of the Listing Regulations, a Certificate from practicing Company Secretary on non-disqualification of Director from being appointed or continuing on Board is received from appointed M/s. Bajaj Todi & Associates is annexed to the Corporate Governance Report forming part of this Annual Report.

Board's Report (Contd.)

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2021-22 for all applicable compliances as per The Listing Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report required under Regulation 24A of the Listing Regulations, duly signed by M/s. Bajaj Todi & Associates dated 14th May, 2022, has been submitted to the Stock Exchange.

The Secretarial Compliance Report for FY 2021-2022 does not contain any qualification, reservation or adverse remarks.

Cost Auditor

The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act. Mr. Sambhu Banerjee, Cost Auditor (Membership No. 9780), have carried out the cost audit for applicable products during the financial year 2021-22.

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have appointed Mr. Sambhu Banerjee, Cost Auditor (Membership No. 9780), as the Cost Auditors of the Company to conduct the audit of cost records of products for the financial year 2022-23. Mr. Sambhu Banerjee, being eligible, has consented to act as the Cost Auditors of the Company for the financial year 2022-23. 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 53rd Annual General Meeting for their ratification.

The Cost Audit Report for the financial year 2021-22 does not contain any qualification, reservation, or adverse remark.

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.

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.

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.

Board's Report (Contd.)

INVESTOR SERVICES

The Company and its Registrar M/S KFin Technologies Limited (KFintech) is looking after the physical as well as demat work and also shareholders correspondence in terms of SEBI direction for having a common Registrar and Share Transfer Agent, endeavored their best to service the Investors satisfactorily.

REGISTRAR AND SHARE TRANSFER AGENT

The name of the Company's Registrar and Share Transfer Agent, Kfin Technologies Pvt. Ltd has been changed to Kfin Technologies Ltd with effect from 24th February, 2022.

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.

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 available in our Company's Website <http://www.mspsteel.com/Awards>:

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 2021-22 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.
- x) The company with the view of its vision and mission has changed its logo with effect from 1st September, 2021.
- xi) The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company;
- xii) The Company's securities were not suspended during the year under review;

Board's Report (Contd.)

ANNEXURES FORMING PART OF THIS REPORT

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form part of this Report:

Annexure	Particulars
1	FORM AOC-1
2	Corporate Social Responsibility for the F.Y. 2021-22
3	Statement of Disclosures on remuneration of directors and employees of the Company
4	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
5	Secretarial Audit Report

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 that company's operations 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.

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. Your Board is deeply grateful to our investors and shareholders for the confidence and faith that has always been reposed in us.

The Directors place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support

For and behalf of the Board
MSP STEEL & POWER LIMITED

Saket Agrawal
 DIN: 00129209
 (Managing Director)

Suresh Kumar Agrawal
 DIN: 00587623
 (Chairman)

Date: 1st September, 2022
 Place: Kolkata

Annexure - 1

FORM 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

(₹ In lacs)

Sl. No.	Name of the Subsidiary	MSP CEMENT LIMITED	PRATEEK MINES & MINERALS PRIVATE LIMITED
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2021-22	2021-22
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees	Rupees
3	Share Capital	58.07	8.95
4	Reserves & Surplus	(29.61)	79.64
5	Total assets	80.36	171.73
6	Total liabilities	80.36	171.73
7	Investment	0	0
8	Turnover	0	0
9	Profit before taxation	(6.08)	(3.16)
10	Provision for taxation	0	(0.50)
11	Profit after taxation	(6.08)	(3.66)
12	Proposed Dividend	0	0
13	% 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

(₹ In lacs)

Name of Associates/ Joint Ventures	AA ESS TRADELINKS PVT LTD.	MADANPUR SOUTH COAL COMPANY LTD
REPORTING CURRENCY	₹	₹
1. Latest audited Balance Sheet Date	March 31, 2022	March 31, 2022
2. Shares of Associate/ Joint Ventures 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	8,381.71	696.10
6. Profit / Loss for the year		
i. Considered in Consolidation	(99.09)	(12.90)
ii. Not Considered in Consolidation	-	-

For and on behalf of the Board of Directors

Suresh Kumar Agrawal
Chairman
(DIN: 00587623)

Kamal Kumar Jain
Chief Financial Officer

Saket Agrawal
Managing Director
(DIN:00129209)

Shreya Kar
Company Secretary
MEM. No. A41041

Date: 01.09.2022
Place: Kolkata

Annexure - 2

Corporate Social Responsibility for the F.Y. 21-22 (Pursuant to Section 135 of the Companies Act, 2013)

- 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 for 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

- 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. Manish Agrawal	Chairman	1	1
2	Mr. Saket Agrawal	Member	1	1
3	Mr. Kapil Deo Pandey	Member	1	1

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs.in Lacs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2018-19	101	0
2	2019-20	173.91	0
3	2020-21	156.76	0
	TOTAL	431.67	0

- Average net profit of the company as per section 135(5): **Rs.(686.98) Lacs**
- Two percent of average net profit of the company as per section 135(5): **Rs.(13.74) Lacs**
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NA**
 - Amount required to be set off for the financial year, if any: **NA**
 - Total CSR obligation for the financial year (7a+7b-7c): **Rs.(13.74) Lacs**
- (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (Rs. in Lacs)	Amount Un spent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
160.82			NIL		

Annexure - 2 (Contd.)

(b) Details of CSR amount spent against ongoing 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 ongoing 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 implementation – Direct (Yes/ No)	Mode of implementation-Through implementing agency	
				State	District			Name	CSR Registration number
1.	Eradication of Illiteracy	(ii)	Yes	Chhattisgarh	Raigarh	67,54,162		Yes	
2.	Healthcare	(i)	Yes	Chhattisgarh	Raigarh	16,21,580		Yes	
3.	Infrastructural Development	(i)	Yes	Chhattisgarh	Raigarh	3,35,490		Yes	
4.	Social Activity	(iv) & (v)	Yes	Chhattisgarh	Raigarh	73,71,002		Yes	
	TOTAL					1,60,82,234			

(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. 1,60,82,234**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs.in Lacs)
(i)	Two percent of average net profit of the company as per section 135 (5)	(13.74)
(ii)	Total amount spent for the Financial Year	160.82
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	160.82

Annexure - 2 (Contd.)

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) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	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 (in Rs.)	Amount spent on the project in there reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	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)

- Date of creation or acquisition of the capital asset(s) - None
- Amount of CSR spent for creation or acquisition of capital asset - Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- 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 percent of the average net profit as per section 135(5) - Not Applicable

For **MSP Steel & Power Ltd.**

Manish Agrawal
Chairman
CSR Committee

Saket Agrawal
Member

Annexure - 3

Statement of Disclosure under section 197 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 2021-2022 (Rs. in Lacs)	% increase in remuneration in the F.Y 2021-2022	Ratio of Remuneration of each Director/ to median remuneration of employees
1.	Mr. Saket Agrawal (Managing Director)	52.15	32.77	8.69 : 0.03
2.	Mr. Suresh Kumar Agrawal (Chairman)	49.4	40.59	24.7 : 0.09
3.	Mr. D.Singh (Executive Director)	12.9	27.81	2.15 : 0.03
4.	Mr. Manish Agrawal (Non- Executive Promoter Director)	48.9	30.67	8.15 : 0.03
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)	31.54	15.41	Not Applicable
10.	Ms. Shreya Kar (Company Secretary)	7.58	19.06	Not Applicable

- The median remuneration of employees of the Company during the financial year was approximately Rs. 18085.
- There has been increase in the median remuneration as compared to the previous year.
- There were 1087 permanent employees on the rolls of Company as on March 31, 2022;
- Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2021-22 was (7.92)%.
- 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, Research & Development, Technology Absorption, Foreign Exchanges Earning & Outgo:

Pursuant Section 134(3) (m) of the Companies Act, 2013 read with relevant Rule 8(3) of Companies (Accounts) Rules, 2014 Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo relating to the financial year ended 31st March, 2022 are as follows:

A. Conservation of energy:

In FY 2021-22, in sync with MSP Steel's sustainability vision and goals, the Company continued to focus on energy efficiency measures. The Company deployed several initiatives and technological interventions to conserve energy and use renewable sources of energy. The Company is always conscious about the need for energy conservation. Continuous monitoring optimization of energy conservation is undertaken at plant level.

1. Prevention/minimization-i.e., Preventing wastage/minimisation of energy usage by relentless optimisation of process parameters to achieve lower values of fuel / energy consumption.
2. Improving Recovery – deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts /recovery systems.

i. Steps taken for conservation of energy:

Chhattisgarh

- Energy Efficient burners in Pellet plant-2 Kiln
- Recasting of DRI kiln-1&2 to reduce radiation loss
- Kiln zone-2 hot air (waste heat recovery) utilization in Traveling Grate
- Balling disc utilization optimization to reduce electrical energy consumption in Pellet division
- Fixed scraper in place of rotary scraper in balling disc in pellet division
- Variable frequency drive (VFD) implementation in ACWP in CPP-2
- Installation of efficient low frequency coil in induction furnace (Furnace-1&2) in SMS Division
- New energy efficient pump in cooling tower in RMS division
- Energy efficient LED lighting system installed in place of conventional lights in the plant.
- Installation of efficient low frequency coil in induction furnace (Furnace-1&2) in SMS Division.
- Generated 24 TPH process steam generation through waste heat recovery boilers

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

Chhattisgarh

During the FY 2021-22, there was no major project implemented for utilization of alternate sources of energy, however the company has implemented three Waste heat recovery boilers (2X39.2 TPH and 1X40TPH) for power generation of capacity 24MW.

iii. Capital investment on energy conservation equipments:

Sl.No.	Particulars	Rs. Lakhs
Chhattisgarh-		
1	Investment cost for Energy efficient burner 14757.77	71.39
2	Cost of castable material for Kiln	149.2
3	Cost of VFD	4.97
4	Energy efficient pump cost	0.92

B. Research and Development:

Chhattisgarh

i. Specific areas in which R&D activities were carried out by the company:

Research and Development (R&D) activities at MSP Steel involves new Process and Product development, process improvements for maximisation of quality, cost and energy optimisation, waste utilisation and conservation of natural resources.

The key focus includes:

- Optimising of resource utilisation.
- Quality & productivity improvements and cost optimization through process efficiency improvements.
- Product development, customisation and new applications.
- Recycling and reuse of process waste and conservation of natural resources.
- Developing technology for treating low grade iron ores, dry beneficiation of iron ores, and demonstration of pilot scale facilities.
- New application developments and promotion of slag usage in the country.
- New process technology development for process intensification and productivity.

ii. Benefits derived as a result of R&D efforts:

- Utilize Fly ash in combination of cement in brick making with desired compressive strength
- Developed machine learning based for real-time monitoring at Pellet Plant enabling real-time monitoring of critical process parameter.

iii. The expenditure incurred on Research and Development

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. Technology Absorption:

Chhattisgarh

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 has been fully absorbed: N.A
- d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : N.A

D. 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.

(₹ In Lakhs)

Particulars	21-22	20-21
Foreign Exchange Earned	-	-
Foreign Exchange Used	14768.40	6201.50

Annexure - 5

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 2022, 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, 2022, 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.

For **Bajaj Todi & Associates**

Swati Bajaj

Partner

C.P. No.: 3502, ACS: 13216

Place: Kolkata

Date: 29/08/2022

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.

For **Bajaj Todi & Associates**

Swati Bajaj

Partner

C.P. No.: 3502, ACS: 13216

Place: Kolkata

Date: 29/08/2022

Report on Corporate Governance

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in terms of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") as amended on 31.03.2022 the report contains the details of Corporate Governance systems and processes at MSP Steel & Power Limited.

MSP'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

"Corporate Governance is about promoting Corporate Fairness, Transparency and Accountability"

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance is founded on the pillars of fairness, accountability, disclosures and transparency. These pillars have been strongly cemented which is reflected in your Company's business practices and work culture. The sound governance processes and systems guide the Company on its journey towards continued success. The practice of responsible governance has enabled your Company to achieve sustainable growth, while meeting the aspirations of its stakeholder's and societal expectations.

Strong leadership, creative, zeal, audacity, integrity, thriving for achieving excellence everytime and customer passion have been the Company's hallmark.

The Company follows a philosophy of building sustainable business that are rooted in the employees for an extra-ordinary sustainable growth in near future.

MSP recognizes that good Corporate Governance is a continuous exercise and reiterates its commitment to sustainability and safety of the stakeholder, thus the organization at all time stays focused on creating value and joy for all its Stakeholders. MSP pursues highest standards of Corporate Governance by constantly striving to adopt emerging best practices being followed globally.

CORPORATE GOVERNANCE STRUCTURE ALONG WITH DEFINED ROLES AND RESPONSIBILITY

At MSP Steel & Power Ltd, Corporate governance structure comprises of Board of Directors, Committees of the Board and the Management.

BOARD OF DIRECTORS

Board Composition

The Board has an optimum mix of Executive, Non-Executive Directors with half of the Board comprising of Independent Directors and The Board Members possess adequate qualification, knowledge, expertise & experience thereby having varied perspectives for constructive deliberation facilitating effective decision making. on March 31, 2022, the Board comprised of eight members as follows: two of whom are Executive Directors and two are Non-Executive Directors and

four are Independent Director including a Women Director. Detailed profile of our Directors is available on our website at <https://www.mspsteel.com/about-us/board-of-directors>

The composition of the Board is in conformity with Regulation 17 of the The Listing Regulations read with Section 149 and Section 152 of the Act.

Board Meeting & Procedures

The Boards meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses.

Report on Corporate Governance (Contd.)

Your Company holds at least four Board Meetings in a year, one in each quarter to review the financial results and other items of the agenda. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company.

During the financial year 2021-22 twelve Board Meetings were conducted as against the minimum requirement of four Board Meetings and all the Board and Committee meetings were conducted through both physically. The intervening period between 2 (two) consecutive Board meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The agenda, pre-reads notice of the Board Meeting is given well in advance to all the Directors facilitating effective discussions. Usually, meetings of the Board are held at the registered office of the Company i.e 16/S, Block-A, New Alipore, Kolkata-700053.

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.

The necessary quorum was present for all the meetings. The details of attendance of Directors at Board meetings during the financial year 2021-22, is as reproduced below:

Board Meeting Dates	Board Strength	Numbers of Directors Present
19th April, 2021	8	6
11th June, 2021	8	6
14th July, 2021	8	6
12th August, 2021	8	6
24th August, 2021	8	6
22nd October, 2021	8	6
2nd November, 2021	8	6
15th November, 2021	8	6
20th December, 2021	8	6
11th January, 2022	8	7
12th February, 2022	8	7
31st March, 2022	8	6

Attendance of the Directors at the Board Meeting and the last Annual General Meeting (AGM):

The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2022 are given herein below.

Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public limited companies in which he/she is a director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of The Listing Regulations.

Report on Corporate Governance (Contd.)

The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31 March 2022 are as follows:

Name of the Director	Category	Date of Joining Board	No. of Board Meeting Attended during the FY 2021-2022	Whether attended last AGM held on 17th September, 2021	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	12/12	yes	4	NIL	NIL	Howrah Gases Limited (Managing Director/ Executive Director)
Mr. Saket Agrawal DIN: 00129209	Managing Director/ Executive Director	30th September, 2003	12/12	Yes	4	NIL	NIL	-
Mr. Manish Agrawal DIN: 00129240	Non-Executive Director	5th July, 2003	12/12	No	3	NIL	1	-
Mr. Dhananjay Uchit Singh DIN: 01018678	Executive Director	21st September, 2015	12/12	No	NIL	NIL	NIL	-
Mr. Navneet Jagatramka DIN: 01579357	Non-Executive Independent Director	12th December, 2003	4/12	No	NIL	NIL	NIL	-
Mr. Ashok Kumar Soin DIN: 02986145	Non-Executive Independent Director	21st September, 2012	3/12	No	NIL	NIL	NIL	-
Mrs. Suneeta Mohanty DIN: 08398436	Non-Executive Independent Director	25th March, 2019	7/12	yes	2	1	2	Howrah Gases Limited (Independent Non-Executive Director)
Mr. Kapil Deo Pandey DIN: 07208719	Non-Executive Independent Director	17th June, 2015	9/12	No	2	1	1	-

Report on Corporate Governance (Contd.)

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

Mr. Suresh Kumar Agrawal, Chairman and Non-Executive Director is father of Mr. Saket Agrawal, Managing Director of the Company. Thus both the Directors are relative defined under Section 2(77) of the Act.

Shareholding of Non-Executive Directors of the Company as on 31st March, 2022 are given below:

Sl. No.	Name of the Directors	Category	Number of Equity Shares held	% to the paid up Share Capital of the Company
1	Mr. Manish Agrawal	Non-Executive, Non-Independent	309,000	0.08
2	Mr. Suresh Kumar Agrawal*	Non-Executive, Non-Independent	141,000	0.04

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

*Does not include shares held by Suresh Kumar Agrawal HUF

Independent Director's Separate Meeting

Schedule IV of the Act, the Listing Regulations and SS – 1 mandates that the Independent Directors of the Company to hold at least 1 (one) meeting in a year, without the attendance of any Non-Independent Directors.

The Independent Directors convened a separate meeting without the presence of Non-Independent Directors and members of the management to discuss as mentioned below:

At the said meeting, the Independent Directors considered the following:

- the performance of non-independent directors and the Board as a whole and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

Attendance of Independent Director present in the meeting is mentioned below:

Sl. No.	Names of Independent Directors	Attendance on 12th February, 2022
1	Mrs. Suneeta Mohanty	<input type="checkbox"/>
2	Mr. Ashok Kumar Soin	-
3	Mr. Navneet Jagatramka	<input type="checkbox"/>
4	Mr. Kapil Deo Pandey	<input type="checkbox"/>

Familiarisation Program of Independent Directors

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company including Finance, Sales, Marketing of the Company's major business segments, practices relating to Human Resources, overview of business operations of major subsidiaries, global business environment, business strategy and risks involved.

Report on Corporate Governance (Contd.)

The details of the familiarisation programme of the Independent Directors are available on the website of the Company at the link: <https://www.mspsteel.com/about-us/corporate-policies>

Core Skill/Expertise/Competencies of Board of Directors

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

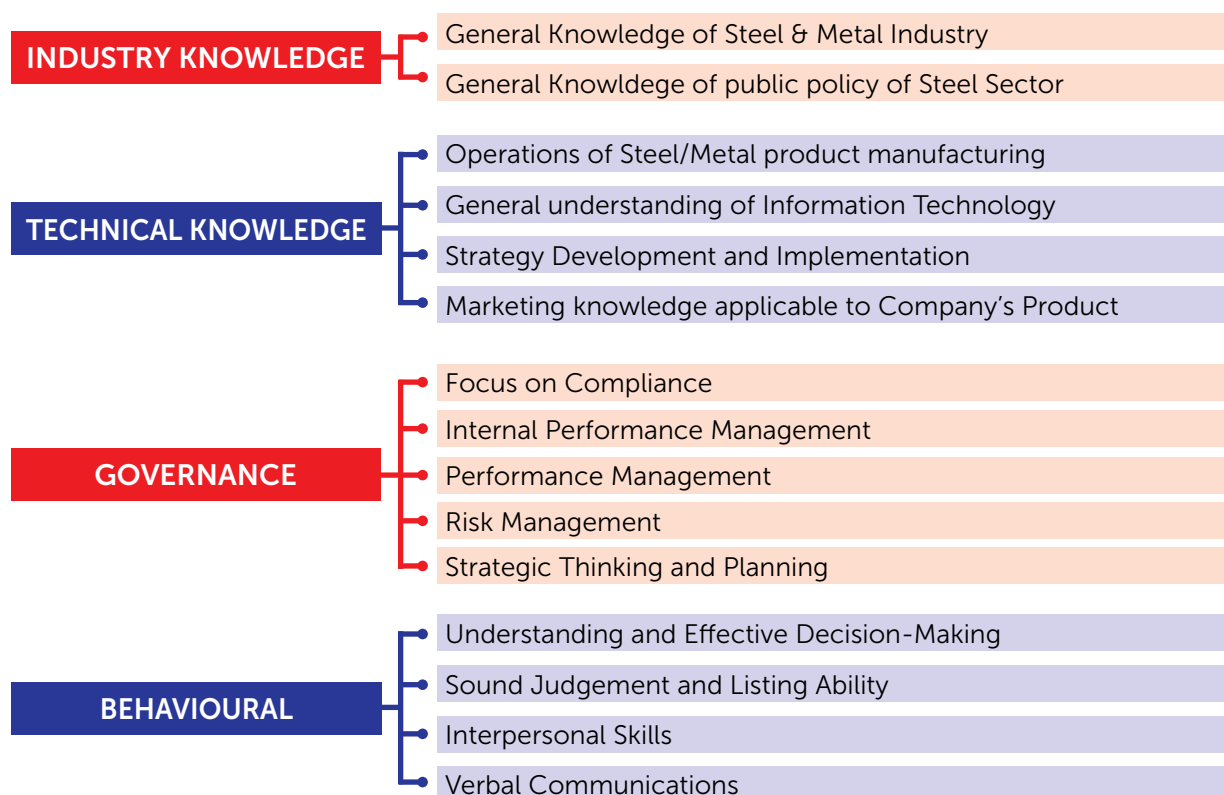


Chart of all the skills/expertise/competencies reflected in the Board as on 31st March,2022 are as follows:-

Parameters	Mr. Suresh Kumar Agrawal	Mr. Saket Agrawal	Mr. Manish Agrawal	Mr. Dhanjay Uchit Singh	Mr. Navneet Jaga-tramka	Mr. Ashok Kumar Soin	Mrs. Suneeta Mohanty	Mr. Kapil Deo Pandey
Brand & Marketing	✓	✓	✓	✓	✓	✓	✓	✓
Diversified Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓
Behavioural	✓	✓	✓	✓	✓	✓	✓	✓

Report on Corporate Governance (Contd.)

Committees of Board of Directors

To enable better and focused decision making for the Company, the Board Committees are set up under the formal approval of the Board and with clearly defined roles.

The composition and terms of reference of all the Committees are in compliance with the Act and the Listing Regulations, as applicable.

During the year, all the recommendations made by the respective Committees were accepted by the Board. The Committees' decisions and recommendations are presented to the Board for information or approval, as appropriate.

The Board currently has four Committees:

Audit Committee,
Nomination and Remuneration Committee,
Stakeholders Relationship Committee,
Corporate Social Responsibility Committee.

Audit Committee:

- The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The members of the Audit Committee are financially literate and have relevant experience in financial management.
- The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations, and Section 177 of the Act.

Extract of Terms of References:

The Board terms of Reference of Audit Committee are :

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
5. Laying down the criteria for granting omnibus approval in accordance with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
6. Approval or any subsequent modifications of transactions of the company with related parties provided that the audit committee may take omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
7. Scrutinizing of inter-corporate loans and investments;
8. Evaluation of internal financial controls and risk management systems;
9. Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;

Report on Corporate Governance (Contd.)

10. Reviewing the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
11. Reviewing, with the management, the performance of internal auditors, and adequacy of the internal control systems;
12. Reviewing the utilisation of loans and/or advances.
13. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

Composition of Audit Committee, details of Meetings and attendance:

During the Financial year under review, the Audit Committee met 4 times on 11th June, 2021; 12th August, 2021; 15th November, 2021 and 12th February, 2022. The time gap between any two meetings did not exceed one hundred and twenty days. The required quorum of 2 members (with at least 2 Independent Directors) was present at all the meetings. The Company Secretary acted as Secretary to all the Committee meetings.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22, is detailed below:-

Sl. No	Name of Members	Category	Nature of Membership	Number of Meeting		% of total meetings attended
				Held	Attended	
1	Mrs. Suneeta Mohanty	Independent Director	Chairperson	4	4	100%
2	Mr. Navneet Jagatramka	Independent Director	Member	4	2	50%
3	Mr. Kapil Deo Pandey	Independent Director	Member	4	3	75%
4	Mr. Saket Agrawal	Executive Director	Member	4	4	100%

Nomination and Remuneration Committee (NRC):

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the Listing Regulations, 2015 read with Section 178 of the Act.

The principal scope / role of NRC includes review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Management Personnel, etc. and review the same.

Terms of Reference:

The terms of reference of this Committee are as follows:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors and key managerial personnel;
2. Formulating the criteria for evaluation of the performance of the independent directors and the Board.
3. Carry out the evaluation of every Director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;

Report on Corporate Governance (Contd.)

4. Devising a policy on Board diversity;
5. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
6. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
7. Determining 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;
8. Recommend to the board, all remuneration, in whatever form, payable to senior management;
9. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

Composition of Nomination and Remuneration Committee, Details of Meetings and Attendance:

During the Financial year under review, the Nomination and Remuneration Committee met 1 time on 12th February, 2022. The required quorum of 2 members (with at least 1 Independent Director) was present at the meeting. The Company Secretary acted as Secretary to the Committee meetings. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Sl. No	Name of Members	Category	Nature of Membership	Number of Meeting		% of total meetings attended
				Held	Attended	
1	Mr. Kapil Deo Pandey	Independent Director	Chairman	1	1	100%
2	Mr. Navneet Jagatramka	Independent Director	Member	1	1	100%
3	Mr. Manish Agrawal	Non-Executive Director	Member	1	1	100%

Performance Evaluation

In terms of the requirements of the Act and Regulations 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.

An annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and its Committees and Individual Performances of the Directors.

The Nomination and Remuneration Committee, has established a manner for performance evaluation of directors based on parameters such as role and contribution by a director, experience and expertise, ability to constructively challenge the perspective of others, integrity and confidentiality, and independence of behaviour and judgement. The Company completed the Board Evaluation cycle during the year, which included the evaluation of the Board as a whole, its committees, and individual performance evaluation of Directors. The aforementioned manner of performance evaluation is as per the provisions of the Act and the Listing Regulations.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the directors being evaluated. The performance evaluation of the Board as whole, the Chairman and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on February 12th,2022.

Report on Corporate Governance (Contd.)

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes Qualifications, experience, knowledge and Competency, availability and attendance, participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

The Board expressed its satisfaction on the manner, implementation and compliance of the performance evaluation carried out by the Company.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding senior management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Regulation 19 of the Listing Regulations.

The policy, inter alia, provides (a) the role of the Nomination and Remuneration Committee (b) policy on remuneration of directors, key managerial personnel and other employees. The policy is directed towards a philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration policy of the Company has been uploaded on the Company's website at <https://www.mspsteel.com/about-us/corporate-policies>

Stakeholders Relationship Committee (SRC):

The Stakeholders Relationship Committee has been constituted to specifically look into the various aspects of interest of shareholders, debenture holders and other security holders, in terms of the provisions of Section 178 of the Act.

Terms of Reference:

1. Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.
2. Issuing share certificates pursuant to duplicate/ remat / renewal requests as and when received by the Company;
3. Resolving the grievances of the security holders of the listed entity including related to transfer/ transmission of shares, non - receipt of annual report, issue of new/duplicate certificates, general meetings etc.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of annual reports/ statutory notices by the shareholders of the Company.
5. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

Report on Corporate Governance (Contd.)

Composition of Stakeholders Relationship Committee, Meetings and Attendance:

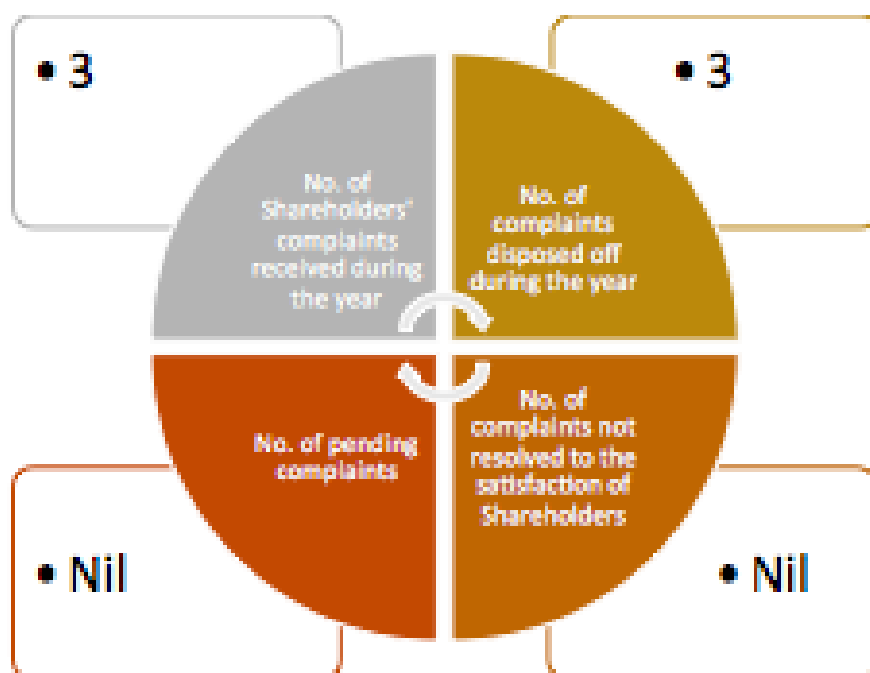
During the Financial year under review, the Stakeholders Relationship Committee met 1 time on 12th February, 2022. The required quorum of 2 members were present at the meeting. The composition of the SRC of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Sl. No	Name of Members	Category	Nature of Membership	Number of Meeting		% of total meetings attended
				Held	Attended	
1	Mr. Kapil Deo Pandey	Independent Director	Chairman	1	1	100%
2	Mr. Manish Agrawal	Non-Executive Director	Member	1	1	100%
3	Mr. Saket Agrawal	Executive Director	Member	1	1	100%

Name and Designation of Compliance Officer:

Name : Ms. Shreya Kar
 Designation : Company Secretary & Compliance Officer
 Address : 16/s, Block-A, New Alipore, Kolkata- 700053
 Phone : 033-40005-7777
 Email : shreya.kar@mspsteel.com

Investor Grievance Redressal



Report on Corporate Governance (Contd.)

Corporate Social Responsibility Committee(CSR):

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

Terms of Reference:

- To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Act
- To review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- To ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.
- To identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- To coordinate with such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency periodically.
- Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

The Corporate Social Responsibility policy has been revised by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations. The CSR policy of the Company has been uploaded on the Company's website at <https://www.mspsteel.com/about-us/corporate-policies>

Composition of Corporate Social Responsibility Committee, Meetings and Attendance:

During the Financial year under review, the Corporate Social Responsibility Committee met 1 time on 14th July, 2021. The required quorum of 2 members were present at the meeting. The Company Secretary acted as Secretary to the Committee meetings. The composition of the CSR Committee along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22, is detailed below:-

Sl. No	Name of Members	Category	Nature of Membership	Number of Meeting		% of total meetings attended
				Held	Attended	
1	Mr. Manish Agrawal	Non-Executive Director	Chairman	1	1	100%
2	Mr. Kapil Deo Pandey	Independent Director	Member	1	1	100%
3	Mr. Saket Agrawal	Executive Director	Member	1	1	100%

Remuneration of Directors

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 industrial practices.

Report on Corporate Governance (Contd.)

The details of remuneration of Directors are provided in Form MGT-7 (Annual Report) which is available on the website of the Company and can be accessed at <https://www.mspsteel.com/investors/general-meeting/aggm-2022>

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. 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 the Listing Regulations.

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 <https://www.mspsteel.com/about-us/corporate-policies>

The details of the remuneration paid to Directors for the financial year 2021-2022 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)	2.60	-	1.52	N.A
Mr. Saket Agrawal (Managing Director- Executive Director)	3.10	-	1.25	14.11.2019
Mr. Dhananjay Uchit Singh (Executive Director)	0.50	-	0.57	21.09.2015
Mr. Manish Agrawal (Non-executive Promoter Director)	3.10	-	0.98	N.A

Report on Corporate Governance (Contd.)

GENERAL BODY MEETINGS

General Meeting

Information of last three Annual General Meetings (AGMs) held:

FINANCIAL YEAR	ANNUAL GENERAL MEETINGS (AGM)	DATE & TIME	VENUE	DETAILS OF SPECIAL RESOLUTION PASSED
2018-2019	50th AGM	September 20, 2019 at 4.00 PM	Rotary Sadan 94/2 Chowringhee Road Kolkata - 700020	<ul style="list-style-type: none"> 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
2019-2020	51st AGM	September 30, 2020 at 5.00 PM	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	<ul style="list-style-type: none"> 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.
2020-2021	52nd AGM	September 17, 2021 at 4.00 PM	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	<ul style="list-style-type: none"> Re-appointment of Mr. Kapil Deo Pandey (DIN 07208719) as an Independent Director of the Company

Postal Ballot-No resolutions was passed during the Financial Year ended 2022 through postal ballot under Section 110 of the Companies Act, 2013 & Rules framed there now.

MEANS OF COMMUNICATIONS

Financial Results:

Pursuant to the applicable regulations of The Listing Regulations, your Company publishes financial results on quarterly basis which are duly reviewed by the Audit Committee before submission to the Board and are submitted to the Stock Exchanges. 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 <https://www.mspsteel.com/investors/financials>. The aforesaid Financial Results are immediately intimated to the Stock exchanges after the same are approved at the Board Meeting. The Unaudited Quarterly/

Report on Corporate Governance (Contd.)

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, 2021	12th August, 2021	12th August, 2021
Un-audited Financial Results for the quarter ended 30th September, 2021	15th November, 2021	15th November, 2021
Un-audited Financial Results for the quarter ended 31st December, 2021	12th February, 2022	12th February, 2022
Audited Financial Results for the year ended 31st March, 2022	30th May, 2022	30th May, 2022

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 2021-2022.

Company Corporate Website:

The Company's website is a comprehensive reference on MSP's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations etc. The section on investor relations serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, Registrar and Share Transfer Agent.

The Financial Report, Annual Report, Official News Releases and Presentations if any along with any additional information are posted on website of the Company at <https://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 audited/ unaudited financial results for the respective quarters are posted.

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

No presentations are to be made to Institutional Investors during FY 21-22 thus this mode of Communication is not applicable for us.

Report on Corporate Governance (Contd.)

General Shareholder Information

Annual General Meeting (AGM) for the Financial Year 2021-2022

Day, Date and Time of Annual General Meeting	Tuesday, 27th September, 2022 at 3:30 p.m.
Venue of the Annual General meeting	Annual General Meeting through Video Conference/ Other Audio-Visual Means [Deemed Venue for Meeting: Registered Office of the Company at 16/s New Alipore Kolkata-700053]
Book Closure Date	Not Applicable as the Company is not declaring Dividend for the financial year 2021-2022
Financial Year	April 1,2021 to March 31,2022
Dividend Payment Date	No dividend has been proposed

Tentative Calendar for Financial Year ending March 31, 2023 :

Financial Calendar[Current Financial Year 2022-2023]	Tentative Dates
First Quarter Results ending on 30th June,2022	On or before 14th August, 2022
Second Quarter & Half yearly Results ending on 30th September,2022	On or before 14th November, 2022
Third Quarter & Nine Months Ended Results ending on 30th December,2022	On or before 14th February, 2023
Fourth Quarter & Annual Audited Financial Results of the Current Financial Year ending on 31st March,2023	On or before 30th May, 2023
AGM for the year ended 2022-23	On or before 30th September, 2023

Dividend

The Board of Directors did not declare any dividend for the financial year 2021-2022.

Stock Exchanges and Depositories:

Name and Address of Stock Exchange	The equity shares of the Company are listed on
	1. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 Tel. No.: (022) 2659 8100 – 8114 Fax No.: (022) 2659 8120 Website: www.nseindia.com
	2. BSE Limited (BSE). Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Tel. No.: (022) 2272 1233/4, (022) 6654 5695 Fax No.: (022) 2272 1919 Website: www.bseindia.com

Report on Corporate Governance (Contd.)

Stock Exchanges and Depositories: (Contd.)

Stock Code/ Symbol	NSE:MSPL BSE:532650
Payment of Listing Fees	The annual listing fees for the financial year 2022-2023 have been paid to the both Stock Exchanges i.e. NSE & BSE
Depositories	<p>1. National Securities Depository Limited Trade World, A Wing, 4th Floor Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel. No.: (022) 2499 4200 Email: info@nsdl.co.in Website: www.nsdl.co.in</p> <p>2. Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th Floor NM Joshi Marg, Lower Parel, Mumbai – 400 013 Toll free No.: 1800-225-533 Email: complaints@cdslindia.com Website: www.cdslindia.com</p>

ISIN for Depositories – INE752G01015

Stock Price Data:

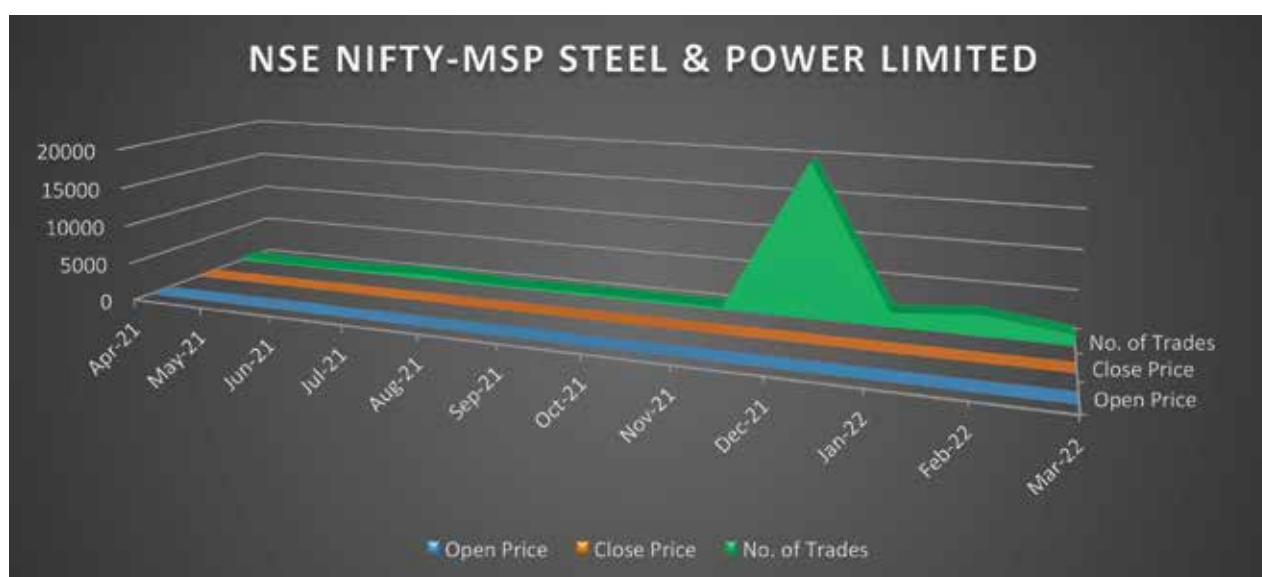
The reported high and low closing prices of equity shares (in ₹) of the Company traded on NSE and BSE during the period under review are set out in the following table:

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-21	11.65	7.34	11.55	7.30
May-21	13.35	10.36	13.30	10.30
Jun-21	12.29	10.34	12.30	10.40
Jul-21	12.01	10.25	11.90	10.25
Aug-21	13.07	9.01	13.00	8.80
Sep-21	10.46	9.15	10.45	9.10
Oct-21	10.03	8.84	10.20	8.55
Nov-21	10.05	8.71	10.55	8.65
Dec-21	16.10	8.66	16.05	8.65
Jan-22	18.90	12.70	17.65	12.70
Feb-22	14.84	10.25	14.85	10.50
Mar-22	13.35	10.30	13.20	10.20

Report on Corporate Governance (Contd.)

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, 2022 (based on the month end closing):



There was no suspension of trading in the Securities of the Company during the financial year 2021-2022 under review.

REGISTRARS & TRANSFER AGENT:

Name: Kfin Technologies Limited (Formerly Kfin Technologies Private Limited)

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

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

Fax No.: (040)-2331-1968

E-mail: compliance.corp@kfintech.com

Website: www.kfintech.com

Report on Corporate Governance (Contd.)

Updation of PAN, KYC and Nomination details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to inter alia furnish PAN, KYC and Nomination details. Physical folios wherein the PAN, KYC and Nomination details are not available on or after 1st April, 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payment including dividend only after registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

The RTA has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. The necessary forms in this regard have been made available on the website of the Company at <https://www.mspsteel.com/investors/share-holder-info> and its RTA at its website.

Members are advised to register their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.

Share Transfer System

The Board hereby approves for all confirmations for Transfers & Transmission. A team have been entrusted to look into the Transfer/Transmission of the Company. Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal/Exchange of securities certificate; iv. Endorsement; v. Sub-division/Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; and viii. Transposition. The manner and process of making application as per the revised framework and operational guidelines thereto is available on the website of the RTA at <https://mfs.kfintech.com/investor>.

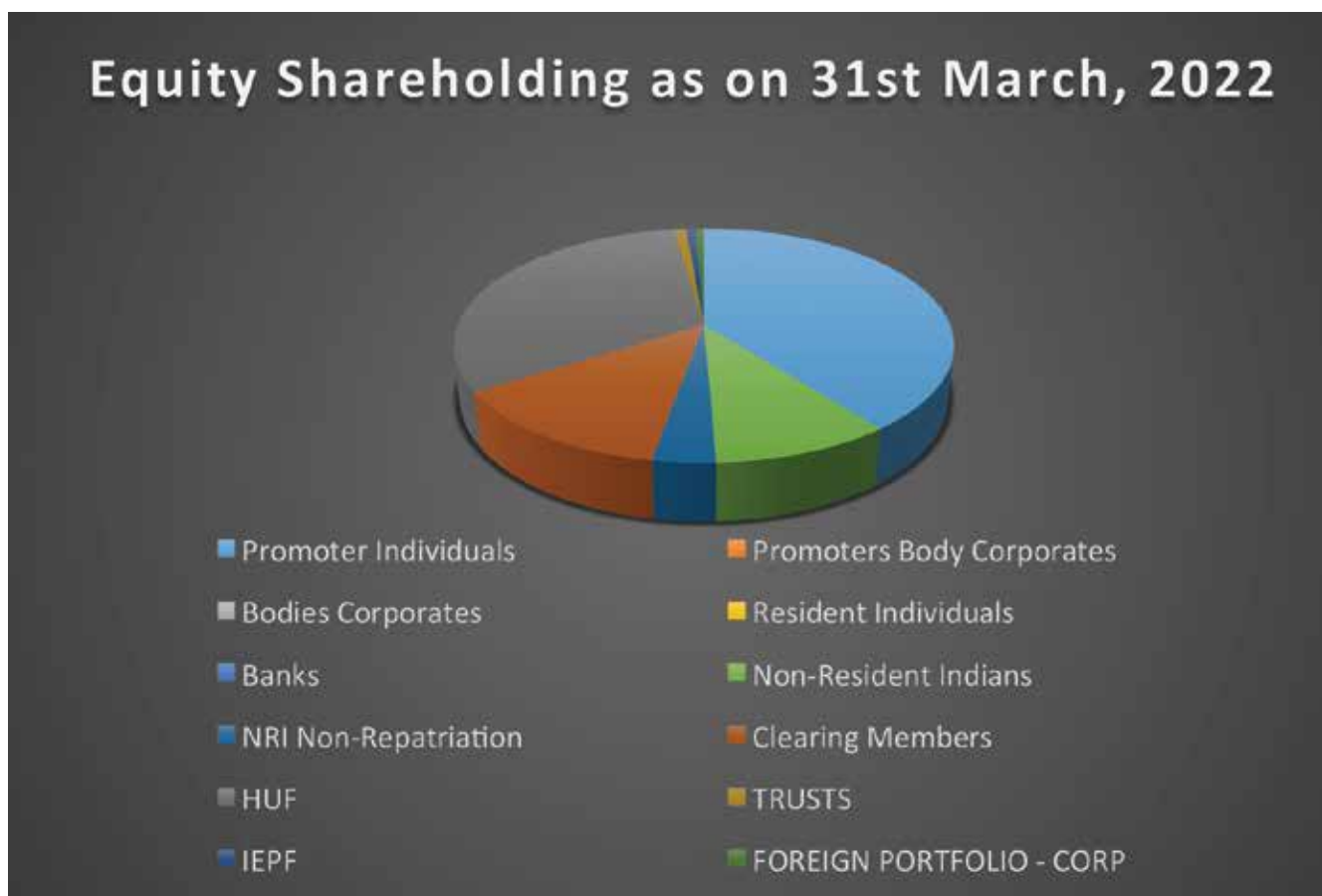
The Company's shares are traded under compulsory dematerialized mode and are freely tradable. The Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company i.e Kfin Technologies Limited (Formerly Kfin Technologies Private Limited.). An annual certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.

Report on Corporate Governance (Contd.)

Distribution of Shareholding as on 31st March, 2022

Sl. No.	Category	No. of Cases	% of Cases	Amount (in Rs.)	% of Amount
1	1-5000	43447	75.36	59965770.00	1.56
2	5001- 10000	6512	11.29	56046720.00	1.45
3	10001- 20000	3446	5.98	54936340.00	1.43
4	20001- 30000	1262	2.19	32962800.00	0.86
5	30001- 40000	592	1.03	21636500.00	0.56
6	40001- 50000	668	1.16	32334470.00	0.84
7	50001- 100000	968	1.68	75177790.00	1.95
8	100001& Above	760	1.32	3521089610.00	91.36
	Total:	57655	100.00	3854150000.00	100.00

Shareholding Pattern for the year ended 31st March, 2022



Report on Corporate Governance (Contd.)

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	9,78,78,047	25.40
Resident Individuals	5,31,69,088	13.80
Banks	7,08,59,398	18.39
Non-Resident Indians	5,05,963	0.13
NRI Non-Repatriation	1,76,242	0.05
Clearing Members	6,71,839	0.17
HUF	16,29,432	0.42
Trusts	50,000	0.01
IEPF	37,905	0.01
Foreign Portfolio-Corp	31,561	0.01
Total	3,854,15,000	100.00

Top Ten Shareholders for the year ended 31st March, 2022

Sl. No.	Name of Share holders	Total Shareholding	Percent to Capital
1	STATE BANK OF INDIA	4,63,34,367	12.02
2	MOD COMMDEAL PVT. LTD.	3,14,99,538	8.17
3	SIKHAR COMMOTRADE PVT.LTD.	2,89,84,056	7.52
4	SHRINGAR MERCANTILE PVT. LTD.	2,82,11,200	7.32
5	MSP SPONGE IRON LIMITED	2,47,36,500	6.42
6	ADHUNIK GASES LTD.	2,34,79,000	6.09
7	LARIGO INVESTMENT PRIVATE LIMITED	1,20,50,000	3.13
8	K. C. TEXOFINE PVT. LTD.	87,15,000	2.26
9	GILBART MERCHANTS PVT. LTD.	85,04,426	2.21
10	MSP INFOTECH PVT. LTD.	80,99,760	2.10
	TOTAL	22,06,13,847	57.24

Dematerialization of shares

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

99.55% of the total equity shares, are held in dematerialized form and 0.45% of the total 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.

Report on Corporate Governance (Contd.)

Name of Depository	No. of Shares	% of total issued Capital
Held in dematerialized form in NSDL	342,125,374	88.77
Held in dematerialized form in CDSL	41,528,481	10.78
Physical	1,761,145	0.45
Total	38,54,15,000	100

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.

Commodity Price Risk and Foreign Exchange Risk

Please refer Note No. 35 of the notes to the accounts attached with the Standalone Financial Statement of the Company for the year ended March 31, 2022.

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

The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2022, as such instruments have not been issued in the past.

Credit Rating

During the Financial Year ended March 31, 2022, the Company has obtained credit rating from India Care Edge.

Care Edge has reaffirmed the Credit Rating as to '[CARE BBB-/stable]' for long term loan, facilitates and as CARE A3]' for Short-Term bank facilities.

Instrument Type	Rating/Outlook	Rating Action
Long-Term Bank Facilities	CARE BBB-/stable	Reaffirmed
Short Term Bank Facilities	CARE A3	Reaffirmed

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.

Address for Correspondence:

REGISTERED/CORPORATE OFFICE	MSP STEEL & POWER LTD Address:16/S, Block-A, New Alipore, Kolkata-700053 Email Id - investor.contact@mspsteel.com Phone Number - 033-40057777
INVESTOR QUERY	Ms. Shreya Kar Email Id - shreya.kar@mspsteel.com Phone Number-033-40057777

Report on Corporate Governance (Contd.)

Other Disclosures

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	Statutes	Details	Website Link for policy
Related Party Transactions	Regulation 23 of the Listing Regulations and as defined under the Act.	<p>During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length basis.</p> <p>Prior omnibus approval is obtained for unforeseen related party transactions which would be in the ordinary course of business and on an arm's length basis. Also, the Company did not enter into any material related party transactions. The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report.</p> <p>Further, the related party transactions undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.</p> <p>During the year, SEBI introduced substantial changes in the related party transactions framework, inter alia, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties. Considering the changes to the Listing Regulations relating to related party transactions, the Company's 'Policy on dealing with and materiality of related party transactions' was suitably amended to align the same with the new requirements prescribed by SEBI.</p>	https://www.mspsteel.com/about-us/corporate-policies
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.	https://www.mspsteel.com/about-us/corporate-policies

Report on Corporate Governance (Contd.)

Particulars	Statutes	Details	Website Link for policy
Subsidiary Companies	Regulation 24 of The Listing Regulations	<p>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.</p> <p>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</p>	https://www.mspsteel.com/about-us/corporate-policies
Details of Mandatory and Non-Mandatory Corporate Governance Requirements	-	<p>The Company has complied with all mandatory requirements as prescribed by the Listing Regulations.</p> <p>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.</p> <p>The Company has not adopted any non-mandatory requirement of the Listing Regulations.</p>	https://www.mspsteel.com/investors/stock-exchange-compliances
Code of Conduct	Regulation 17 of the Listing Regulations	<p>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, 2022. 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.</p>	https://www.mspsteel.com/about-us/corporate-policies
Code of Conduct for Prevention of Insider Trading	-	<p>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.</p>	https://www.mspsteel.com/about-us/corporate-policies
Terms of Appointment of Independent Directors	Regulation 46 of the Listing Regulations and Section 149 read with Schedule IV of the Act	<p>Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website</p>	https://www.mspsteel.com/about-us/board-of-directors

Report on Corporate Governance (Contd.)

Particulars	Statutes	Details	Website Link for policy
Policy on Determination of Materiality for Disclosures	Regulation 30 of The Listing Regulations	The Company has adopted this policy.	https://www.mspsteel.com/about-us/corporate-policies
Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;			NIL

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. The section on investor relations serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to Stock Exchanges, Registrar and Share Transfer Agents and for this there is a separate section on 'Investors' on the website of the Company containing abovementioned requisite details.

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:** During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.
- iv) **Reporting of Internal Auditors:** The Internal Auditors report directly to the Audit Committee.

Certificate from Practicing 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 have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, has been received from Ms. Swati Bajaj of M/s. Bajaj Todi & Associates, Companies Secretaries and is annexed to this report as **Annexure – A**.

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**.

CEO/CFO Certification

The CEO/CFO of the Company have certified positively to the Board on the matters specified under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2022. The said certificate is attached in this Annual Report and is set out as **Annexure -B**.

Report on Corporate Governance (Contd.)

Details of utilization of funds raised

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

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

Your Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has complied with the formation of the Prevention of Sexual Harassment (POSH) Committee as prescribed under the Listing Regulations.

The number of complaints received during the financial year 2021-22 along with their status of redressal as on financial year ended March 31, 2022 are as under:

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

Loans and Advances in which Directors are interested

The Company has not provided any loans and advances to any firms/companies in which Directors are interested.

Payment made to Statutory Auditors

During the Financial Year ended March 31, 2022, 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. 15.28 Lakhs.

Declaration affirming Compliance of Code of Conduct

The Company has adopted a Code of Conduct for all employees and for members of the Board and senior management personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti-competitive practices.

All members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for Board and senior management for the financial year 2021-22.

A declaration by the Chairman, Mr. Suresh Kumar Agrawal and Chief Financial Officer (CFO), Mr. Kamal Kumar Jain affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith as **Annexure - C**.

There are no non-compliances of any requirements of Corporate Governance Report, as per sub-para (2) to (10) of Schedule V Part C of the Listing Regulations.

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

Suresh Kumar Agrawal
DIN: 00587623
(Chairman)

Date: 30.05.2022
Place: Kolkata

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

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 **16/S Block - A, New Alipore, Kolkata - 700 053** (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, 2022, 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

UDIN: A013216D000361025

Place: Kolkata

Date: 21/05/2022

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

16/S, Block-A, New Alipore

Kolkata- 700 053

In pursuance of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Suresh Kumar Agrawal, Chairperson 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, 2022 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, 2022 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 control.
- d) We have indicated to the auditors and the audit committee that:-
 - i. There have been no significant changes in internal control over financial reporting during the year.
 - ii. The significant changes in accounting policies during the Financial Year ended 31st March, 2022 arising from the adoption of the Indian Accounting Standards have been discussed and approved by the auditors and Audit Committee.
 - iii. 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.

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairperson

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, 2022.

Suresh Kumar Agrawal
Chairman

Place: Kolkata
Date: 30th May, 2022

For **MSP Steel & Power Limited**

Kamal Kumar Jain
Chief Financial Officer

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, 2022 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 preparation of the Corporate Governance Report is the responsibility of the Management of the Company including preparation and maintenance of all relevant supporting records and documents. This responsibility also includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the securities and Exchange Board of India.

Auditors' Responsibility

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

Annexure - D

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination of the Corporate Governance Report in accordance with the Guidance note on Reports or certificates for Special purpose and the guidance note on Certification of Corporate Governance, both issued by Institute of the Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purpose requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

Other Matters and Restrictions on use

9. This Reports 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.
10. This report is addressed to and provided to the members of the Company solely for the purpose of complying with the requirement of the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for the vents and circumstances occurring after the date of this report.

For **Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

(Shrenik Mehta)

Partner

Membership Number: 063769

UDIN: 22063769AJXENJ4777

Place: Kolkata

Date: May 30th, 2022

FINANCIAL REPORT

STANDALONE



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, 2022, 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 Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants (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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

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

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p>Revenue Recognition</p> <p><u>(Refer Note No. 1 and 21 and of the Standalone Financial Statement):</u></p> <p>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.</p>	<p>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.</p>

Independent Auditor's Report (Contd.)

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p>Inventory Management (Refer Note No. 1 and 8 and of the Standalone Financial Statement):</p> <p>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 35,163.72 lakh as on March 31, 2022.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● 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. <p>Based on the above procedures performed, we concluded that measurement and valuation of the inventory at year end is appropriate.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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.

Independent Auditor's Report (Contd.)

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 with reference to standalone financial 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.

Independent Auditor's Report (Contd.)

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, 2020 ("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.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act:
 In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 36 to the Standalone Financial Statements.

Independent Auditor's Report (Contd.)

- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31, 2022.
- 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. However, the same has been transferred to captioned fund before the signing of the audit report.
- IV. a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

(c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(h) (iv)(a) & (b) above, contain any material misstatement.
- V. The Company has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared in current year. Accordingly, the provision of section 123 of the Act is not applicable to the company.

Place: Kolkata
Date: May 30, 2022

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

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 22063769AJXDBD9292

Independent Auditor's Report (Contd.)

Annexure 'A' to the Independent Auditor's Report

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

i. In the respect of matters specified in clause (i) of paragraphs 3 the Order:

- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. In the respect of matters specified in clause (ii) of paragraphs 3 the Order:

- a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below.

(Rs. in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference
Consortium of Banks led by State Bank of India	26,000.00	24,491.55	June 30, 2021	40,606.68	50,235.99	-9,629.31
	26,000.00	15,995.96	September 30, 2021	35,666.27	40,717.06	-5,050.79
	26,000.00	21,547.98	December 31, 2021	37,934.16	48,868.08	-10,933.92
	26,000.00	24,146.72	March 31, 2022	36,340.23	46,574.17	-10,233.94

Also refer note 45 of the Standalone financial statements.

Independent Auditor's Report (Contd.)

iii. In the respect of matters specified in clause (iii) of paragraphs 3 the Order:

- a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c), is not applicable to the Company.
- d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.
- e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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. In the respect of matters specified in clause (vii) of paragraphs 3 the Order:

- a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end,

Independent Auditor's Report (Contd.)

for a period of more than six months from the date they became payable except below:

Name of the Statute	Nature of the Dues	Rs. in lakh	Period to which the amount relates	Due Date
Income Tax Act, 1961	Income Tax	103.93	Assessment Year 2007-08	Not Ascertainable
		0.26	Assessment Year 2009-10	
		1.82	Assessment Year 2010-11	
		8.15	Assessment Year 2010-11	

As informed, the provisions of sales Tax, Service Tax, duty of excise and value added tax are currently not applicable to the Company.

- b) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

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	AY 2012-13	Commissioner of Income Tax (Appeals)
	Income Tax	22.00	AY 2011-12	
	Income Tax	289.83	AY 2014-15	Dy. Commissioner of Income Tax (Appeals)

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961(43 of 1961) as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. In the respect of matters specified in clause (ix) of paragraphs 3 the Order:

- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- The Company has not raised any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.

Independent Auditor's Report (Contd.)

- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. In the respect of matters specified in clause (x) of paragraphs 3 the Order:

- a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. In the respect of matters specified in clause (xi) of paragraphs 3 the Order:

- a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b) & (c) of the Order is not applicable to the Company.

- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. In the respect of matters specified in clause (xiv) of paragraphs 3 the Order:

- a) The Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In the respect of matters specified in clause (xvi) of paragraphs 3 the Order:

- a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

Independent Auditor's Report (Contd.)

- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
 - c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
 - d) As represented by the Management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii.** The Company has not incurred cash losses in the current and immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix.** According to the information and explanations given to us and on the basis of the financial ratios (refer Note 46), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due
- xx.** The Company is not required to spend on account of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi.** The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of these standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

(Shrenik Mehta)

Partner

Membership Number: 063769

UDIN: 22063769AJXDBD9292

Place: Kolkata

Date: May 30, 2022

Independent Auditor's Report (Contd.)

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 even date)

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of MSP Steel & Power Limited ("the Company") as of March 31, 2022 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

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 statements was established and maintained and if such controls operated effectively in all material respects.
4. An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.
5. 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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

Independent Auditor's Report (Contd.)

internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

(Shrenik Mehta)

Partner

Membership Number: 063769

UDIN: 22063769AJXDBD9292

Place: Kolkata

Date: May 30, 2022

Standalone Balance Sheet As at 31st March, 2022

(₹ in lakhs)

Sl. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
A	Assets			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3(a)	82,605.56	85,419.77
	(b) Capital Work in Progress	3(b)	-	59.10
	(c) Intangible Assets	3(c)	25.40	38.82
	(d) Investment in Subsidiary, Associate & Joint Venture	4	3,807.77	2,990.12
	(e) Financial Assets			
	(i) Investments	4	309.38	281.16
	(ii) Other Financial Assets	5	794.86	199.67
	(f) Deferred Tax Assets (Net)	6	2,660.92	3,092.47
	(g) Income Tax Assets (Net)	7	413.41	173.15
			90,617.30	92,254.26
2	Current Assets			
	(a) Inventories	8	45,755.66	37,673.01
	(b) Financial Assets			
	(i) Trade Receivables	9	6,925.95	5,484.16
	(ii) Cash and Cash Equivalents	10	4,804.64	1,100.16
	(iii) Bank Balances other than (ii) above	11	4,720.63	1,558.16
	(iv) Other Financial Assets	5	76.14	72.80
	(c) Other Current Assets	12	22,136.72	12,045.56
			84,419.74	57,933.85
	Total Assets		1,75,037.04	1,50,188.11
B	Equity And Liabilities			
1	Equity			
	(a) Equity Share Capital	13	38,541.50	38,541.50
	(b) Other Equity	14	23,331.41	19,873.78
			61,872.91	58,415.28
2	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	52,523.35	54,218.24
	(b) Provisions	16	120.13	116.05
			52,643.48	54,334.29
3	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	29,973.67	22,295.46
	(ii) Trade Payables			
	(a) To micro and small enterprises	18	90.59	128.05
	(b) To other than micro and small enterprises	18	26,702.29	12,207.98
	(iii) Other Financial Liabilities	19	1,082.94	1,059.39
	(b) Other Current Liabilities	20	2,382.05	1,548.43
	(c) Provisions	16	289.11	199.23
			60,520.65	37,438.54
	Total Equity And Liabilities		1,75,037.04	1,50,188.11
	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 and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Statement of Standalone Profit & Loss for the year ended 31st March, 2022

(₹ in lakhs)

Particulars	Note No.	2021-22	2020-21
Income			
Revenue from Operations	21	2,33,957.86	1,72,313.44
Other Income	22	339.42	90.96
Total (I)		2,34,297.28	1,72,404.40
Expenses			
Cost of Materials Consumed	23	1,88,929.53	1,30,979.05
Purchase of Stock in Trade	24	2,295.60	2,222.59
Changes in Inventories of Finished Goods, By-products, Work in Progress and Stock in Trade	25	(4,206.99)	(1,207.82)
Employee Benefits Expenses	26	5,143.63	4,419.41
Finance Costs	27	7,417.09	7,925.16
Depreciation and Amortization Expenses	28	5,446.51	5,548.42
Other Expenses	29	26,273.28	21,653.45
Total (II)		2,31,298.65	1,71,540.26
Profit/(Loss) before Exceptional Item and Tax (I-II)		2,998.63	864.14
Exceptional Items	30	817.66	-
Profit/(Loss) Before Tax		3,816.29	864.14
Tax Expenses	31		
Current Tax		-	-
Deferred Tax		421.09	358.61
Total Tax Expenses		421.09	358.61
Profit/(Loss) for the Year		3,395.20	505.53
Other Comprehensive Income	32		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		44.67	78.15
(b) Equity Instruments through Other Comprehensive Income		28.22	(41.92)
(c) Income taxes on items that will not be reclassified to profit or loss		(10.46)	(45.63)
Other Comprehensive Income (Net of Tax)		62.43	(9.40)
Total Comprehensive Income for the year		3,457.63	496.13
Earnings per equity share of face value of ₹ 10/- each	33		
Basic (₹)		0.88	0.13
Diluted (₹)		0.82	0.13
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 and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Standalone Cash Flow for the year ended 31st March, 2022

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Cash Flow from Operating Activities:		
1. Net Profit/(Loss) before taxes	3,816.29	864.14
2. Adjustments for:		
Depreciation & Amortization Expense	5,446.51	5,548.42
Interest Income	(96.46)	(87.86)
Interest Expense on Loans	3,769.02	5,032.79
Interest Expense on OCD	2,823.24	2,520.62
Other Finance Expenses	481.90	371.74
Provision for Doubtful debts/ Advances/ Deposits and Claims	244.35	1,146.85
Unrealised (Profit)/Loss on Foreign Exchange Fluctuations	(238.11)	81.12
Reversal of Impairment of Investment in Associate & Joint Venture (Net)	(817.66)	-
(Profit) / Loss on sale of property, plant & equipment (net)	(3.40)	(1.18)
3. Operating Profit before working capital changes (1+2)	15,425.68	15,476.64
4. Movement in Working Capital for:		
(Increase)/ Decrease in Trade & Other Receivables	(11,783.27)	360.01
(Increase)/ Decrease in Inventories	(8,082.65)	14,705.98
Increase/ (Decrease) in Trade & Other Payables	15,552.04	(12,444.10)
Increase/ (Decrease) in Provisions	138.64	55.47
5. Cash generated from Operations (4+3)	11,250.44	18,154.00
6. Less: Direct Taxes Paid	240.26	15.71
7. Net Cash generated from Operating Activities (5-6)	11,010.18	18,138.29
B. Cash Flow from Investing Activities:		
Purchase of property, plant & equipment including CWIP	(2,561.40)	(422.19)
Sale of property, plant & equipment	5.02	1.18
Purchase of Investments	-	-
Fixed Deposit given in form of Margin Money	(3,751.70)	(175.14)
Interest received	93.12	173.20
Net cash generated/(used) in investing activities	(6,214.96)	(422.95)
C. Cash Flow from Financing Activities:		
Long Term Borrowings Received/ (paid) (Net)	(4,430.93)	(3,246.36)
Short Term Borrowings Received/ (paid) (Net)	7,495.20	(8,448.40)
Interest Paid	(3,680.80)	(5,675.50)
Other Finance Expenses Paid	(474.21)	(371.74)
Unclaimed Dividend transferred to Investor Education Protection Fund of India	-	1.35
Net cash used in financing activities	(1,090.74)	(17,740.65)
Net (Decrease) in Cash and Cash equivalents (A+B+C)	3,704.48	(25.31)
E1 Cash and Cash equivalents as at the beginning of the year	1,100.16	1,125.47
E2 Cash and Cash equivalents as at the end of the year	4,804.64	1,100.16
Net Change in Cash and Cash equivalents (E2-E1)	3,704.48	(25.31)

Standalone Cash Flow for the year ended 31st March, 2022 (Cont.)**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)

Patticulars	Year ended 31st March, 2022	Year ended 31st March, 2021
b) Components of Cash and Cash equivalents:		
Cash on hand	15.37	9.54
With Scheduled Banks on Current Account	4,595.32	1,090.62
Positive Balances in Cash Credit Account	193.95	-
	4,804.64	1,100.16

c) Reconciliation for total liability arising from financing activities:

(₹ in lakhs)

Head	31st March 2021	Cash Flow	Non Cash Changes		Interest Paid*	31st March 2022
			Inter Head Movement	Interest Expenses*		
Long Term Borrowings**	35,277.07	(4,430.93)	7.69	1,952.96	1,864.86	30,941.93
Other Financial Liabilities	26.22	-	(7.69)	577.26	569.46	26.33
Borrowings - Current	17,720.46	7,495.20	-	1,720.70	1,720.69	25,215.67
	53,023.75	3,064.28	-	4,250.92	4,155.01	56,183.94

(₹ 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)	429.54	430.22	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)	-	5,404.53	6,047.24	53,023.75

* Interest expenses/paid also include the Other Financial Charges expenses/paid during the year.

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

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

As per our report of even date:

For and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Standalone Statement of changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

Particulars	(₹ in lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
As at the beginning of the year	38,541.50	38,541.50
As at the end of the year	38,541.50	38,541.50

B. Other Equity

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income	
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
Balance as at 1st April, 2021	15,055.59	(27,044.62)	3,112.99	28,506.44	243.38	19,873.78
Profit/ (Loss) for the year		3,395.20				3,395.20
Remeasurement benefits Gain/(Loss) (Net of tax)		37.69				37.69
Fair Value of Equity Instrument through FVOCI					24.74	24.74
Balance as at 31st March, 2022	15,055.59	(23,611.73)	3,112.99	28,506.44	268.12	23,331.41

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 and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Notes to the Standalone Financial Statements for the year ended 31st March, 2022

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

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.

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments: Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.
- Conceptual framework for financial reporting under Ind AS issued by ICAI
- Ind AS 103: Business combination
- Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets
- and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures

These amendments had no impact on the financial statements of the Company.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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 property, plant and equipment 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 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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:

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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 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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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 appropriately and

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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:

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 instruments

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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 taxable 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**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.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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 held for sale 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**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. Useful lives of depreciable assets

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 plant and equipment.

2.3. Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

2.4. Impairment of financial assets

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

2.5. Impairment of Investment in Associate/ Joint Venture

The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the respective company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.6. Income taxes/Deferred Tax

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

2.7. 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.

2.8. 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**3(a). 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, 2020	926.80	11,790.60	7,681.07	98,086.01	238.61	72.91	72.74	1,18,868.74
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	1,19,271.23
Additions	-	-	-	2,601.08	-	19.43	-	2,620.51
Deductions	-	-	-	-	32.52	-	-	32.52
Balance as at 31st March, 2022	926.80	11,790.60	7,681.07	1,01,084.64	206.27	97.10	72.74	1,21,859.22
ACCUMULATED DEPRECIATION								
Balance as at 01st April, 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
Depreciation expense	-	429.79	284.28	4,685.91	17.61	11.40	4.10	5,433.09
Deductions	-	-	-	-	30.89	-	-	30.89
Balance as at 31st March, 2022	-	3,008.52	1,989.94	34,047.99	110.25	53.06	43.90	39,253.66
NET CARRYING VALUE								
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
Balance as at 31st March, 2022	926.80	8,782.08	5,691.13	67,036.65	96.02	44.04	28.84	82,605.56

Note: Title deeds of Land of ₹ Nil (₹ 6.51 Lakhs) is pending for registration.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

3(b). Capital Work in Progress

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
As at the beginning of the year	59.10	59.10
Movement during the year	(59.10)	-
As at the end of the year	-	59.10

Capital Work in Progress (CWIP) ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				As at 31st March, 2022
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				As at 31st March, 2021
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	59.10	-	59.10
Projects temporarily suspended	-	-	-	-	-

There are no projects as on March 31, 2022 where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue. CWIP as on March 31, 2021 of ₹ 59.10 Lakhs is capitalised during the current year.

3(c) Intangible Assets

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
As at the beginning of the year	38.82	52.24
Capitalized during the year	-	-
Amortized during the year	13.42	13.42
As at the end of the year	25.40	38.82

Intangible assets consists mainly of Computer Software.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**4. Non Current Investments**

(₹ in lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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)	5,80,698	58.07	5,80,698	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)	46,50,175	4,370.68	46,50,175	4,370.68
Less: Impairment of investment in Associate (refer note no. 30)		(787.51)		(1,635.91)
		3,583.17		2,734.77
(iii) In Joint Venture (at cost)				
Madanpur South Coal Company Limited (₹ 10 each)	94,427	131.96	94,427	131.96
Less: Impairment of investment in Joint Venture (refer note no. 30)		(30.75)		-
		101.21		131.96
Investment in Subsidiary, Associate & Joint Venture (i+ii+iii)		3,807.77		2,990.12
(iv) In Others (at fair value through OCI)				
MSP Metalics Limited (₹ 10 each)	4,20,000	-	4,20,000	-
MSP Properties (I) Limited (₹ 10 each)	7,500	5.91	7,500	6.10
MSP Sponge Iron Limited (₹ 10 each)	3,13,000	281.29	3,13,000	253.76
Catapult Fincap Limited (₹ 10 each) formerly known as MSP Power Limited	8,000	0.78	8,000	-
		287.98		259.86
(b) Quoted Investments in Equity Instruments (at fair value through OCI)				
Howrah Gases Ltd (₹ 10 each)	93,700	15.00	93,700	15.00
Ashirwad Steel and Industries Limited (₹ 10 each)	2,500	0.39	2,500	0.26
Nageshwar Investment Limited (₹ 10 each)	11,000	0.22	11,000	0.22
Indian Overseas Bank (₹ 10 each)	2,900	0.53	2,900	0.46
IDFC First Bank Limited (₹ 10 each)	5,201	2.05	5,201	2.90
IDFC Limited (₹ 10 each)	5,201	3.21	5,201	2.46
		21.40		21.30
Other Non Current Investments (a(iv)+b)		309.38		281.16
TOTAL (a+b)		4,117.15		3,271.28
Aggregate amount of Quoted Investments - at Cost		19.24		19.24
Aggregate amount of the Quoted Investments - at Market value		21.40		21.30
Aggregate value of unquoted Investments - at cost		5,079.07		5,079.07
Aggregate amount of impairment in value of investment.		818.26		1,635.91

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

5. Other Financial Assets

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good Unless Otherwise Stated				
Deposits with Banks (Refer Note No. 11)	601.56	12.33	-	-
(A)	601.56	12.33	-	-
Others				
Interest Accrued on Fixed Deposits and Others	-	-	76.14	72.80
Security Deposit	193.30	187.34	-	-
(B)	193.30	187.34	76.14	72.80
TOTAL (A+B)	794.86	199.67	76.14	72.80

6. Deferred Tax Assets (NET)

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities:		
Tax impact on difference between book value of depreciable assets and written down value for tax purpose	(15,087.46)	(14,905.09)
Others	(24.72)	(21.24)
Deferred Tax Assets:		
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax law deferred	1,865.71	1,806.74
Tax impact of unabsorbed loss / Allowances	13,258.68	13,563.35
MAT Credit Entitlement	2,648.71	2,648.71
	2,660.92	3,092.47

Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2021 and 31st March, 2022

(₹ in lakhs)

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	(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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in lakhs)

Particulars	As at 1st April, 2021	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2022
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(14,905.09)	(182.37)	-	(15,087.46)
Others	(21.24)	-	(3.48)	(24.72)
	(14,926.33)	(182.37)	(3.48)	(15,112.18)
Deferred Income Tax Assets				
Allowance for credit loss	1,700.19	71.05	-	1,771.24
Expense allowed under Income Tax on payment basis	106.56	(5.11)	(6.98)	94.47
Unabsorbed depreciation	13,563.34	(304.66)	-	13,258.68
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	18,018.80	(238.72)	(6.98)	17,773.10
Deferred Tax Assets (Net)	3,092.47	(421.09)	(10.46)	2,660.92

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 2022

(₹ 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, 2022		As at 31st March, 2021	
	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
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		6,710.30	

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

7. Income Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax & TDS (Net)	298.62	75.85
Income Tax Receivable	114.79	97.30
	413.41	173.15

Note: The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to above matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

8. Inventories (Valued at Lower of Cost and Net Realizable Value)*

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials and Components [includes in transit ₹ 6,087.38 lakhs (31st March 2021 : ₹ 221.07 lakhs)]	28,332.53	25,687.25
Work - in - Progress	3,526.30	2,842.18
Finished Goods [includes in transit ₹ 227.61 lakhs (31st March 2021 : ₹ 135.70 lakhs)]	9,168.92	5,038.08
Stores and Spares	3,999.17	2,768.79
By Products (at Net Realisable Value)	683.87	1,267.14
Stock in Trade	44.87	69.57
Total	45,755.66	37,673.01

*refer note no. 38

8.1 For Lien/ charge details against inventory, Refer Note 44

9. Trade Receivables

(₹ in lakhs)

Particulars	Current	
	As at 31st March, 2022	As at 31st March, 2021
At amortised cost		
– Trade Receivables considered good - Secured	-	-
– Trade Receivables considered good - Unsecured	9,059.93	7,646.70
– Trade Receivables which have significant increase in credit risk	-	-
– Trade Receivables - credit impaired	-	-
Less: Loss Allowance	(2,133.98)	(2,162.54)
Total trade receivables	6,925.95	5,484.16
– Receivables from related parties (Refer Note 41)	55.60	4.41
– Others	6,870.35	5,479.75
Total trade receivables	6,925.95	5,484.16

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

9.1 For Lien/ charge details against trade receivables, Refer Note 44

9.2 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

9.3 Trade Receivable Ageing Schedule

(₹ in lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2022					
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed-Considered good	6,837.63	45.39	17.87	64.41	2,094.63	9,059.93
Undisputed- Which have significant increase in credit risk	-	-	-	-	-	-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	6,837.63	45.39	17.87	64.41	2,094.63	9,059.93
Less: Loss allowance						(2,133.98)
Total						6,925.95

(₹ in lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2021					
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed-Considered good	5,403.17	8.88	81.93	19.38	2,133.34	7,646.70
Undisputed- Which have significant increase in credit risk	-	-	-	-	-	-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	5,403.17	8.88	81.93	19.38	2,133.34	7,646.70
Less: Loss allowance						(2,162.54)
Total						5,484.16

9.4 Set out below is the movement in the allowance for expected credit losses of trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	2,162.54	1,457.30
Provision/(Reversal) for Expected Credit Loss	(28.56)	705.24
Closing Balance	2,133.98	2,162.54

9.5 Breakup of Impairment Loss Allowance

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
- Trade Receivables considered good - Unsecured	2,133.98	2,162.54
- Trade Receivables which have significant increase in credit risk	-	-
- Trade Receivables - credit impaired	-	-
Total	2,133.98	2,162.54

9.6 No element of financing is deemed present as the sales are generally made with a credit term which is consistent with market practice.

9.7 There are no "unbilled" and "disputed" trade receivables, hence the same are not disclosed in the ageing schedule.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

9.8 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.

10. Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents		
Cash on Hand	15.37	9.54
Balance with Banks:		
On Current Accounts	4,595.32	1,090.62
Positive Balance in Cash Credit Account	193.95	-
	4,804.64	1,100.16

11. Bank Balances other than Cash and Cash equivalents

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposits - Earmarked for LC & BG	601.56	12.33	4,719.46	1,556.99
	601.56	12.33	4,719.46	1,556.99
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 5)	(601.56)	(12.33)	-	-
Unpaid Dividend Accounts	-	-	1.17	1.17
	-	-	4,720.63	1,558.16

12. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances to Suppliers other than capital advances		
Considered Good	21,730.11	11,646.15
Considered Doubtful	3,543.10	3,286.81
	25,273.21	14,932.96
Less: Allowances for doubtful advances	3,543.10	3,286.81
A)	21,730.11	11,646.15
Other Advances		
Prepaid Expenses	109.69	128.68
Advances to Related Parties	62.31	62.34
Balances with Statutory/Government Authorities	223.81	194.23
Others	10.80	14.16
(B)	406.61	399.41
TOTAL (A+B)	22,136.72	12,045.56

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**13. Equity Share Capital**

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised Share Capital		
800,000,000 (31.03.2021 - 800,000,000) equity shares of ₹ 10/- each	80,000.00	80,000.00
100,000,000 (31.03.2021 - 100,000,000) preference shares of ₹ 10/- each	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up Share Capital		
38,54,15,000 (31.03.2021 - 38,54,15,000) equity shares of ₹ 10/- each	38,541.50	38,541.50
Total	38,541.50	38,541.50

13.1 Reconciliation of number of Shares

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Equity Shares:				
Balance at the beginning of the year	38,54,15,000	38,541.50	38,54,15,000	38,541.50
Balance at the end of the year	38,54,15,000	38,541.50	38,54,15,000	38,541.50

13.2 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.

13.3 Shareholders holding more than 5% share in the company are as follows:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No of shares	% of shares	No of shares	% of shares
State Bank of India	4,63,34,367	12.02%	4,63,34,367	12.02%
Mod Commodeal Pvt. Limited	3,14,99,538	8.17%	3,14,99,538	8.17%
Adhunik Gases Limited	2,34,79,000	6.09%	2,34,79,000	6.09%
Sikhar Commotrade Pvt. Limited	2,89,84,056	7.52%	2,89,84,056	7.52%
Shringar Mercantile Pvt. Limited	2,82,11,200	7.32%	2,82,11,200	7.32%
MSP Sponge Iron Limited	2,47,36,500	6.42%	2,47,36,500	6.42%
Union Bank of India	-	-	1,98,05,945	5.14%

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

13.4 Details of Promoters holding in the company

Sl. No.	Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Suresh Kumar Agrawal	25,120	0.01	25,120	0.01	-
2	Puran Mal Agrawal	29,000	0.01	29,000	0.01	-
3	Pranay Agrawal	3,06,000	0.08	3,06,000	0.08	-
4	Nisha Agrawal	3,36,500	0.09	3,36,500	0.09	-
5	Kiran Agrawal	4,86,000	0.13	4,86,000	0.13	-
6	Saket Agrawal	2,04,000	0.05	2,04,000	0.05	-
7	Manish Agrawal	3,09,000	0.08	3,09,000	0.08	-
8	Puran Mal Agrawal	1,86,620	0.05	1,86,620	0.05	-
9	Suresh Kumar Agrawal	1,41,000	0.04	1,41,000	0.04	-
10	Dexo Trading Pvt. Ltd.	15,75,000	0.41	15,75,000	0.41	-
11	High Time Holdings Pvt. Ltd.	30,25,000	0.78	30,25,000	0.78	-
12	Ilex Private Limited	41,15,000	1.07	41,15,000	1.07	-
13	Jagran Vyapaar Pvt. Ltd.	19,50,000	0.51	19,50,000	0.51	-
14	Larigo Investment Private Limited	1,20,50,000	3.13	1,20,50,000	3.13	-
15	B S Confin Pvt. Ltd.	35,30,000	0.92	35,30,000	0.92	-
16	Emerald Tradelink Pvt. Ltd.	25,00,000	0.65	25,00,000	0.65	-
17	Gilbart Merchants Pvt. Ltd.	85,04,426	2.21	85,04,426	2.21	-
18	K. C. Texofine Pvt. Ltd.	87,15,000	2.26	87,15,000	2.26	-
19	Raj Securities Ltd.	52,00,000	1.35	52,00,000	1.35	-
20	Adhunik Gases Ltd.	2,34,79,000	6.09	2,34,79,000	6.09	-
21	Aa Ess Tradelinks Pvt. Ltd.	26,50,000	0.69	26,50,000	0.69	-
22	Msp Rolling Mills Pvt. Ltd.	44,60,000	1.16	44,60,000	1.16	-
23	Msp Sponge Iron Limited	2,47,36,500	6.42	2,47,36,500	6.42	-
24	Msp Infotech Pvt. Ltd.	1,25,29,760	3.25	1,25,29,760	3.25	-
25	Rajnath Vyapaar Private Limited	25,00,000	0.65	25,00,000	0.65	-
26	Sikhar Commotrade Pvt.Ltd.	2,89,84,056	7.52	2,89,84,056	7.52	-
27	Panorama Commercial Private Limited	10,00,000	0.26	10,00,000	0.26	-
28	Shree Vinay Finvest Pvt. Ltd.	68,78,543	1.78	68,78,543	1.78	-

13.5 Additional Disclosure in the respect of Equity Share

- The Company does not have any Holding Company or Ultimate Holding Company.
- 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.
- The Company has not bought back any shares during the period of five years preceding the date at which the Balance Sheet is prepared.
- 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.
- 26,50,000 shares (31st March 2021 : 26,50,000 shares) held by associate of the holding company.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**14. Other Equity**

(₹ in lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income	
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
Balance as at 1st April, 2021	15,055.59	(27,044.62)	3,112.99	28,506.44	243.38	19,873.78
Profit/ (Loss) for the year		3,395.20				3,395.20
Remeasurement benefits Gain/ (Loss) (Net of tax)		37.69				37.69
Fair Value of Equity Instrument through FVOCI					24.74	24.74
Balance as at 31st March, 2022	15,055.59	(23,611.73)	3,112.99	28,506.44	268.12	23,331.41

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.

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.

Equity Component of Optionally Convertible Debenture

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

15. Long Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
a. Term loans From Banks		
Indian rupee loan	12,786.14	17,304.26
	12,786.14	17,304.26
b. Unsecured		
Inter-Corporate Deposits	90.00	90.00
Loans from related parties	450.00	450.00
Interest free loan from promoter/promoter group companies (Note 15.1 (c))	12,857.80	12,857.80
	13,397.80	13,397.80
c. Liability Component of Optionally Convertible Debenture		
Optionally Convertible Debenture (Note 15.1 (b))	26,339.41	23,516.18
	26,339.41	23,516.18
Total (a+b+c)	52,523.35	54,218.24
The above amount includes:		
Secured borrowings	39,125.55	40,820.44
Unsecured borrowings	13,397.80	13,397.80
Net Amount	52,523.35	54,218.24

15.1 Terms of Repayments

- 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 2.90% above 6 months MCLR. The Term Loan facilitated from the bank is repayable in 30 Quarterly Instalments from December 2017. Last instalment due in September 2025.
- 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. As per valuation report and relevant IND AS, PV of OCD as on the OCD issuing date i.e. March 21, 2018 is ₹ 166.90 crore which has been treated as financial liability and balance of ₹ 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.
- 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 ₹ 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.
- Rate of Interest for the loan from the related parties is maximum being 10%.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**16. Provisions**

(₹ in lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits				
For Gratuity (Refer Note No. 40)	-	-	150.73	194.85
For Leave Benefits	120.13	116.05	5.69	4.38
Others*	-	-	132.69	-
Total	120.13	116.05	289.11	199.23

* The Other Provision includes purchase obligations of Renewable Energy Certificates (E-Cert).

16.1 Movement of Other Provision

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
As at the beginning of the year	-	-
Created during the year	132.69	-
Reversal during the year	-	-
As at the end of the year	132.69	-

17. Short-Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Rupee Loan from Banks		
Cash Credit Facility	18,265.51	11,840.24
Current Maturities of Long Term Debt	4,758.00	4,575.00
Foreign Currency Loan from Banks		
Working Capital Loan	6,075.16	5,880.22
Unsecured		
From Body Corporates		
Inter Corporate Deposits	875.00	-
	29,973.67	22,295.46
The above amount includes		
Secured Borrowings	29,098.67	22,295.46
Unsecured Borrowings	875.00	-

17.1 Terms and conditions attached to Short term borrowings from banks

- 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 2.90% above 1 year MCLR.
- The Intercompany loans carry an interest rate of 9.85% p.a (Previous Year - Nil)

17.2 Refer Note No. 45 in the respect of Quarterly Return/Statement filed with the bank in lieu of sanctioned working capital facilities.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

18. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of creditors		
to micro enterprises and small enterprises (MSME)	90.59	128.05
to other than micro enterprises and small enterprises	26,702.29	12,207.98
	26,792.88	12,336.03

18.1 Trade Payables include 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 ₹ 11,788.91 lakhs (previous year ₹ 6,296.68 lakhs)

18.2 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 2022	31st March 2021
i The principal amount remaining unpaid to any supplier as at the end of each accounting year;	89.90	127.80
ii The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	0.69	0.25
iii The amount of interest paid by the buyer under MSMED Act, 2006	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
v The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.69	0.25
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.	0.69	0.25

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

18.3 Trade Payables ageing schedule

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 from due date of payment				
	Upto 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues - MSME	88.75	1.84	-	-	90.59
Undisputed dues - Others	19,596.71	51.05	48.52	195.26	19,891.54
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	979.03	979.03
Total	19,685.46	52.89	48.52	1,174.29	20,961.16
Unbilled Dues					5,831.72
Grand Total					26,792.88

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2021 from due date of payment				
	Upto 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues - MSME	127.38	0.67	-	-	128.05
Undisputed dues - Others	10,379.05	100.18	76.49	337.06	10,892.78
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	979.03	979.03
Total	10,506.43	100.85	76.49	1,316.09	11,999.86
Unbilled Dues					336.17
Grand Total					12,336.03

19. Other Financial Liabilities

(₹ in lakhs)

Particulars	Current	
	As at 31st March, 2022	As at 31st March, 2021
Retention / Security Deposit	460.86	466.27
Other Payables on capital purchases	162.91	194.91
Interest accrued and due on borrowings	26.33	26.22
Unpaid Dividend	1.17	1.17
Employee Liabilities	431.67	370.82
	1,082.94	1,059.39

20. Other Current Liabilities

(₹ in lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Contract Liabilities (includes Deferred Performance Obligations)	1,622.71	736.69
Others (including statutory dues payable)	759.34	811.74
	2,382.05	1,548.43

21. Revenue from Operations

(₹ in lakhs)

Particulars	2021-22	2020-21
(a) Sale of Products		
Finished Goods	2,21,644.90	1,64,180.77
Power	2,459.93	2,135.20
Traded Goods	2,329.92	2,340.00
(b) Sale of Services		
Job Work Service	5,287.41	1,326.84
Total (a+b)	2,31,722.16	1,69,982.81
(c) Other Operating Revenue		
Sale of scrap and By-products	2,235.70	2,330.63
Total (c)	2,235.70	2,330.63
Total (a+b+c)	2,33,957.86	1,72,313.44

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

Disaggregation of Revenue

(₹ in lakhs)

Particulars	2021-22	2020-21
Revenue as per Geography		
Domestic	2,26,432.77	1,65,805.49
Exports	5,289.39	4,177.32
Total	2,31,722.16	1,69,982.81
Revenue as per Major Products		
Pellet	50,499.18	37,904.97
Sponge Iron	23,573.21	23,369.87
MS Billets	8,332.66	5,680.37
TMT Bars (incl Structural Products)	1,39,210.27	97,225.56
Power	2,459.93	2,135.20
Job Work Service	5,287.41	1,326.84
Others	2,359.50	2,340.00
Total	2,31,722.16	1,69,982.81
Timing of Revenue		
At a point in time	2,31,722.16	1,69,982.81
Over time	-	-
Total	2,31,722.16	1,69,982.81
Sales Channel		
Direct to Customers	59,749.77	36,825.11
Through Intermediaries	1,71,972.39	1,33,157.70
Total	2,31,722.16	1,69,982.81

Contract balances

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities, the following information is disclosed below.

(₹ in lakhs)

Particulars	2021-22	2020-21
Trade Receivables	6,925.95	5,484.16
Contract Assets	-	-
Contract Liabilities (includes Deferred Performance Obligations)	1,622.71	736.69
Other Information		
a) Transaction price allocated to the remaining performance obligations	579.60	442.69
b) The amount of revenue recognised in the current year that was included in the opening contract liability balance	277.15	1,290.01
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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**Reconciliation of Revenue from operations with contract price**

Particulars	2021-22	2020-21
Contract Price	2,32,388.38	1,71,474.37
Less :		
Sales Returns	288.70	206.02
Trade & Cash Discount	240.61	950.68
Deferred Performance Obligations	136.91	334.86
Total	2,31,722.16	1,69,982.81

22. Other Income

(₹ in lakhs)

Particulars	2021-22	2020-21
(a) Interest income on		
Loans, Fixed Deposits, etc.	96.46	87.86
(b) Other Non-Operating Income		
Profit on sale of fixed assets	3.40	1.18
Exchange Differences	238.11	-
Others	1.45	1.92
Total	339.42	(₹ in lakhs) 90.96

23. Cost of Materials Consumed

(₹ in lakhs)

Particulars	2021-22	2020-21
Inventory at the beginning of the period	25,687.25	41,420.84
Add: Purchases	1,91,574.81	1,15,245.46
Less: Inventory at the end of the period	28,332.53	25,687.25
Total	1,88,929.53	1,30,979.05

24. Purchase of Stock in Trade

(₹ in lakhs)

Particulars	2021-22	2020-21
Coal	1,893.37	1,806.36
Steel Products	402.23	416.23
Total	2,295.60	2,222.59

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

25. Changes in Inventories of Finished Goods, By-products and Work-in Progress

(₹ in lakhs)

Particulars	2021-22	2020-21
Inventories at the end of the period		
Finished Goods	9,168.92	5,038.08
Work-in-Progress	3,526.30	2,842.18
By-Products	683.87	1,267.14
Stock in Trade	44.87	69.57
	13,423.96	9,216.97
Inventories at the beginning 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
(Increase)/Decrease in Inventories		
Finished Goods	(4,130.84)	(209.79)
Work-in-Progress	(684.12)	(465.41)
By-Products	583.27	(463.05)
Stock in Trade	24.70	(69.57)
Total	(4,206.99)	(1,207.82)

26. Employee Benefits Expenses

(₹ in lakhs)

Particulars	2021-22	2020-21
Salaries, Wages and Bonus	4,710.54	4,037.44
Contribution to Provident and Other Funds	232.68	220.50
Gratuity (refer note 40)	113.47	106.88
Staff Welfare Expenses	86.94	54.59
Total	5,143.63	4,419.41

27. Finance Costs

(₹ in lakhs)

Particulars	2021-22	2020-21
Interest Expenses		
- On Loans	3,769.02	5,016.08
- On OCD *	2,823.24	2,520.62
Exchange Differences regarded as an adjustment to borrowing cost	342.93	16.72
Other Finance Charges	481.90	371.74
Total	7,417.09	7,925.16

* It represents the unwinding of the discount on OCD [refer Note 15(b)]

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**28. Depreciation and amortization expense**

(₹ in lakhs)

Particulars	2021-22	2020-21
Depreciation of tangible assets	5,433.09	5,535.00
Amortization of intangible assets	13.42	13.42
Total	5,446.51	5,548.42

29. Other Expenses

(₹ in lakhs)

Particulars	2021-22	2020-21
Consumption of Stores and Spares	9,549.40	7,134.54
Power and Fuel	1,245.09	1,171.68
Rent	74.52	72.02
Rates and Taxes	1,083.88	818.20
Insurance	180.46	181.28
Repairs and Maintenance		
Plant and Machinery	1,151.06	877.69
Buildings	482.03	201.58
Others	160.35	133.07
Material Handling Charges	5,539.95	4,592.45
Vehicle Running Expenses	901.00	600.38
Advertising and Sales Promotion	717.16	401.62
Freight Outward	551.55	517.95
Sales Commission	451.37	587.78
Legal and Professional Charges	749.41	331.38
Charity and Donations	8.53	32.93
Payment to Auditors (Refer details below (29.1))	15.28	15.55
Exchange Differences (Net)	-	81.12
Provision for Expected Credit Loss on Trade Receivable & Advances	244.34	1,146.85
Corporate Social Responsibility (refer note no. 43)	160.82	156.77
Miscellaneous Expenses (refer note no. 48)	3,007.08	2,598.61
Total	26,273.28	21,653.45

29.1 Payment to Auditors

(₹ in lakhs)

Particulars	2021-22	2020-21
As Auditors:		
Statutory Audit fee	8.70	8.70
Limited Review	4.50	4.50
Certification fees and other services	1.65	2.20
Reimbursement of expenses	0.43	0.15
Total	15.28	15.55

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

30. Exceptional Items

(₹ in lakhs)

Particulars	2021-22	2020-21
Impairment Reversal of Investment in Associate (Net) (refer note below)	817.66	-
Total	817.66	-

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 2022. Based on the registered valuers' valuation report, the management has recognised an impairment reversal on the investment in its associate AA ESS Tradelinks Pvt Ltd of ₹ 848.41 Lakhs (Previous Year - NIL) & impairment in its Joint Venture Madanpur South Coal Company Limited of ₹ 30.75 Lakhs (Previous Year - NIL) for the FY 2021-22.

31. Income Tax

(₹ in lakhs)

Particulars	2021-22	2020-21
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		
Current Tax	-	-
Deferred Tax	421.09	358.61
Income tax expense recognised in the statement of profit and loss	421.09	358.61
ii Income tax expense recognised in OCI		
Deferred Tax:		
Deferred tax expenses on remeasurement benefit of defined benefit plans and equity instruments measured through OCI	10.46	45.63
Income tax expense recognised in OCI	10.46	45.63
Total Tax (i+ii)	431.55	404.24
B. Reconciliation of tax expense and the accounting profit for the year is as under		
Profit before tax	3,816.29	864.14
Income tax expense	1,190.68	269.61
Deferred tax assets reversal on unabsorbed depreciation	-	382.32
Effects of permanent disallowances	913.07	786.43
Utilisation of carried forward loss	(1,693.17)	(1,126.17)
Other Items	20.97	92.05
Tax expenses as per Statement of Profit and Loss & OCI	431.55	404.24

- 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.

32. Other Comprehensive Income

(₹ in lakhs)

Particulars	2021-22	2020-21
Remeasurements of the defined benefit plans	44.67	78.15
Equity Instruments through Other Comprehensive Income	28.22	(41.92)
Less: Income tax on the above	(10.46)	(45.63)
Total	62.43	(9.40)

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**33. Earnings Per Share (EPS)**

(₹ in lakhs)

Particulars	2021-22	2020-21
Earnings Per Share has been computed as under:		
Profit/ (Loss) After Tax	3,395.20	505.53
Net Profit for Calculation of Basic and Diluted EPS	3,395.20	505.53
	No.	No.
Weighed average number of equity shares in calculating Basic EPS	38,54,15,000	38,54,15,000
Weighed average number of equity shares in calculating Diluted EPS *	41,65,35,000	41,65,35,000
Face value of share (₹)	10	10
Earnings Per Share		
Basic (₹)	0.88	0.13
Diluted (₹)	0.82	0.13

* 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.

34. 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 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, 2022 and March 31, 2021;

(₹ in lakhs)

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments*	-	309.38	-	-	281.16	-
Trade receivables	-	-	6,925.95	-	-	5,484.16
Cash and cash equivalents	-	-	4,804.64	-	-	1,100.16
Other Bank Balances	-	-	4,720.63	-	-	1,558.16
Other Financial Assets	-	-	871.00	-	-	272.47
Total	-	309.38	17,322.22	-	281.16	8,414.95
Financial liabilities						
Borrowing	-	-	82,497.02	-	-	76,513.70
Trade Payable	-	-	26,792.88	-	-	12,336.03
Other financial Liabilities	-	-	1,082.94	120.16	-	939.23
Total	-	-	1,10,372.84	120.16	-	89,788.96

*Equity investments exclude investments made in subsidiaries, associates & joint venture (net of impairment loss) of ₹ 3,807.77 Lakhs (previous year - ₹ 2,990.12 Lakhs) which have been measured at cost.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

(₹ in lakhs)

31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		21.40			21.40
Unquoted Equity instruments		-	-	287.98	287.98
Total financial assets		21.40	-	287.98	309.38
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability			-		-
Total financial liabilities		-	-	-	-

(₹ in lakhs)

31st March, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		21.30			21.30
Unquoted Equity instruments		-	-	259.86	259.86
Derivative asset			-		-
Total financial assets		21.30	-	259.86	281.16
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	120.16	-	-
Total financial liabilities		-	120.16	-	120.16

There were no movement between level 1 and level 2 during the period.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**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 ₹ 287.98 Lakhs (31.03.2021 - ₹ 259.86 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 2022	31st March 2021			
Equity instruments	DCF	281.29	253.76	+(0.5%)	274.97	223.36
				-(0.5%)	289.06	288.09
	NAV	6.69	6.10	+(0.5%)	6.72	6.13
				-(0.5%)	6.66	6.07

v) The following table presents the changes in level 3 items for the periods ended 31st March 2022 and 31st March 2021:

(₹ in lakhs)

Particulars	Amount
As at 31st March 2020	306.04
Gains/ (losses) recognised in other comprehensive income	(46.18)
As at 31st March 2021	259.86
Gains/ (losses) recognised in other comprehensive income	28.12
As at 31st March 2022	287.98

35. 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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

The following table summarises the Net Debt, Equity and Ratio thereof.

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Total Borrowings (including current maturities)	82,497.02	76,513.70
Less: Cash & Cash Equivalents & Other bank balances (including non current earmarked balances)	10,126.83	2,670.65
Net Debts (A)	72,370.19	73,843.05
Total equity (refer note 14 & 15)	61,872.91	58,415.28
Total equity & Net Debt (B)	1,34,243.10	1,32,258.33
Net debt to capital employed Ratio (A/B)	0.54	0.56

No changes were made in the objective policies & process for expenditure as on 31st March 2022 & 31st March 2021

ii) Dividends

The company has not declared/paid any dividend for FY 2020-21 and no dividend has been proposed for FY 2021-22.

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 9.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**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 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	29,973.67	4,928.00	4,927.00	42,668.35	82,497.02
Trade payable	26,792.88	-	-	-	26,792.88
Other payables	1,082.94	-	-	-	1,082.94
Derivatives Derivative Liability	-	-	-	-	-
Total	57,849.49	4,928.00	4,927.00	42,668.35	1,10,372.84

(₹ 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	22,478.46	4,752.00	4,928.00	44,355.24	76,513.70
Trade payable	12,336.03	-	-	-	12,336.03
Other payables	939.23	-	-	-	939.23
Derivatives Derivative Liability	120.16				120.16
Total	35,873.88	4,752.00	4,928.00	44,355.24	89,909.12

(₹ in lakhs)

Probable Interest Payout on Term Loans	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As on 31-03-2022	1,505.84	1,031.30	545.92	90.98	3,174.04
As on 31-03-2021	1,962.99	1,505.84	1,031.30	636.91	5,137.03

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. 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 2022	31st March 2021
USD	4,074.48	-

Nominal value of forward contracts & option contracts that hedge monetary liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss. The value of such contracts amount to ₹ 12,479.16 Lakhs (previous year - ₹ 9,250.00 lakhs)

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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

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 2022	31st March 2021
USD sensitivity		
INR/USD- increase by 10% *	(280.32)	-
INR/USD- decrease by 10% *	280.32	-

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 2022	31st March 2021
Variable rate borrowing	41,884.81	39,599.72
Fixed rate borrowing	1,415.00	540.00
Total borrowings	43,299.81	40,139.72

Note: The above borrowings do not include the interest free loans and Liability component of Optionally Convertible Debentures.(Refer Note No. 15 & 17)

Sensitivity

Below is the sensitivity of profit or loss after tax and equity to changes in interest rates.

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Interest sensitivity		
Interest rates increases by 100 basis points	288.17	272.45
Interest rates decrease by 100 basis points	(288.17)	(272.45)

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**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 2022	31st March 2021
Fair Value of Quoted Equity Investments	21.40	21.30
Total Equity Investments	21.40	21.30

Sensitivity

(₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Increase in market price by 5%	0.74	0.73
Decrease in market price by 5%	(0.74)	(0.73)

36. Contingent Liabilities and Commitments**Contingent Liabilities and commitments to the extent not provided for in respect of:**

(₹ in Lakhs)

a) Particulars	31st March 2022	31st March 2021
Excise & Service Tax Matters under dispute/ appeal	1,860.60	1,860.60
Income Tax Matters under dispute/ appeal (net of payment)	301.04	186.21
Right to Recompense available with the lenders*	27,801.00	27,801.00

* Right to recompense available to the lenders amounting to ₹ 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) 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.

c) Capital Commitment

The capital commitment for the company amounts to ₹ nil (₹ nil)

- 37.** The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. During the year ended March 31, 2022, there is no significant impact on the operations of the Company. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

- 38.** Value of inventories is stated after provisions ₹ Nil (March 31, 2021: ₹ 22.65 Lakhs) for write-downs to net realizable value and provision for slow-moving and obsolete items.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

39. 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 ₹ 74.52 Lakhs (Previous year - ₹ 72.02 Lakhs). The company also hires equipments on short term contract basis, and has paid ₹ 1,711.31 Lakhs (Previous year - ₹ 1,072.34 Lakhs) against it during the year which is included in other miscellaneous expenses.

40. 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 2022	31st March 2021
a)	Provident Fund & ESI	232.68	220.50

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

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)	
	2021-22	2020-21
Balance at the beginning of the year	771.27	719.37
Current Service Cost	100.13	91.83
Interest Cost on Defined Benefit Obligation	52.79	49.24
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions		
Changes in financial assumptions	(50.16)	-
Experience adjustment	11.50	(77.43)
Benefits paid from the plan assets	(37.60)	(11.74)
Balance at the end of the year	847.93	771.27

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)	
	2021-22	2020-21
Balance at the beginning of the year	576.42	499.43
Interest Income on Plan Assets	39.45	34.19
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	6.01	0.72
Employer Contributions to the Plan	112.92	53.82
Benefits Paid from the Plan Assets	(37.60)	(11.74)
Balance at the end of the year	697.20	576.42

e) The amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Present value of Defined Benefit Obligation	847.93	771.27
Fair Value of Plan Assets	(697.20)	(576.42)
Net (Asset)/Liability in the Balance Sheet	150.73	194.85

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**f) Expenses recognized in profit or loss**

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Current Service Cost	100.13	91.83
Interest Cost	52.79	49.24
Interest Income on Plan Assets	(39.45)	(34.19)
Total Defined Benefit Cost recognized in Profit & Loss	113.47	106.88

g) Remeasurements recognized in other comprehensive income

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(50.16)	-
Experience adjustment	11.50	(77.43)
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(6.01)	(0.72)
Total Defined Benefit Cost recognized in Other Comprehensive Income	(44.67)	(78.15)

h) Major Categories of Plan Assets

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
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 liquidity 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).

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

j) Actuarial Assumptions

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Financial Assumptions		
Discount Rate	7.30%	6.85%
Salary Escalation Rate	7.50%	7.50%
Demographic Assumptions		
Normal Retirement age	58 years	58 years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal Rate		
- Upto 40 years	0.42%	0.42%
- Above 40 years	0.00%	0.00%

k) The company expect to contribute ₹ 249.97 Lakhs (Previous Year - ₹ 297.10 Lakhs) during the next annual reporting Period to gratuity fund.

l) As at 31st March 2022, the weighted average duration of the defined benefit obligation was 13 years (previous year- 14 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)	43.35
Between 2 and 5 years	121.32
Between 6 and 10 years	274.44
Beyond 10 years	2,066.97

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, 2022	31st March, 2021
Defined Benefit Obligation (Base)	847.93	771.27

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Particular	Gratuity			
	31-Mar-22		31-Mar-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	964.82	749.49	886.83	674.73
Salary Growth Rate (-/+1%)	750.27	960.34	674.59	883.40
Attrition Rate(-/+ 50% Of attrition rates)	848.15	847.72	771.72	770.82
Mortality Rate (- / + 10% of mortality rates)	847.96	847.91	771.43	771.11

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.

41. 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 Kumar Agrawal
	Pranay Agrawal	Relative - Son of Suresh Kumar Agrawal
	Disha Agrawal	Relative - Wife of Pranay Agrawal
	Ekta Agrawal	Relative - Wife of Saket Agrawal
	Richa Agrawal	Relative - Wife of Manish Agrawal

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

e)	Enterprises over which Key management Personnel and or relatives have significant influence	
	Admirable Realtors Private Limited	Mecha Cast International
	B.S. Confin Private Limited	MSP Infotech Private Limited
	Bharat Earth Mover	MSP Metallica Limited ⁴
	Catapult Fincap Private Limited	MSP Mines & Minerals Limited
	(formerly known as MSP Power Limited) ³	MSP Properties India Limited
	Dexo Trading Private Limited ¹	MSP Sponge Iron Limited
	Emerald Tradelink Private Limited	Orbit Dealcom Private Limited
	Gajgami Vinimay Private Limited	Procheta Consultants Private Limited
	High Time Holdings Private Limited	Sampat Marketing Co. Private Limited
	Howrah Gases Limited	Shree Khatupati Mercantiles Private Limited
	Ilex Private Limited	Shree Vinay Finvest Private Limited ¹
	Indoves Industrial Private Limited ²	Shreevadhu Mercantile Private Limited
	Inertia Enterprise	Shri Enterprise
	Jaik Leasing & Commercial Invt. Limited ⁵	Sikhar Commotrade Private Limited ¹
	K.C. Texofine Private Limited	Subh Enterprise
	Khatupati Energy Limited ¹	Swift & Company
	M.A. Hire Purchase Private Limited	West Sintex
	Mayur Media Services Private Limited	Yantriki
1	The Party became related w.e.f 1st April, 2021	
2	The Party became related w.e.f 11th August, 2021	
3	The Party ceases to be related w.e.f 1st April, 2021	
4	The Party ceases to be related w.e.f 4th June, 2021	
5	The Party ceases to be related w.e.f 31st August, 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)	2021-22	2020-21
Sales		
Admirable Realtors Private Limited	-	2.41
Indoves Industrial Private Limited ²	117.08	-
MSP Sponge Iron Limited	5,979.75	6,926.61
Store Chargeble Issue		
Bharat Earth Mover	2.25	-
Inertia Enterprise	2.27	-
Mecha Cast International	0.84	-
Shree Vinay Finvest Private Limited ¹	0.38	-
Shri Enterprise	0.46	-
Subh Enterprise	2.30	-
Swift & Company	1.42	-
West Sintex	1.12	-
Yantriki	1.67	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2021-22	2020-21
Purchase of Raw Material & Components Consumed		
Howrah Gases Limited	3.39	3.45
Indoves Industrial Private Limited ²	59.11	-
MSP Metallics Limited ⁴	-	850.72
MSP Sponge Iron Limited	6,493.98	11,423.88
Directors' Remuneration		
Dhananjay Uchit Singh	12.90	10.09
Manish Agrawal	48.90	37.42
Saket Agrawal	52.15	39.28
Suresh Kumar Agrawal	49.40	35.14
Key Managerial Remuneration		
Kamal Kumar Jain	31.54	27.33
Shreya Kar	7.58	6.37
Expenses Reimbursed by party		
MSP Sponge Iron Limited	143.78	45.76
MSP Properties India Limited	10.05	0.25
Expenses Reimbursed by us		
MSP Sponge Iron Limited	61.69	6.89
MSP Cement Limited	0.09	0.07
Howrah Gases Limited	2.29	1.64
MSP Metallics Limited ⁴	-	0.66
AA ESS Tradelinks Private Limited	-	0.01
Rent paid		
Ekta Agrawal	11.52	10.56
K.C. Texofine Private Limited	15.00	15.00
MSP Properties India Limited	24.78	24.78
Richa Agrawal	8.64	7.92
Shree Khatupati Mercantiles Private Limited	15.00	15.00
Vehicle Hire Charges Paid		
Howrah Gases Limited	28.32	28.32
Mayur Media Services Private Limited	4.20	4.20
MSP Infotech Private Limited	9.20	10.02
Bharat Earth Mover	21.38	18.17
MSP Properties India Limited	4.67	4.67
Shreevadhu Mercantile Private Limited	9.60	9.60
Equipment Hire Charges Paid		
Bharat Earth Mover	91.58	78.82
Inertia Enterprise	115.44	91.77
Khatupati Energy Limited ¹	63.72	-
Mecha Cast International	46.06	38.70
Shri Enterprise	47.23	37.76
Shree Vinay Finvest Private Limited ¹	125.24	-
Yantriki	68.68	53.81
Swift & Company	58.59	44.84
Subh Enterprise	77.07	53.60
West Sintex	58.44	52.06

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2021-22	2020-21
Expense on Raw Materials		
MSP Mines & Minerals Limited	35.40	38.35
Loans & Advances Given		
Prateek Mines & Minerals Private Limited	-	0.08
Repayment of Loans & Advances Given		
AA ESS Tradelinks Private Limited	-	446.19
Catapult Fincap Limited ³	-	0.45
Repayment of Loans & Advances		
Orbit Dealcom Private Limited	4.00	8.70
Gajgamani Vinimay Pvt Ltd	7.20	13.68
Loans & Advances Taken		
Gajgamani Vinimay Pvt Ltd	7.20	7.20
Orbit Dealcom Private Limited	4.00	4.00
Guarantee Obtained		
Manish Agrawal	433.51	403.79
Puranmal Agrawal	233.29	218.10
Saket Agrawal	374.14	411.94
Suresh Kumar Agrawal	290.32	277.60
Loans & Advances Given		
AA ESS Tradelinks Private Limited	0.01	0.01
MSP Cement Limited	50.58	50.49
Howrah Gases Limited	8.25	7.97
Catapult Fincap Limited ³	-	0.45
Prateek Mines & Minerals Private Limited	0.08	0.08
MSP Properties India Limited	3.38	3.33

(₹ in Lakhs)

Balance outstanding at the year end are as follows:	2021-22	2020-21
Trade Receivable		
Admirable Realtors Private Limited	4.41	4.41
Indoves Industrial Private Limited ²	51.20	-
Trade Payable		
Bharat Earth Mover	9.91	8.34
Ekta Agrawal	0.86	0.89
Mayur Media Services Private Limited	0.32	0.32
Inertia Enterprise	9.85	8.35
MSP Sponge Iron Limited	5,448.70	352.81
K.C. Texofine Private Limited	1.13	1.16
Khatupati Energy Limited ¹	6.19	-
Mecha Cast International	4.29	3.26
MSP Infotech Private Limited	0.70	0.72

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Balance outstanding at the year end are as follows:	2021-22	2020-21
Trade Payable (Contd.)		
MSP Metallica Limited ⁴	-	73.56
Richa Agrawal	0.65	0.67
Shreevadhu Mercantile Private Limited	0.72	0.74
Shri Enterprise	4.60	3.35
Shree Khatupati Mercantiles Private Limited	1.13	1.16
Shree Vinay Finvest Private Limited ¹	10.91	-
Subh Enterprise	7.62	4.09
Yantriki	6.64	4.78
Suresh Kumar Agrawal	-	6.52
West Sintex	5.01	4.84
Swift & Company	5.25	4.19
MSP Mines & Minerals Limited	2.03	1.85
Loans & Advances Taken		
B.S. Confin Private Limited	103.21	103.21
Dexo Trading Private Limited ¹	1,617.00	-
Emerald Tradelink Private Limited	65.00	65.00
High Time Holdings Private Limited	1,833.00	1,833.00
Ilex Private Limited	1,545.00	1,545.00
Jaik Leasing & Commercial Invt. Limited ⁵	-	915.00
M.A. Hire Purchase Private Limited	560.00	560.00
Orbit Dealcom Private Limited	65.40	65.40
Gajgamani Vinimay Pvt Ltd	80.00	80.00
Procheta Consultants Private Limited	854.00	854.00
Sampat Marketing Co. Private Limited	2,255.00	2,255.00
Sikhar Commotrade Private Limited ¹	740.59	-
Investments (at cost)		
AA ESS Tradelinks Private Limited	4,370.68	4,370.68
Howrah Gases Limited	15.91	15.91
Madanpur South Coal Company Limited	131.96	131.96
MSP Cement Limited	58.07	58.07
MSP Metallica Limited ⁴	-	402.00
Catapult Fincap Limited ³	-	0.80
MSP Properties India Limited	0.75	0.75
Prateek Mines & Minerals Private Limited	65.32	65.32
MSP Sponge Iron Limited	49.50	49.50
Accumulated Impairment on Investments		
AA ESS Tradelinks Private Limited	787.51	1,635.91
Madanpur South Coal Company Limited	30.75	-

* The balances of those parties which cease to be related during the year have not been considered in the closing balance as on 31-03-2022. Similarly, the transaction and balances of those parties which became related during the year have not been considered in the comparative balances.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

42. 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	2021-22	2020-21
India	2,26,432.77	1,65,805.49
Outside India	5,289.39	4,177.32
	2,31,722.16	1,69,982.81

(₹ in Lakhs)

Non-Current Assets *	As at 31st March, 2022	As at 31st March, 2021
India	82,630.96	85,517.69
Outside India	-	-
	82,630.96	85,517.69

* 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.

43. 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 2022	As at 31st March 2021
Amount required to be spent by the company during the year	-	-
Amount spent during the year on:	160.82	156.77
Construction/acquisition of any asset	3.35	5.44
On purposes other than above	157.47	151.33
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Contribution to a trust controlled by the company	-	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

For movement is CSR, refer below:

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balance	-	-
Gross amount to be spent during the year	-	-
Actual spent	160.82	156.77
(Excess) /short spent	(160.82)	(156.77)

44. Assets pledged as security

The carrying amounts of assets pledged as security are:

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
For Term Loan			
First Charge			
Equitable Mortgage			
Land	3(a)	926.80	926.80
Factory Building	3(a)	8,782.08	9,211.87
Other Building	3(a)	5,691.13	5,975.41
First Hypothecation			
Plant & Machinery, Vehicle, office equipment and Furniture & Fixtures	3(a)	67,205.55	69,305.69
Capital Work in Progress	3(b)	-	59.10
Second Charge			
(a) Inventories	8	45,755.66	37,673.01
(b) Financial Assets			
(i) Trade Receivables	9	6,925.95	5,484.16
(ii) Cash and Cash equivalents	10	4,804.64	1,100.16
(iii) Bank Balances other than (ii) above	11	4,720.63	1,558.16
(iv) Other Financial Assets	5	76.14	72.80
(c) Other Current Assets	12	22,136.72	12,045.56
Total Assets Pledged against Term Loan		1,67,025.30	1,43,412.72
For Cash Credit			
First Charge			
(a) Inventories	8	45,755.66	37,673.01
(b) Financial Assets			
(i) Trade Receivables	9	6,925.95	5,484.16
(ii) Cash and Cash equivalents	10	4,804.64	1,100.16
(iii) Bank Balances other than (ii) above	11	4,720.63	1,558.16
(iv) Other Financial Assets	5	76.14	72.80
(c) Other Current Assets	12	22,136.72	12,045.56
Second Charge			
(a) Property, Plant and Equipment	3(a)	82,605.56	85,419.77
(b) Capital Work in Progress	3(b)	-	59.10
Total Assets Pledged against Cash Credit		1,67,025.30	1,43,412.72

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

- 45.** The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

For the Year Ended 31st March'22

(₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	24,491.55	June 30, 2021	40,606.68	50,235.99	-9,629.31	Note -1
	26,000.00	15,995.96	September 30, 2021	35,666.27	40,717.06	-5,050.79	
	26,000.00	21,547.98	December 31, 2021	37,934.16	48,868.08	-10,933.92	
	26,000.00	24,146.72	March 31, 2022	36,340.23	46,574.17	-10,233.94	

For the Year Ended 31st March'21

(₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	25,408.45	June 30, 2020	33,593.49	43,267.17	-9,673.68	Note -1
	26,000.00	24,135.39	September 30, 2020	35,463.89	45,526.79	-10,062.90	
	26,000.00	23,813.96	December 31, 2020	36,391.89	46,694.93	-10,303.04	
	26,000.00	17,720.46	March 31, 2021	36,406.91	42,185.06	-5,778.15	

Note 1 - Primarily exclusion of the certain advances and provisional valuation of stock at the time of submitting the statement to the bank.

* This is computed by considering the following: Inventory+Trade Receivables+Advances Given to suppliers-Trade Payables-Advances Received from customers.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)**46. Ratio**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021	% Variance
(a) Current ratio	1.39	1.55	-10.32%
(b) Debt-equity ratio	1.33	1.31	1.53%
(C) Debt service coverage ratio	1.37	1.25	9.60%
(d) Return on equity ratio ¹	0.05	0.01	400.00%
(e) Inventory turnover ratio ²	5.37	3.70	45.14%
(f) Trade receivables turnover ratio ³	37.70	27.14	38.91%
(g) Trade payables turnover ratio ⁴	10.71	8.29	29.19%
(h) Net capital turnover ratio	9.79	8.41	16.41%
(i) Net profit ratio	0.01	-	0.00%
(j) Return on capital employed	0.08	0.07	14.29%
(k) Return on investment ⁵	0.10	(0.14)	-171.43%

(1) Increase in profit has led to improved ROE.

(2) Increase in sale of products has led to improved Inventory turnover.

(3) Revenue growth and faster collection has led to improved Trade receivables turnover.

(4) Increase in purchase and faster payment has led to improved Trade payables turnover.

(5) Impact of Market Dynamics.

Description of ratios:(a) **Current ratio:** Current Assets / Current Liabilities.(b) **Debt-equity ratio:** Total Debt / Shareholder's Equity.(c) **Debt service coverage ratio:** Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. / Debt service = Interest & Lease Payments + Long term Principal Repayments.(d) **Return on equity ratio:** Net Profits after taxes / Average Shareholder's Equity.(e) **Inventory turnover ratio :** Sales of Products / Average inventory = (Opening + Closing balance / 2).(f) **Trade receivables turnover ratio:** Revenue from Operations / Average trade debtors = (Opening + Closing balance / 2).(g) **Trade payables turnover ratio:** Purchase of Raw Materials & Stores / Average Trade Payables.(h) **Net capital turnover ratio:** Revenue from Operations / Working Capital = Working capital shall be calculated as current assets minus current liabilities.(i) **Net profit ratio:** Earning before interest and taxes / Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability(j) **Return on capital employed:** Earning before interest and taxes / Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability.(k) **Return on investment:** Net gain / (loss) on sale / fair value changes of Equity Instruments / Average Investments.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

47. Other Statutory Information

- (a) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.
- (b) The Company has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.
- (c) The Company has not used borrowings for purpose other than specified purpose of the borrowing.
- (d) The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (e) The Company does not have transactions with any struck off companies during the current year and previous year.
- (f) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.
- (g) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (i) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (j) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- (k) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (l) The company has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.
- (m) The Company did not raise any term loans or no new working capital borrowings have been sanctioned the current year. Accordingly, the Company does not have any charges to be filed or satisfaction which is yet to be registered with ROC beyond the statutory period.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Cont.)

- 48.** 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 ₹ 22.58 Lakhs (Previous Year - ₹ 83.48 Lakhs).
- 49.** The previous year's figures have been regrouped, rearranged and reclassified to conform to the classification of the current year, wherever necessary.
- 50.** The financial statements have been approved in Audit Committee meeting held on 30.05.2022 and approved by the Board of Directors on the same day.

For and **behalf of Board of Directors**For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

FINANCIAL REPORT

CONSOLIDATED



Independent Auditor's Report

To the Members of **MSP Steel & Power Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **MSP Steel & Power Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint venture (refer Note 45 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit 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 Consolidated Financial Statements" section of our report. We are independent of Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Independent Auditor's Report (Contd.)

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p>Revenue Recognition (Refer Note No. 1 and 21 and of the Consolidated Financial Statement):</p> <p>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.</p>	<p>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.</p>
<p>Inventory Management (Refer Note No. 1 and 8 and of the Consolidated Financial Statement):</p> <p>The Holding 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 ₹35,163.72 lakh as on March 31, 2022.</p> <p>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.</p>	<ul style="list-style-type: none"> • Our audit procedures included the following: • Obtained the understanding of the management with regards to internal financial controls relating to Inventory management. • The Holding 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

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report (Contd.)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its 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 including its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group including its associate and joint venture are responsible for assessing the ability of the Group including 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 including its associate and joint venture or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group including its associate and joint venture are responsible for overseeing the financial reporting process of the Group, its associate and joint venture.

Auditors' Responsibility for the Audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (Contd.)

- 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, 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, its associate and joint venture to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, 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.
11. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
 12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. 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.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

Independent Auditor's Report (Contd.)

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

15. We did not audit the financial statements / financial information of subsidiaries whose financial statements / financial information reflect total assets of Rs. 252.08 Lakh and net assets of Rs. 117.06 Lakh as at March 31, 2022, total revenue from operations is Nil, total comprehensive income of Rs. (-) 9.75 Lakh (comprising profit and other comprehensive income) as considered in the statement. Further, we did not audit the financial statements of the Associate and the Joint Venture whose share of total comprehensive Income considered for consolidation is Rs.0.63 lakhs. 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.
16. Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), 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 matter specified in paragraph 3(xxi) of CARO 2020.
18. 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, its associate and joint venture 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 Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations r from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate and joint venture incorporated in India, none of the directors of the Group, its associate and joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditor's Report (Contd.)

- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure B**.

- (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:

The Group, its associate and joint venture incorporated in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V 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, 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 as on March 31, 2022 on the consolidated financial position of the Group, its associate and joint venture – Refer Notes 36 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2022.
- 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 transfer to IEPF after October 24, 2019. However, the same has been transferred to captioned fund before the signing of the audit report. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by its subsidiaries and associate and joint venture incorporated in India during the year ended March 31, 2022.
- iv. (a) The respective Managements of the Holding Company and its subsidiaries and associate and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate and joint venture respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associate and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries and associate and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate and joint venture respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries and associate and joint venture from any person(s) or

Independent Auditor's Report (Contd.)

entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and associate and joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, and associate and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under paragraph 19 (h) (iv)(a) &(b) above, contain any material misstatement.

- v. The Company, its subsidiaries and associates and joint venture incorporated in India has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared/proposed for the current year.

Place: Kolkata
Date: May 30, 2022

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

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 22063769AJXDRS9398

Independent Auditor's Report (Contd.)

Annexure a to Independent Auditor's Report

Referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of MSP Steel & Power Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

SL	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditor's report	Paragraph number in the respective CARO reports
1	MSP Steel & Power Limited	L27109WB1968PLC027399	Holding Company	30th May,2022	Clause 3 (ii)(b), 3(vii)
2	Madanpur South Coal Company Limited	U10300CT2006PLC020006	Joint Venture	13th May,2022	Clause 3 (xix)

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

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 22063769AJXDRS9398

Place: Kolkata
Date: May 30, 2022

Independent Auditor's Report (Contd.)

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 18 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report on Consolidated Financial Statements to the Members of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of **MSP Steel & Power Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries and its associate and joint venture which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associate and joint venture to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.

Independent Auditor's Report (Contd.)

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of internal financial control over financial reporting with reference to consolidated financial statements

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

Inherent limitation of internal financial control over financial reporting with reference to consolidated financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiaries and its associate and joint venture which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Independent Auditor's Report (Contd.)

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiaries and 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. Our opinion is not modified in respect of this matter.

Place: Kolkata
Date: May 30, 2022

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

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 22063769AJXDRS9398

Consolidated Balance Sheet As at 31st March, 2022

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3(a)	82,626.23	85,441.13
	(b) Capital Work in Progress	3(b)	59.18	118.29
	(c) Intangible Assets	3(c)	25.40	38.82
	(d) Goodwill		1.00	1.00
	(e) Investment in Associate & Joint Venture	4	3,684.39	3,683.76
	(f) Financial Assets			
	(i) Investments	4	309.38	281.16
	(ii) Loans	5(a)	14.27	14.27
	(iii) Other Financial Assets	5(b)	794.86	199.67
	(g) Deferred Tax Assets (Net)	6	2,663.68	3,095.73
	(h) Income Tax Assets (Net)	7	413.41	173.15
	(i) Other Non-Current Assets	12	-	2.98
			90,591.80	93,049.96
2	Current Assets			
	(a) Inventories	8	45,755.66	37,673.01
	(b) Financial Assets			
	(i) Trade Receivables	9	7,048.95	5,621.72
	(ii) Cash and Cash Equivalents	10	4,831.34	1,126.99
	(iii) Bank Balances other than (ii) above	11	4,722.99	1,560.40
	(iv) Other Financial Assets	5(b)	76.14	72.80
	(c) Other Current Assets	12	22,089.21	11,999.97
			84,524.29	58,054.89
	TOTAL ASSETS		175,116.09	151,104.85
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	13	38,541.50	38,541.50
	(b) Other Equity	14	23,293.91	20,661.74
	(c) Non-Controlling Interest	14	32.17	33.50
			61,867.58	59,236.74
2	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	52,599.56	54,294.45
	(b) Provisions	16	121.41	117.33
			52,720.97	54,411.78
3	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	29,973.67	22,295.46
	(ii) Trade Payables			
	(a) To micro and small enterprises	18	90.59	128.05
	(b) To other than micro and small enterprises	18	26,702.30	12,207.97
	(iii) Other Financial Liabilities	19	1,082.94	1,059.39
	(b) Other Current Liabilities	20	2,388.81	1,565.81
	(c) Provisions	16	289.23	199.65
			60,527.54	37,456.33
	TOTAL EQUITY AND LIABILITIES		175,116.09	151,104.85

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 and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Statement of Consolidated Profit & Loss for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Notes	2021-22	2020-21
INCOME			
Revenue from Operations	21	233,957.86	172,313.44
Other Income	22	339.59	93.07
Total (I)		234,297.45	172,406.51
EXPENSES			
Cost of Materials Consumed	23	188,929.53	130,979.05
Purchase of Stock in Trade	24	2,295.60	2,222.59
Changes in Inventories of Finished Goods, By-products, Work in Progress and Stock in Trade	25	(4,206.99)	(1,207.82)
Employee Benefits Expenses	26	5,146.29	4,428.04
Finance Costs	27	7,417.09	7,925.18
Depreciation and Amortization Expenses	28	5,447.20	5,549.22
Other Expenses	29	26,279.35	21,655.49
Total (II)		231,308.07	171,551.75
Profit/(Loss) before Exceptional Item and Tax (I-II)		2,989.38	854.76
Share of Profit/Loss of Associates and Joint Venture (Net of Tax)	30	0.63	(7.62)
Exceptional Items		-	-
Profit/(Loss) Before Tax		2,990.01	847.14
Tax Expenses	31		
Current Tax		-	-
Deferred Tax		421.59	359.20
Total Tax Expenses		421.59	359.20
Profit/(Loss) for the Year		2,568.42	487.94
Other Comprehensive Income	32		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		44.67	78.15
(b) Equity Instruments through Other Comprehensive Income		28.22	(41.92)
(c) Share in joint venture/associate		-	(26.43)
(d) Income taxes on items that will not be reclassified to profit or loss		(10.46)	(45.63)
Other Comprehensive Income (Net of Tax)		62.43	(35.83)
Total Comprehensive Income for the year		2,630.85	452.11
Profit for the Period attributable to			
(i) Owners of the Company		2,569.75	489.40
(ii) Non Controlling Interest		(1.33)	(1.46)
Other Comprehensive Income for the Period attributable to			
(i) Owners of the Company		62.43	(35.83)
(ii) Non Controlling Interest		-	-

Statement of Consolidated Profit & Loss for the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Notes	2021-22	2020-21
Total Comprehensive Income for the Period attributable to			
(i) Owners of the Company		2,632.18	453.57
(ii) Non Controlling Interest		(1.33)	(1.46)
Earnings per equity share of face value of ₹ 10/- each	33		
Basic (₹)		0.67	0.13
Diluted (₹)		0.62	0.13

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

Place: Kolkata

Date: 30th May, 2022

For and **behalf of Board of Directors**

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
1.	Net Profit/(Loss) before taxes	2,990.01	847.14
2.	Adjustments for:		
	Depreciation & Amortization Expense	5,447.20	5,549.22
	Interest Income	(96.63)	(87.86)
	Interest Expense on Borrowings	3,769.02	5,032.79
	Interest Expense on OCD	2,823.24	2,520.62
	Other Finance Expenses	481.90	371.76
	Provision for Doubtful debts/ Advances/ Deposits and Claims	244.35	1,146.85
	Unrealised (Profit)/Loss on Foreign Exchange Fluctuations	(238.11)	81.12
	Share of (Profit)/Loss of Associate & Joint Venture	(0.63)	7.62
	(Profit) / Loss on sale of property, plant & equipment (net)	(3.40)	(1.18)
3.	Operating Profit before working capital changes (1+2)	15,416.95	15,468.08
4.	Movement in Working Capital for:		
	(Increase)/ Decrease in Trade & Other Receivables	(11,763.81)	385.78
	(Increase)/ Decrease in Inventories	(8,082.65)	14,705.98
	Increase/ (Decrease) in Trade & Other Payables	15,541.46	(12,768.70)
	Increase/ (Decrease) in Provisions	138.33	55.78
5.	Cash generated from Operations (4+3)	11,250.28	17,846.92
6.	Less: Direct Taxes Paid	240.26	15.71
7.	Net Cash generated from Operating Activities (5-6)	11,010.02	17,831.21
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of property, plant & equipment including CWIP	(2,561.40)	(422.19)
	Sale of property, plant & equipment	5.02	1.18
	Fixed Deposit given in form of Margin Money	(3,751.83)	133.09
	Interest received	93.29	177.10
	Net cash generated/(used) in investing activities	(6,214.92)	(110.82)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Long Term Borrowings Received/ (paid) (Net)	(4,430.93)	(3,246.36)
	Short Term Borrowings Received/ (paid) (Net)	7,495.20	(8,448.40)
	Interest Paid	(3,680.80)	(5,675.49)
	Other Finance Expenses Paid	(474.21)	(371.76)
	Unclaimed Dividend transferred to Investor Education Protection Fund of India	-	1.35
	Net cash used in financing activities	(1,090.74)	(17,740.67)
D.	Net (Decrease) in Cash and Cash equivalents (A+B+C)	3,704.35	(20.28)
E1	Cash and Cash equivalents as at the beginning of the year	1,126.99	1,147.27
E2	Cash and Cash equivalents as at the end of the year	4,831.34	1,126.99
	Net Change in Cash and Cash equivalents (E2-E1)	3,704.35	(20.28)

Consolidated Cash Flow Statement for the year ended 31st March, 2022 (Contd.)

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, 2022	Year ended 31st March, 2021
b)	Components of Cash and Cash equivalents		
	Cash on hand	22.44	16.70
	With Scheduled Banks on Current Account	4,614.95	1,110.29
	Positive Balances in Cash Credit Account	193.95	-
		4,831.34	1,126.99

c) Reconciliation for total liability arising from financing activities :

(₹ in Lakhs)

Head	31st March 2021	Cash Flow	Non Cash Changes		Interest Paid*	31st March 2022
			Inter Head Movement	Interest Expenses*		
Long Term Borrowings**	35,353.30	(4,430.93)	7.69	1,952.96	1,864.86	31,018.15
Other Financial Liabilities	26.22	-	(7.69)	577.26	569.46	26.33
Borrowings - Current	17,720.46	7,495.20	-	1,720.70	1,720.69	25,215.67
	53,099.98	3,064.27	-	4,250.92	4,155.01	56,260.15

(₹ 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)	429.56	430.24	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)	-	5,404.55	6,047.25	53,099.98

* Interest expenses/paid also include the Other Financial Charges expenses/paid during the year.

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

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

As per our report of even date:

For and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Consolidated Statement of changes in Equity for the year ended 31st March, 2022**A. Equity Share Capital**

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
As at the beginning of the year	38,541.50	38,541.50
As at the end of the year	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% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income			
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
Balance as at 1st April, 2021	15,055.59	(26,340.17)	3,112.99	28,506.44	326.89	20,661.74	33.50	20,695.24
Profit/ (Loss) for the year	-	2,569.75	-	-	-	2,569.75	(1.33)	2,568.42
Remeasurement benefits Gain/(Loss) (Net of tax)	-	37.69	-	-	-	37.69	-	37.69
Fair Value of Equity Instrument through FVOCI	-	-	-	-	24.73	24.73	-	24.73
Balance as at 31st March, 2022	15,055.59	(23,732.73)	3,112.99	28,506.44	351.62	23,293.91	32.17	23,326.08

Consolidated Statement of changes in Equity for the year ended 31st March, 2022 (Cont.)

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 and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**Company Background**

The MSP Steel & Power Limited 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 Kolkata, West Bengal, India.

The Group is principally engaged in manufacture and sale of iron and steel products and generation of power.

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 2022. 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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).

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 relevant provisions of the Act.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments: Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.
- Conceptual framework for financial reporting under Ind AS issued by ICAI
- Ind AS 103: Business combination
- Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets held for sale and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures

These amendments had no impact on the financial statements of the Company.

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;
- 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,

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**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 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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 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 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.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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:

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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

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;

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

- **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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**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.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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 taxable 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.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

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.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

2.2. 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 plant and equipment.

2.3. Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**2.4. Impairment of financial assets**

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

2.5. Impairment of Investment in Associate/ Joint Venture

The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the respective company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.6. Income taxes/Deferred Tax

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.

2.7. 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.

2.8. 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

3(a). 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, 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
Additions	-	-	-	2,601.08	-	19.43	-	2,620.51
Deductions	-	-	-	-	32.52	-	-	32.52
Balance as at 31st March, 2022	943.18	11,790.60	7,681.07	101,186.71	206.27	97.10	73.08	121,978.01
ACCUMULATED DEPRECIATION								
Balance as at 01st April, 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	40.12	33,948.89
Depreciation expense	-	429.79	284.28	4,686.60	17.61	11.40	4.10	5,433.78
Deductions	-	-	-	-	30.89	-	-	30.89
Balance as at 31st March, 2022	-	3,008.52	1,989.94	34,145.79	110.25	53.06	44.22	39,351.78
NET CARRYING VALUE								
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
Balance as at 31st March, 2022	943.18	8,782.08	5,691.13	67,040.92	96.02	44.04	28.86	82,626.23

Note : Title deeds of Land of ₹ Nil (₹ 6.51 Lakhs) is pending for registration.

3(b) Capital Work in Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
As at the beginning of the year	118.29	118.28
Movement during the year	(59.11)	0.01
As at the end of the year	59.18	118.29

Capital Work in Progress (CWIP) ageing schedule

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	59.18	59.18
Projects temporarily suspended	-	-	-	-	-

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2021
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	0.01	-	59.10	59.18	118.29
Projects temporarily suspended	-	-	-	-	-

There are no projects as on March 31, 2022 where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue. CWIP as on March 31, 2021 of ₹59.10 Lakhs is capitalised during the current year.

3(c) Intangible Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
As at the beginning of the year	38.82	52.24
Capitalized during the year	-	-
Amortized during the year	13.42	13.42
As at the end of the year	25.40	38.82

Intangible assets consists mainly of Computer Software.

4. Non Current Investments

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares / Units	(₹ in Lakhs)	Number of Shares / Units	(₹ in Lakhs)
(a) Unquoted Investments in Equity Instruments				
(i) In Associate Company (at cost)				
AA ESS Tradelinks Private Limited (₹ 10 each)	4,650,175	4,370.68	4,650,175	4,370.68
Adjustment on account of equity accounting of Associate		-		849.27
Less: Impairment of investment in Associate (refer note no. 30)		(787.50)		(1,635.91)
		3,583.18		3,584.04
(ii) In Joint Venture (at cost)				
Madanpur South Coal Company Limited (₹ 10 each)	94,427	131.96	94,427	131.96

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

4. Non Current Investments (Cont.)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares / Units	(₹ in Lakhs)	Number of Shares / Units	(₹ in Lakhs)
Adjustment on account of equity accounting of Associate		-		(32.24)
Less: Impairment of investment in Joint Venture (refer note no. 30)		(30.75)		-
		101.21		99.72
Investment in Associate & Joint Venture (i+ii)		3,684.39		3,683.76
(iii) In Others (at fair value through OCI)				
MSP Metalics Limited (₹ 10 each)	420,000	-	420,000	-
MSP Properties (I) Limited (₹ 10 each)	7,500	5.91	7,500	6.10
MSP Sponge Iron Limited (₹ 10 each)	313,000	281.29	313,000	253.76
Catapult Fincap Limited (₹ 10 each) formerly known as MSP Power Limited	8,000	0.78	8,000	-
		287.98		259.86
(b) Quoted Investments in Equity Instruments (at fair value through OCI)				
Howrah Gases Ltd (₹ 10 each)	93,700	15.00	93,700	15.00
Ashirwad Steel and Industries Limited (₹ 10 each)	2,500	0.39	2,500	0.26
Nageshwar Investment Limited (₹ 10 each)	11,000	0.22	11,000	0.22
Indian Overseas Bank (₹ 10 each)	2,900	0.53	2,900	0.46
IDFC First Bank Limited (₹ 10 each)	5,201	2.05	5,201	2.90
IDFC Limited (₹ 10 each)	5,201	3.21	5,201	2.46
		21.40		21.30
Other Non Current Investments (a(iii)+b)		309.38		281.16
TOTAL (a+b)		3993.77		3964.92
Aggregate amount of Quoted Investments - at Cost		19.24		19.24
Aggregate amount of the Quoted Investments - at Market value		21.40		21.30
Aggregate value of unquoted Investments - at cost		4,502.64		4,502.64
Aggregate amount of impairment in value of investment.		818.25		1,635.91

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**5(a). Loans**

Particulars	Non - Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good Unless Otherwise Stated				
Loans to Body Corporate*	14.27	14.27	-	-
TOTAL	14.27	14.27	-	-

* for business purpose only.

5(b). Other Financial Assets

(₹ in Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good Unless Otherwise Stated				
Deposits with Banks (Refer Note No. 11)	601.56	12.33	-	-
(A)	601.56	12.33	-	-
Others				
Interest Accrued on Fixed Deposits and Others	-	-	76.14	72.80
Security Deposit	193.30	187.34	-	-
(B)	193.30	187.34	76.14	72.80
TOTAL (A+B)	794.86	199.67	76.14	72.80

6. Deferred Tax Assets (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities :		
Tax impact on difference between book value of depreciable assets and written down value for tax purpose	(15,084.70)	(14,901.83)
Others	(24.72)	(21.24)
Deferred Tax Assets :		
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax law deferred	1,865.71	1,806.74
Tax impact of unabsorbed loss / Allowances	13,258.68	13,563.35
MAT Credit Entitlement	2,648.71	2,648.71
	2,663.68	3,095.73

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2021 and 31st March, 2022

(₹ in Lakhs)

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	(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

(₹ in Lakhs)

Particulars	As at 1st April, 2021	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2022
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(14,901.82)	(182.87)	-	(15,084.69)
Others	(21.24)	-	(3.48)	(24.72)
	(14,923.06)	(182.87)	(3.48)	(15,109.41)

Particulars	As at 1st April, 2021	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2022
Deferred Income Tax Assets				
Allowance for credit loss	1,700.19	71.05	-	1,771.24
Expense allowed under Income Tax on payment basis	106.55	(5.11)	(6.98)	94.46
Unabsorbed depreciation	13,563.34	(304.66)	-	13,258.68
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	18,018.79	(238.72)	(6.98)	17,773.09
Deferred Tax Assets (Net)	3,095.73	(421.59)	(10.46)	2,663.68

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 2022

(₹ 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	

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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, 2022		As at 31st March, 2021	
	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
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		6,710.30	

#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.

7. Income Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax & TDS (Net)	298.62	75.85
Income Tax Receivable	114.79	97.30
	413.41	173.15

Note:

The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to above matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

8. Inventories (Valued at Lower of Cost and Net Realizable Value)*

(₹ in Lakhs)

Particulars	As at 31st March, 2022	"As at 31st March, 2021"
*Raw Materials and Components [includes in transit ₹ 6,087.38 lakhs (31st March 2021 : ₹ 221.07 lakhs)]	28,332.53	25,687.25
Work - in - Progress	3,526.30	2,842.18
*Finished Goods [includes in transit ₹ 227.61 lakhs (31st March 2021 : ₹ 135.70 lakhs)]	9,168.92	5,038.08
Stores and Spares	3,999.17	2,768.79
By Products (at Net Realisable Value)	683.87	1,267.14
Stock in Trade	44.87	69.57
Total	45,755.66	37,673.01

*refer note no. 38

8.1 For Lien/ charge details against inventory, Refer Note 44.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

9. Trade Receivables

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2022	As at 31st March, 2021
At amortised cost		
- Trade Receivables considered good - Secured	-	-
- Trade Receivables considered good - Unsecured	9,182.93	7,784.26
- Trade Receivables which have significant increase in credit risk	-	-
- Trade Receivables - credit impaired	-	-
Less: Loss Allowance	(2,133.98)	(2,162.54)
Total trade receivables	7,048.95	5,621.72
- Receivables from related parties (Refer Note 41)	55.60	4.41
- Others	6,993.35	5,617.31
Total trade receivables	7,048.95	5,621.72

9.1 For Lien/ charge details against trade receivables, Refer Note 44

9.2 No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

9.3 Trade Receivable Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2022					
	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed-Considered good	6,837.63	45.39	17.87	64.41	2,217.63	9,182.92
Undisputed- Which have significant increase in credit risk	-	-	-	-	-	-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	6,837.63	45.39	17.87	64.41	2,217.63	9,182.93
Less: Loss allowance						(2,133.98)
Total						7,048.95

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2021					
	< 6 months	"6 months -1 year	"1-2 years "	"2-3 years "	> 3 years	Total
Undisputed-Considered good	5,403.17	8.88	96.49	19.38	2,256.34	7,784.26
Undisputed- Which have significant increase in credit risk	-	-	-	-	-	-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	5,403.17	8.88	96.49	19.38	2,256.34	7,784.26
Less: Loss allowance						(2,162.54)
Total						5,621.72

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**9.4 Set out below is the movement in the allowance for expected credit losses of trade receivables**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	2,162.54	1,457.30
Provision/(Reversal) for Expected Credit Loss	(28.56)	705.24
Closing Balance	2,133.98	2,162.54

9.5 Breakup of Impairment Loss Allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
- Trade Receivables considered good - Unsecured	2,133.98	2,162.54
- Trade Receivables which have significant increase in credit risk	-	-
- Trade Receivables - credit impaired	-	-
Total	2,133.98	2,162.54

- 9.6 No element of financing is deemed present as the sales are generally made with a credit term which is consistent with market practice.
- 9.7 There are no "unbilled" and "disputed" trade receivables, hence the same are not disclosed in the ageing schedule.
- 9.8 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.

10. Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents		
Cash on Hand	22.44	16.70
Balance with Banks:		
On Current Accounts	4,614.95	1,110.29
Positive Balance in Cash Credit Account	193.95	-
	4,831.34	1,126.99

11. Bank Balances other than Cash and Cash equivalents

(₹ in Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2022	As at 31st March, 2021"	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposits - Earmarked for LC & BG	601.56	12.33	4,721.82	1,559.23
	601.56	12.33	4,721.82	1,559.23
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 5(b))	(601.56)	(12.33)	-	-
Unpaid Dividend Accounts	-	-	1.17	1.17
	-	-	4,722.99	1,560.40

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

12. Other Current Assets

(₹ in Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Advances to Suppliers other than capital advances				
Considered Good			21,731.66	11,647.70
Considered Doubtful			3,543.10	3,286.81
			25,274.76	14,934.51
Less: Allowances for doubtful advances			3,543.10	3,286.81
(A)	-	-	21,731.66	11,647.70
Other Advances				
Prepaid Expenses			109.69	128.68
Advances to Related Parties			11.65	11.77
Balances with Statutory/Government Authorities		2.98	225.41	197.66
Others			10.80	14.16
(B)	-	2.98	357.55	352.27
TOTAL (A+B)	-	2.98	22,089.21	11,999.97

13. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
800,000,000 (31.03.2021 - 800,000,000) equity shares of ₹ 10/- each	80,000.00	80,000.00
100,000,000 (31.03.2021 - 100,000,000) preference shares of ₹ 10/- each	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up Share Capital		
38,54,15,000 (31.03.2021 - 38,54,15,000) equity shares of ₹ 10/- each	38,541.50	38,541.50
Total	38,541.50	38,541.50

13.1. Reconciliation of number of Shares

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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
Balance at the end of the year	385,415,000	38,541.50	385,415,000	38,541.50

13.2. 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**13.3. Shareholders holding more than 5% share in the holding company are as follows:**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No of shares	% of shares	No of shares	% of shares
State Bank of India	46,334,367	12.02%	46,334,367	12.02%
Mod Commodeal Pvt. Limited	31,499,538	8.17%	31,499,538	8.17%
Adhunik Gases Limited	23,479,000	6.09%	23,479,000	6.09%
Sikhar Commotrade Pvt. Limited	28,984,056	7.52%	28,984,056	7.52%
Shringar Mercantile Pvt. Limited	28,211,200	7.32%	28,211,200	7.32%
MSP Sponge Iron Limited	24,736,500	6.42%	24,736,500	6.42%
Union Bank of India	-	-	19,805,945	5.14%

13.4. Details of Promoters holding in the holding company

SL.	Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Suresh Kumar Agrawal	25,120	0.01	25,120	0.01	-
2	Puran Mal Agrawal	29,000	0.01	29,000	0.01	-
3	Pranay Agrawal	306,000	0.08	306,000	0.08	-
4	Nisha Agrawal	336,500	0.09	336,500	0.09	-
5	Kiran Agrawal	486,000	0.13	486,000	0.13	-
6	Saket Agrawal	204,000	0.05	204,000	0.05	-
7	Manish Agrawal	309,000	0.08	309,000	0.08	-
8	Puran Mal Agrawal	186,620	0.05	186,620	0.05	-
9	Suresh Kumar Agrawal	141,000	0.04	141,000	0.04	-
10	Dexo Trading Pvt. Ltd.	1,575,000	0.41	1,575,000	0.41	-
11	High Time Holdings Pvt. Ltd.	3,025,000	0.78	3,025,000	0.78	-
12	Ilex Private Limited	4,115,000	1.07	4,115,000	1.07	-
13	Jagran Vyapaar Pvt. Ltd.	1,950,000	0.51	1,950,000	0.51	-
14	Larigo Investment Private Limited	12,050,000	3.13	12,050,000	3.13	-
15	B S Confin Pvt. Ltd.	3,530,000	0.92	3,530,000	0.92	-
16	Emerald Tradelink Pvt. Ltd.	2,500,000	0.65	2,500,000	0.65	-
17	Gilbart Merchants Pvt. Ltd.	8,504,426	2.21	8,504,426	2.21	-
18	K. C. Texofine Pvt. Ltd.	8,715,000	2.26	8,715,000	2.26	-
19	Raj Securities Ltd.	5,200,000	1.35	5,200,000	1.35	-
20	Adhunik Gases Ltd.	23,479,000	6.09	23,479,000	6.09	-
21	Aa Ess Tradelinks Pvt. Ltd.	2,650,000	0.69	2,650,000	0.69	-
22	Msp Rolling Mills Pvt. Ltd.	4,460,000	1.16	4,460,000	1.16	-
23	Msp Sponge Iron Limited	24,736,500	6.42	24,736,500	6.42	-
24	Msp Infotech Pvt. Ltd.	12,529,760	3.25	12,529,760	3.25	-
25	Rajnath Vyapaar Private Limited	2,500,000	0.65	2,500,000	0.65	-
26	Sikhar Commotrade Pvt.Ltd.	28,984,056	7.52	28,984,056	7.52	-
27	Panorama Commercial Private Limited	1,000,000	0.26	1,000,000	0.26	-
28	Shree Vinay Finvest Pvt. Ltd.	6,878,543	1.78	6,878,543	1.78	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

13.5. Additional Disclosure in the respect of Equity Share

- The Company does not have any Holding Company or Ultimate Holding Company.
- 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.
- 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.
- 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.
- 26,50,000 shares (31st March 2021 : 26,50,000 shares) held by associate of the holding company.

14. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total	Non Controlling Interest	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture				
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

Notes the Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

14. Other Equity (Cont.)

(₹ in Lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total	Non Controlling Interest	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income			
Balance as at 1st April, 2021	15,055.59	(26,340.17)	3,112.99	28,506.44	326.89	20,661.74	33.50	20,695.24
Profit/ (Loss) for the year		2,569.75				2,569.75	(1.33)	2,568.42
Remeasurement benefits Gain/(Loss) (Net of tax)		37.69				37.69		37.69
Fair Value of Equity Instrument through FVOCI					24.73	24.73		24.73
Balance as at 31st March, 2022	15,055.59	(23,732.73)	3,112.99	28,506.44	351.62	23,293.91	32.17	23,326.08

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.

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.

Equity Component of Optionally Convertible Debenture

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

Equity Instruments through Other Comprehensive Income

The Group 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 Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

15. Long Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
a. Term loans		
From Banks		
Indian rupee loan	12,786.14	17,304.26
	12,786.14	17,304.26
b. Unsecured		
Inter-Corporate Deposits	166.21	166.21
Loans from related parties	450.00	450.00
Interest free loan from promoter/promoter group companies (Note 15.1 (c))	12,857.80	12,857.80
	13,474.01	13,474.01
c. Liability Component of Optionally Convertible Debenture		
Optionally Convertible Debenture (Note 15.1 (b))	26,339.41	23,516.18
	26,339.41	23,516.18
Total (a+b+c)	52,599.56	54,294.45
The above amount includes:		
Secured borrowings	39,125.55	40,820.44
Unsecured borrowings	13,474.01	13,474.01
Net Amount	52,599.56	54,294.45

15.1. Terms of Repayments

- 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 2.90% above 6 months MCLR. The Term Loan facilitated from the bank is repayable in 30 Quarterly Instalments from December 2017. Last instalment due in September 2025.
- 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. As per valuation report and relevant IND AS, PV of OCD as on the OCD issuing date i.e. March 21, 2018 is ₹ 166.90 crore which has been treated as financial liability and balance of ₹ 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

- 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 ₹ 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%.

16. Provisions

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits				
For Gratuity (Refer Note No. 40)	-	-	150.73	194.85
For Leave Benefits	120.13	116.05	5.69	4.38
Others*	1.28	1.28	132.81	0.42
Total	121.41	117.33	289.23	199.65

* The Other Provision includes purchase obligations of Renewable Energy Certificates (E-Cert).

16.1. Movement of Other Provision

Particulars	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
As at the beginning of the year	1.28	1.28	0.42	0.12
Created during the year	-	-	132.69	0.30
Reversal during the year	-	-	0.30	-
As at the end of the year	1.28	1.28	132.81	0.42

17. Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Rupee Loan from Banks		
Cash Credit Facility	18,265.51	11,840.24
Current Maturities of Long Term Debt	4,758.00	4,575.00
Foreign Currency Loan from Banks		
Working Capital Loan	6,075.16	5,880.22
Unsecured		
From Body Corporates		
Inter Corporate Deposits	875.00	-
	29,973.67	22,295.46
The above amount includes		
Secured Borrowings	29,098.67	22,295.46
Unsecured Borrowings	875.00	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

17.1. Terms and conditions attached to Short term borrowings from banks

- (a) 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 2.90% above 1 year MCLR.
- (b) The Intercompany loans carry an interest rate of 9.85% p.a (Previous Year - Nil)

- 17.2.** Refer Note No. 45 in the respect of Quarterly Return/Statement filed with the bank in lieu of sanctioned working capital facilities.

18. Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of creditors		
to micro enterprises and small enterprises (MSME)	90.59	128.05
to other than micro enterprises and small enterprises	26,702.30	12,207.97
	26,792.89	12,336.02

- 18.1.** Trade Payables include 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 ₹ 11,788.91 lakhs (previous year ₹6,296.68 lakhs)

18.2 Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2022 from due date of payment				
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed dues - MSME	88.75	1.84	-	-	90.59
Undisputed dues - Others	19,596.73	51.05	48.52	195.26	19,891.56
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	979.03	979.03
Total	19,685.48	52.89	48.52	1,174.29	20,961.18
Unbilled Dues					5,831.72
Grand Total					26,792.89

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2021 from due date of payment				
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed dues - MSME	127.38	0.67	-	-	128.05
Undisputed dues - Others	10,379.04	100.18	76.49	337.06	10,892.77
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	979.03	979.03
Total	10,506.42	100.85	76.49	1,316.09	11,999.85
Unbilled Dues					336.17
Grand Total					12,336.02

19. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2022	As at 31st March, 2021
Retention / Security Deposit	460.86	466.27
Other Payables on capital purchases	162.91	194.91
Interest accrued and due on borrowings	26.33	26.22
Unpaid Dividend	1.17	1.17
Employee Liabilities	431.67	370.82
	1,082.94	1,059.39

20. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract Liabilities (includes Deferred Performance Obligations)	1,622.71	736.69
Others (including statutory dues payable)	766.10	829.12
	2,388.81	1,565.81

21. Revenue from Operations

(₹ in Lakhs)

Particulars	2021-22	2020-21
(a) Sale of Products		
Finished Goods	221,644.90	164,180.77
Power	2,459.93	2,135.20
Traded Goods	2,329.92	2,340.00
(b) Sale of Services		
Job Work Service	5,287.41	1,326.84
Total (a+b)	231,722.16	169,982.81

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

21. Revenue from Operations

(₹ in Lakhs)

Particulars	2021-22	2020-21
(c) Other Operating Revenue		
Sale of scrap and By-products	2,235.70	2,330.63
Total (c)	2,235.70	2,330.63
Total (a+b+c)	233,957.86	172,313.44

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	2021-22	2020-21
Revenue as per Geography		
Domestic	226,432.77	165,805.49
Exports	5,289.39	4,177.32
Total	231,722.16	169,982.81
Revenue as per Major Products		
Pellet	50,499.18	37,904.97
Sponge Iron	23,573.21	23,369.87
MS Billets	8,332.66	5,680.37
TMT Bars (incl Structural Products)	139,210.27	97,225.56
Power	2,459.93	2,135.20
Job Work Service	5,287.41	1,326.84
Others	2,359.50	2,340.00
Total	231,722.16	169,982.81
Timing of Revenue		
At a point in time	231,722.16	169,982.81
Over time	-	-
Total	231,722.16	169,982.81
Sales Channel		
Direct to Customers	59,749.77	36,825.11
Through Intermediaries	171,972.39	133,157.70
Total	231,722.16	169,982.81

Contract balances

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities, the following information is disclosed below.

Trade Receivables	7,048.95	5,621.72
Contract Assets	-	-
Contract Liabilities (includes Deferred Performance Obligations)	1,622.71	736.69

Other Information

a) Transaction price allocated to the remaining performance obligations	579.60	442.69
b) The amount of revenue recognised in the current year that was included in the opening contract liability balance	277.15	1,290.01

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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	2021-22	2020-21
Contract Price	232,388.38	171,474.37
Less :		
Sales Returns	288.70	206.02
Trade & Cash Discount	240.61	950.68
Deferred Performance Obligations	136.91	334.86
Total	231,722.16	169,982.81

22. Other Income

(₹ in Lakhs)

Particulars	2021-22	2020-21
(a) Interest income on		
Loans, Fixed Deposits, etc.	96.63	89.97
(b) Other Non-Operating Income		
Profit on sale of fixed assets	3.40	1.18
Exchange Differences	238.11	-
Others	1.45	1.92
Total	339.59	93.07

23. Cost of Materials Consumed

(₹ in Lakhs)

Particulars	2021-22	2020-21
Inventory at the beginning of the period	25,687.25	41,420.84
Add: Purchases	191,574.81	115,245.46
Less: Inventory at the end of the period	28,332.53	25,687.25
Total	188,929.53	130,979.05

24. Purchase of Stock in Trade

(₹ in Lakhs)

Particulars	2021-22	2020-21
Coal	1,893.37	1,806.36
Steel Products	402.23	416.23
Total	2,295.60	2,222.59

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

25. Changes in Inventories of Finished Goods, By-products and Work-in Progress

(₹ in Lakhs)

Particulars	2021-22	2020-21
Inventories at the end of the period		
Finished Goods	9,168.92	5,038.08
Work-in-Progress	3,526.30	2,842.18
By-Products	683.87	1,267.14
Stock in Trade	44.87	69.57
	13,423.96	9,216.97
Inventories at the beginning 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
(Increase)/Decrease in Inventories		
Finished Goods	(4,130.84)	(209.79)
Work-in-Progress	(684.12)	(465.41)
By-Products	583.27	(463.05)
Stock in Trade	24.70	(69.57)
Total	(4,206.99)	(1,207.82)

26. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	2021-22	2020-21
Salaries, Wages and Bonus	4,713.20	4,046.06
Contribution to Provident and Other Funds	232.68	220.50
Gratuity (refer note 40)	113.47	106.89
Staff Welfare Expenses	86.94	54.59
Total	5,146.29	4,428.04

27. Finance Costs

(₹ in Lakhs)

Particulars	2021-22	2020-21
Interest Expenses		
- On Loans	3,769.02	5,016.08
- On OCD *	2,823.24	2,520.62
Exchange Differences regarded as an adjustment to borrowing cost	342.93	16.72
Other Finance Charges	481.90	371.76
Total	7,417.09	7,925.18

* It represents the unwinding of the discount on OCD (refer Note 15(b))

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**28. Depreciation and amortization expense**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Depreciation of tangible assets	5,433.78	5,535.80
Amortization of intangible assets	13.42	13.42
Total	5,447.20	5,549.22

29. Other Expenses

(₹ in Lakhs)

Particulars	2021-22	2020-21
Consumption of Stores and Spares	9,549.40	7,134.54
Power and Fuel	1,245.09	1,171.68
Rent	74.52	72.02
Rates and Taxes	1,083.88	818.69
Insurance	181.19	182.00
Repairs and Maintenance		
Plant and Machinery	1,151.06	877.69
Buildings	482.03	201.58
Others	160.35	133.07
Material Handling Charges	5,539.95	4,592.45
Vehicle Running Expenses	901.00	600.38
Advertising and Sales Promotion	717.16	401.62
Freight Outward	551.55	517.95
Sales Commission	451.37	587.78
Legal and Professional Charges	750.22	332.21
Charity and Donations	8.53	32.93
Payment to Auditors	15.28	15.55
Exchange Differences (Net)	-	81.12
Provision for Expected Credit Loss on Trade Receivable & Advances	244.34	1,146.85
Corporate Social Responsibility	160.82	156.77
Miscellaneous Expenses (refer note no. 43)	3,011.61	2,598.61
Total	26,279.35	21,655.49

30. Share of Profit/Loss of Associates and Joint Venture*

(₹ in Lakhs)

Particulars	2021-22	2020-21
Share of Profit/(Loss) of Associate	2.26	(0.68)
Share of Profit/(Loss) of Joint Venture	(1.63)	(6.94)
Total	0.63	(7.62)

* For Details refer Note No. 48 & 49

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

31. Income Tax

(₹ in Lakhs)

Particulars	2021-22	2020-21
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		
Current Tax	-	-
Deferred Tax	421.59	359.20
Income tax expense recognised in the statement of profit and loss	421.59	359.20
ii Income tax expense recognised in OCI		
Deferred Tax :		
Deferred tax expenses on remeasurement benefit of defined benefit plans and equity instruments measured through OCI	10.46	45.63
Income tax expense recognised in OCI	10.46	45.63
Total Tax (i+ii)	432.05	404.83

(₹ in Lakhs)

Reconciliation of tax expense and the accounting profit for the year is as under	2021-22	2020-21
B.		
Profit before tax	2,990.01	847.14
Income tax expense	932.88	264.31
Deferred tax assets reversal on unabsorbed depreciation	-	382.32
Effects of permanent disallowances	913.07	786.43
Utilisation of carried forward loss	(1,693.17)	(1,126.17)
Other Items	279.27	97.94
Tax expenses as per Statement of Profit and Loss & OCI	432.05	404.83

- 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.

32. Other Comprehensive Income

(₹ in Lakhs)

Particulars	2021-22	2020-21
Remeasurements of the defined benefit plans	44.67	78.15
Equity Instruments through Other Comprehensive Income	28.22	(41.92)
Less : Income tax on the above	(10.46)	(45.63)
Share in OCI of associates & joint venture (Refer Note 48 & 49)	-	(26.43)
Total	62.43	(35.83)

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**33. Earnings Per Share (EPS)**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Earnings Per Share has been computed as under:		
Profit/ (Loss) After Tax	2,569.75	489.40
Net Profit for Calculation of Basic and Diluted EPS	2,569.75	489.40
	No.	No.
Weighted average number of equity shares in calculating Basic EPS	3854,15,000	3854,15,000
Weighted average number of equity shares in calculating Diluted EPS *	4165,35,000	4165,35,000
Face value of share (₹)	10	10
Earnings Per Share		
Basic (₹)	0.67	0.13
Diluted (₹)	0.62	0.13

*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.

34. Financial instruments

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, 2022 and March 31, 2021;

(₹ in Lakhs)

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments*	-	309.38	-	-	281.16	-
Trade receivables	-	-	7,048.95	-	-	5,621.72
Cash and cash equivalents	-	-	4,831.34	-	-	1,126.99
Other Bank Balances	-	-	4,722.99	-	-	1,560.40
Other Financial Assets	-	-	871.00	-	-	272.47
Loans	-	-	14.27	-	-	14.27
Total	-	309.38	17,488.55	-	281.16	8,595.85
Financial liabilities						
Borrowing	-	-	82,573.23	-	-	76,589.91
Trade Payable	-	-	26,792.89	-	-	12,336.02
Other financial Liabilities	-	-	1,082.94	120.16	-	939.23
Total	-	-	110,449.06	120.16	-	89,865.16

*Equity investments exclude investments made in associates & joint venture (net of impairment loss) of ₹ 3,684.39 Lakhs (previous year - ₹ 3,683.76 Lakhs) which have been measured at cost.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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.

(₹ in Lakhs)

31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		21.40			21.40
Unquoted Equity instruments		-	-	287.98	287.98
Total financial assets		21.40	-	287.98	309.38
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)

31st March, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		21.30			21.30
Unquoted Equity instruments		-	-	259.86	259.86
Derivative asset			-		-
Total financial assets		21.30	-	259.86	281.16
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	120.16	-	-
Total financial liabilities		-	120.16	-	120.16

There were no movement between level 1 and level 2 during the period.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**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 ₹ 287.98 Lakhs (31.03.2021 - ₹ 259.86 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) 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 2022	31st March 2021			
Equity instruments	DCF	281.29	253.76	+(0.5%)	274.97	223.36
				-(0.5%)	289.06	288.09
	NAV	6.69	6.10	+(0.5%)	6.72	6.13
				-(0.5%)	6.66	6.07

v) The following table presents the changes in level 3 items for the periods ended 31st March 2022 and 31st March 2021:

(₹ in Lakhs)

Particulars	Amount
As at 31st March 2020	306.04
Gains/ (losses) recognised in other comprehensive income	(46.18)
As at 31st March 2021	259.86
Gains/ (losses) recognised in other comprehensive income	28.12
As at 31st March 2022	287.98

35. 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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 2022	31st March 2021
Total Borrowings (including current maturities)	82,573.23	76,589.91
Less: Cash & Cash Equivalents & Other bank balances (including non current earmarked balances)	10,155.89	2,699.72
Net Debts (A)	72,417.34	73,890.19
Total equity (refer note 14 & 15)	61,835.41	59,203.24
Total equity & Net Debt (B)	134,252.75	133,093.43
Net debt to capital employed Ratio (A/B)	0.54	0.56

No changes were made in the objective policies & process for expenditure as on 31st March 2022 & 31st March 2021

ii) Dividends

The Group has not declared/paid any dividend for FY 2020-21 and no dividend has been proposed for FY 2021-22.

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 :-

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 9.

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**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 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	29,973.67	4,928.00	4,927.00	42,744.56	82,573.23
Trade payable	26,792.89	-	-	-	26,792.89
Other payables	1,082.94	-	-	-	1,082.94
Derivatives Derivative Liability	-	-	-	-	-
Total	57,849.50	4,928.00	4,927.00	42,744.56	110,449.06
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	22,478.46	4,752.00	4,928.00	44,355.25	76,589.91
Trade payable	12,336.02	-	-	-	12,336.02
Other payables	939.23	-	-	-	939.23
Derivatives Derivative Liability	120.16				120.16
Total	35,873.87	4,752.00	4,928.00	44,355.25	89,985.32

(₹ in Lakhs)

Probable Interest Payout on Term Loans	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As on 31-03-2022	1,505.84	1,031.30	545.92	90.98	3,174.04
As on 31-03-2021	1,962.99	1,505.84	1,031.30	636.91	5,137.03

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. 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:

(₹ in Lakhs)

Currency	Liabilities	
	31st March 2022	31st March 2021
USD	4,074.48	-

Nominal value of forward contracts & option contracts that hedge monetary liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss. The value of such contracts amount to ₹ 12,479.16 Lakhs (previous year - ₹ 9,250.00 lakhs)

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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 2022	31st March 2021
USD sensitivity		
INR/USD- increase by 10%	(280.32)	-
INR/USD- decrease by 10%	280.32	-

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 2022	31st March 2021
Variable rate borrowing	41,884.81	39,599.72
Fixed rate borrowing	1,491.21	616.21
Total borrowings	43,376.02	40,215.93

Note : The above borrowings do not include the interest free loans and Liability component of Optionally Convertible Debentures. (Refer Note No. 15 & 17)

Sensitivity

Below is the sensitivity of profit or loss after tax and equity to changes in interest rates.

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Interest sensitivity		
Interest rates increases by 100 basis points	288.17	272.45
Interest rates decrease by 100 basis points	(288.17)	(272.45)

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 2022	31st March 2021
Fair Value of Quoted Equity Investments	21.40	21.30
Total Equity Investments	21.40	21.30

Sensitivity

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Increase in market price by 5%	0.74	0.73
Decrease in market price by 5%	(0.74)	(0.73)

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

36. Contingent Liabilities and Commitments

Contingent Liabilities and commitments to the extent not provided for in respect of:

(₹ in Lakhs)

a) Particulars	31st March 2022	31st March 2021
Excise & Service Tax Matters under dispute/ appeal	1,860.60	1,860.60
Income Tax Matters under dispute/ appeal (net of payment)	301.04	186.20
Right to Recompense available with the lenders *	27,801.00	27,801.00

*Right to recompense available to the lenders amounting to ₹ 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) 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.

c) Capital Commitment

The capital commitment for the company amounts to ₹ nil (₹ nil)

37. The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. During the year ended March 31, 2022, there is no significant impact on the operations of the Company. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

38. Value of inventories is stated after provisions ₹ Nil (March 31, 2021: ₹ 22.65 Lakhs) for write-downs to net realizable value and provision for slow-moving and obsolete items.

39. 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 ₹ 74.52 Lakhs (Previous year - ₹ 72.02 Lakhs). The Group also hires equipments on short term contract basis, and has paid ₹ 1,711.31 Lakhs (Previous year - ₹1,072.34 Lakhs) against it during the year which is included in other miscellaneous expenses.

40. 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 2022	31st March 2021
a) Provident Fund & ESI	232.68	220.50

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

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)	
	2021-22	2020-21
Balance at the beginning of the year	771.27	719.37
Current Service Cost	100.13	91.83
Interest Cost on Defined Benefit Obligation	52.79	49.24
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions		
Changes in financial assumptions	(50.16)	
Experience adjustment	11.50	(77.43)
Benefits paid from the plan assets	(37.60)	(11.74)
Balance at the end of the year	847.93	771.27

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:

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Balance at the beginning of the year	576.42	499.43
Interest Income on Plan Assets	39.45	34.19
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	6.01	0.72
Employer Contributions to the Plan	112.92	53.82
Benefits Paid from the Plan Assets	(37.60)	(11.74)
Balance at the end of the year	697.20	576.42

e) The amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Present value of Defined Benefit Obligation	847.93	771.27
Fair Value of Plan Assets	(697.20)	(576.42)
Net (Asset)/Liability in the Balance Sheet	150.73	194.85

f) Expenses recognized in profit or loss

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Current Service Cost	100.13	91.83
Interest Cost	52.79	49.24
Interest Income on Plan Assets	(39.45)	(34.19)
Total Defined Benefit Cost recognized in Profit & Loss	113.47	106.88

g) Remeasurements recognized in other comprehensive income

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(50.16)	-
Experience adjustment	11.50	(77.43)
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(6.01)	(0.72)
Total Defined Benefit Cost recognized in Other Comprehensive Income	(44.67)	(78.15)

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

h) Major Categories of Plan Assets

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
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 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 liquidity 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)	
	2021-22	2020-21
Financial Assumptions		
Discount Rate	7.30%	6.85%
Salary Escalation Rate	7.50%	7.50%
Demographic Assumptions		
Normal Retirement age	58 years	58 years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal Rate		
-Upto 40 years	0.42%	0.42%
-Above 40 years	0.00%	0.00%

k) The Group expect to contribute ₹ 249.97 Lakhs (Previous Year - ₹ 297.10 Lakhs) during the next annual reporting Period to gratuity fund.

l) As at 31st March 2022, the weighted average duration of the defined benefit obligation was 13 years (previous year- 14 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)	43.35
Between 2 and 5 years	121.32
Between 6 and 10 years	274.44
Beyond 10 years	2,066.97

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**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, 2022	31st March, 2021
Defined Benefit Obligation (Base)	847.93	771.27

(₹ in Lakhs)

Particular	Gratuity			
	31-Mar-22		31-Mar-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	964.82	749.49	886.83	674.73
Salary Growth Rate (-/+1%)	750.27	960.34	674.59	883.40
Attrition Rate(-/+ 50% Of attrition rates)	848.15	847.72	771.72	770.82
Mortality Rate (- / + 10% of mortality rates)	847.96	847.91	771.43	771.11

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.

41. 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 Kumar Agrawal
	Pranay Agrawal	Relative - Son of Suresh Kumar Agrawal

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

	Disha Agrawal	Relative - Wife of Pranay 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	Mecha Cast International
	B.S. Confin Private Limited	MSP Infotech Private Limited
	Bharat Earth Mover	MSP Metallica Limited ⁴
	Catapult Fincap Private Limited (formerly known as MSP Power Limited) ³	MSP Mines & Minerals Limited
	Dexo Trading Private Limited ¹	MSP Properties India Limited
	Emerald Tradelink Private Limited	MSP Sponge Iron Limited
	Gajgamiini Vinimay Private Limited	Orbit Dealcom Private Limited
	High Time Holdings Private Limited	Procheta Consultants Private Limited
	Howrah Gases Limited	Sampat Marketing Co. Private Limited
	Ilex Private Limited	Shree Khatupati Mercantiles Private Limited
	Indoves Industrial Private Limited ²	Shree Vinay Finvest Private Limited ¹
	Inertia Enterprise	Shreevadhu Mercantile Private Limited
	Jaik Leasing & Commercial Invt. Limited ⁵	Shri Enterprise
	K.C. Texofine Private Limited	Sikhar Commotrade Private Limited ¹
	Khatupati Energy Limited ¹	Subh Enterprise
	M.A. Hire Purchase Private Limited	Swift & Company
	Mayur Media Services Private Limited	West Sintex
		Yantriki

1. The Party became related w.e.f 1st April, 2021
2. The Party became related w.e.f 11th August, 2021
3. The Party ceases to be related w.e.f 1st April, 2021
4. The Party ceases to be related w.e.f 4th June, 2021
5. The Party ceases to be related w.e.f 31st August, 2021

e) 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)	2021-22	2020-21
Sales		
Admirable Realtors Private Limited	-	2.41
Indoves Industrial Private Limited ²	117.08	-
MSP Sponge Iron Limited	5,979.75	6,926.61
Store Chargeable Issue		
Bharat Earth Mover	2.25	-
Inertia Enterprise	2.27	-
Mecha Cast International	0.84	-
Shree Vinay Finvest Private Limited ¹	0.38	-
Shri Enterprise	0.46	-
Subh Enterprise	2.30	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2021-22	2020-21
Swift & Company	1.42	-
West Sintex	1.12	-
Yantriki	1.67	-
Purchase of Raw Material & Components Consumed		
Howrah Gases Limited	3.39	3.45
Indoves Industrial Private Limited ²	59.11	-
MSP Metallica Limited ⁴	-	850.72
MSP Sponge Iron Limited	6,493.98	11,423.88
Directors' Remuneration		
Dhananjay Uchit Singh	12.90	10.09
Manish Agrawal	48.90	37.42
Saket Agrawal	52.15	39.28
Suresh Kumar Agrawal	49.40	35.14
Key Managerial Remuneration		
Kamal Kumar Jain	31.54	27.33
Shreya Kar	7.58	6.37
Expenses Reimbursed by party		
MSP Sponge Iron Limited	143.78	45.76
MSP Properties India Limited	10.05	0.25
Expenses Reimbursed by us		
MSP Sponge Iron Limited	61.69	6.89
Howrah Gases Limited	2.29	1.64
MSP Metallica Limited 4	-	0.66
AA ESS Tradelinks Private Limited	-	0.01

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2021-22	2020-21
Rent paid		
Ekta Agrawal	11.52	10.56
K.C. Texofine Private Limited	15.00	15.00
MSP Properties India Limited	24.78	24.78
Richa Agrawal	8.64	7.92
Shree Khatupati Mercantiles Private Limited	15.00	15.00
Vehicle Hire Charges Paid		
Howrah Gases Limited	28.32	28.32
Mayur Media Services Private Limited	4.20	4.20
MSP Infotech Private Limited	9.20	10.02
Bharat Earth Mover	21.38	18.17
MSP Properties India Limited	4.67	4.67
Shreevadhu Mercantile Private Limited	9.60	9.60

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2021-22	2020-21
Equipment Hire Charges Paid		
Bharat Earth Mover	91.58	78.82
Inertia Enterprise	115.44	91.77
Khatupati Energy Limited ¹	63.72	-
Mecha Cast International	46.06	38.70
Shri Enterprise	47.23	37.76
Shree Vinay Finvest Private Limited ¹	125.24	-
Yantriki	68.68	53.81
Swift & Company	58.59	44.84
Subh Enterprise	77.07	53.60
West Sintex	58.44	52.06
Expense on Raw Materials		
MSP Mines & Minerals Limited	35.40	38.35
Repayment of Loans & Advances Given		
AA ESS Tradelinks Private Limited	-	446.19
Catapult Fincap Limited ³	-	0.45
Repayment of Loans & Advances		
Orbit Dealcom Private Limited	4.00	8.70
Gajgamani Vinimay Pvt Ltd	7.20	13.68
Loans & Advances Taken		
Gajgamani Vinimay Pvt Ltd	7.20	7.20
Orbit Dealcom Private Limited	4.00	4.00
Guarantee Obtained		
Manish Agrawal	433.51	403.79
Puranmal Agrawal	233.29	218.10
Saket Agrawal	374.14	411.94
Suresh Kumar Agrawal	290.32	277.60

(₹ in Lakhs)

Balance outstanding at the year end are as follows:	2021-22	2020-21
Loans & Advances Given		
AA ESS Tradelinks Private Limited	0.01	0.01
Howrah Gases Limited	8.25	7.97
Catapult Fincap Limited ³	-	0.45
MSP Properties India Limited	3.38	3.33
Trade Receivable		
Admirable Realtors Private Limited	4.41	4.41
Indoves Industrial Private Limited ²	51.20	-
Trade Payable		
Bharat Earth Mover	9.91	8.34
Ekta Agrawal	0.86	0.89
Mayur Media Services Private Limited	0.32	0.32
Inertia Enterprise	9.85	8.35

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Balance outstanding at the year end are as follows:	2021-22	2020-21
MSP Sponge Iron Limited	5,448.70	352.81
K.C. Texofine Private Limited	1.13	1.16
Khatupati Energy Limited ¹	6.19	-
Mecha Cast International	4.29	3.26
MSP Infotech Private Limited	0.70	0.72
MSP Metallica Limited ⁴	-	73.56
Richa Agrawal	0.65	0.67
Shreevadhu Mercantile Private Limited	0.72	0.74
Shri Enterprise	4.60	3.35
Shree Khatupati Mercantiles Private Limited	1.13	1.16
Shree Vinay Finvest Private Limited ¹	10.91	-
Subh Enterprise	7.62	4.09
Yantriki	6.64	4.78
Suresh Kumar Agrawal	-	6.52
West Sintex	5.01	4.84
Swift & Company	5.25	4.19
MSP Mines & Minerals Limited	2.03	1.85
Loans & Advances Taken		
B.S. Confin Private Limited	103.21	103.21
Dexo Trading Private Limited ¹	1,617.00	-
Emerald Tradelink Private Limited	65.00	65.00
High Time Holdings Private Limited	1,833.00	1,833.00
Ilex Private Limited	1,545.00	1,545.00
Jaik Leasing & Commercial Invt. Limited ⁵	-	915.00
M.A. Hire Purchase Private Limited	560.00	560.00
Orbit Dealcom Private Limited	65.40	65.40
Gajgami Vinimay Pvt Ltd	80.00	80.00
Procheta Consultants Private Limited	854.00	854.00
Sampat Marketing Co. Private Limited	2,255.00	2,255.00
Sikhar Commotrade Private Limited ¹	740.59	-

(₹ in Lakhs)

Balance outstanding at the year end are as follows:	2021-22	2020-21
Investments (at cost)		
AA ESS Tradelinks Private Limited	4,370.68	4,370.68
Howrah Gases Limited	15.91	15.91
Madanpur South Coal Company Limited	131.96	131.96
MSP Metallica Limited ⁴	-	402.00
Catapult Fincap Limited ³	-	0.80
MSP Properties India Limited	0.75	0.75

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Balance outstanding at the year end are as follows:	2021-22	2020-21
MSP Sponge Iron Limited	49.50	49.50
Accumulated Impairment on Investments		
AA ESS Tradelinks Private Limited	787.51	1,635.91
Madanpur South Coal Company Limited	30.75	-

*The balances of those parties which cease to be related during the year have not been considered in the closing balance as on 31-03-2022. Similarly, the transaction and balances of those parties which became related during the year have not been considered in the comparative balances.

42. 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	2021-22	2020-21
India	226,432.77	165,805.49
Outside India	5,289.39	4,177.32
	231,722.16	169,982.81

(₹ in Lakhs)

Non-Current Assets *	As at 31st March, 2022	As at 31st March, 2021
India	82,710.81	85,598.24
Outside India	-	-
	82,710.81	85,598.24

*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 Group) is ₹ Nil (Previous Year ₹ Nil Lakhs) reported under Iron & Steel segment.

- 43.** 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 ₹ 22.58 Lakhs (Previous Year - ₹83.48 Lakhs).

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)**44. Assets pledged as security**

The carrying amounts of assets pledged as security are:

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
For Term Loan			
First Charge			
Equitable Mortgage			
Land	3(a)	926.80	926.80
Factory Building	3(a)	8,782.08	9,211.87
Other Building	3(a)	5,691.13	5,975.41
First Hypothecation			
Plant & Machinery, Vehicle, office equipment and Furniture & Fixtures	3(a)	67,205.55	69,305.69
Capital Work in Progress	3(b)	-	59.10
Second Charge			
(a) Inventories	8	45,755.66	37,673.01
(b) Financial Assets			
(i) Trade Receivables	9	6,925.95	5,484.16
(ii) Cash and Cash equivalents	10	4,804.64	1,100.16
(iii) Bank Balances other than (ii) above	11	4,720.63	1,558.16
(iv) Other Financial Assets	5(b)	76.14	72.80
(c) Other Current Assets	12	22,136.72	12,045.56
Total Assets Pledged against Term Loan		167,025.30	143,412.72
For Cash Credit			
First Charge			
(a) Inventories	8	45,755.66	37,673.01
(b) Financial Assets			
(i) Trade Receivables	9	6,925.95	5,484.16
(ii) Cash and Cash equivalents	10	4,804.64	1,100.16
(iii) Bank Balances other than (ii) above	11	4,720.63	1,558.16
(iv) Other Financial Assets	5(b)	76.14	72.80
(c) Other Current Assets	12	22,136.72	12,045.56
Second Charge			
(a) Property, Plant and Equipment	3(a)	82,605.56	85,419.77
(b) Capital Work in Progress	3(b)	-	59.10
Total Assets Pledged against Cash Credit		167,025.30	143,412.72

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

45. Group Information

The Consolidated Financial Statements relate to MSP Steel & Power Limited ('the Holding Company'), its subsidiaries & associates and its jointly controlled entity (collectively referred to as 'Group'). The details are given below :

Name of Company	Place of Incorporation	Relation	Proportion of Interest 2021-22	Proportion of Interest 2020-21
Indian Subsidiaries				
MSP Cement Limited	India	Subsidiary	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%)

46. Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Associate and Joint Venture in respect of Net Assets:

(₹ in Lakhs)

Entity Name	2021-22		2020-21	
	% of Consolidated Assets	Amount	% of Consolidated Assets	Amount
Holding Company				
MSP Steel & power Limited	93.84	58,027.63	93.57	55,396.09
Indian Subsidiaries				
MSP Cement Limited	0.09	58.07	0.10	58.07
Prateek Mines & Minerals Private Limited	0.11	65.32	0.11	65.32
Joint Venture				
Madanpur South Coal Company Ltd	0.16	101.21	0.17	99.72
Associate				
AA ESS Tradelinks Pvt Ltd	5.79	3,583.18	6.05	3,584.04
Total		61,835.41		59,203.24

47. 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 2022	%	As on 31st March 2022	%	As on 31st March 2022	%
Holding Company						
MSP Steel & power Limited	2,576.21	100.30	62.43	100.00	2,638.64	100.30
Indian Subsidiaries						
MSP Cement Ltd	(6.08)	(0.24)	-	-	(6.08)	(0.23)
Prateek Mines & Minerals Private Limited	(2.34)	(0.09)	-	-	(2.34)	(0.09)

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Entity Name	Share of Profit		OCI		TCI	
	As on 31st March 2022	%	As on 31st March 2022	%	As on 31st March 2022	%
Joint Venture						
Madanpur South Coal Company Ltd.	1.50	0.06	-	-	1.50	0.06
Associate						
AA ESS Tradelinks Pvt Ltd	(0.87)	(0.03)	-	-	(0.87)	(0.03)
Total	2,568.42	100.00	62.43	100.00	2,630.85	200.00

(₹ 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 Limited	(5.97)	(1.22)	-	-	(5.97)	(1.32)
Prateek Mines & Minerals Private Limited	(4.02)	(0.82)	-	-	(4.02)	(0.89)
Joint Venture						
Madanpur South Coal Company Limited	(0.68)	(0.14)	2.82	(7.87)	2.14	0.47
Associate						
AA ESS Tradelinks Pvt Limited	(6.94)	(1.42)	(29.25)	81.64	(36.19)	(8.00)
Total	487.94	100.00	(35.83)	100.00	452.11	100.00

48. 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	31st March 2022	31st March 2021
Current Assets	451.30	336.75
Non Current Assets	246.94	349.36
Current Liabilities	(2.14)	(0.30)
Non Current Liabilities	-	-
Equity	(696.10)	(685.81)
Proportion of Group's Ownership Interest	14.54%	14.54%

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Revenue	91.97	0.64
Employee Benefit Expenses	(2.01)	(2.10)
Other Expenses	(102.86)	(3.23)
Profit Before Tax	(12.90)	(4.69)
Income Tax Expense	-	-
Profit After Tax	(12.90)	(4.69)
Other Comprehensive Income	28.43	19.36
Total Comprehensive Income	15.53	14.67
Group's Share of Profit for the year	(1.88)	(0.68)
Group's Share of Other Comprehensive Income for the year	4.13	2.81
Group's Share of Total Comprehensive Income for the year	2.26	2.13

49. 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	31st March 2022	31st March 2021
Current Assets	157.04	482.07
Non Current Assets	13,084.78	13,298.72
Current Liabilities	(20.45)	(13.74)
Non Current Liabilities	(4,839.66)	(5,383.31)
Equity	(8,381.71)	(8,383.74)
Proportion of Group's Ownership Interest	42.75%	42.75%

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Revenue	34.80	8.44
Purchase of Traded Goods	-	(4.55)
Employee Benefit Expenses	(2.62)	(2.90)
Finance Expenses	(129.12)	(14.92)
Other Expenses	(2.15)	(2.30)
Profit Before Tax	(99.09)	(16.23)
Income Tax Expense	-	-
Profit After Tax	(99.09)	(16.23)
Other Comprehensive Income	97.07	(68.51)
Total Comprehensive Income	(2.02)	(84.74)
Group's Share of Profit for the year	(42.36)	(6.94)
Group's Share of Other Comprehensive Income for the year	41.50	(29.29)
Adjustment in Group Co. Networth	(0.76)	-
Group's Share of Total Comprehensive Income for the year	(1.63)	(36.23)

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

50. The holding company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

For the Year Ended 31st March'22

(₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	24,491.55	June 30, 2021	40,606.68	50,235.99	-9,629.31	Note -1
	26,000.00	15,995.96	September 30, 2021	35,666.27	40,717.06	-5,050.79	
	26,000.00	21,547.98	December 31, 2021	37,934.16	48,868.08	-10,933.92	
	26,000.00	24,146.72	March 31, 2022	36,340.23	46,574.17	-10,233.94	

For the Year Ended 31st March'21

(₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	25,408.45	June 30, 2020	33,593.49	43,267.17	-9,673.68	Note -1
	26,000.00	24,135.39	September 30, 2020	35,463.89	45,526.79	-10,062.90	
	26,000.00	23,813.96	December 31, 2020	36,391.89	46,694.93	-10,303.04	
	26,000.00	17,720.46	March 31, 2021	36,406.91	42,185.06	-5,778.15	

Note 1 - Primarily exclusion of the certain advances and provisional valuation of stock at the time of submitting the statement to the bank

**This is computed by considering the following :

Inventory+Trade Receivables+Advances Given to suppliers-Trade Payables-Advances Received from customers"

51. Other Statutory Information

- The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.
- The Group has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.
- The Group has not used borrowings for purpose other than specified purpose of the borrowing.
- The Group does not have any Benami property. Further, there are no proceedings initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022 (Cont.)

- (e) The Group does not have transactions with any struck off companies during the current year and previous year.
- (f) The Group has not traded or invested in Crypto currency or Virtual Currency during the current financial year.
- (g) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (h) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (i) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (j) The Group has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- (k) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (l) The Group has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.
- (m) The Group did not raise any term loans or no new working capital borrowings have been sanctioned the current year. Accordingly, the Group does not have any charges to be filed or satisfaction which is yet to be registered with ROC beyond the statutory period.

52. The previous year's figures have been regrouped, rearranged and reclassified to conform to the classification of the current year, wherever necessary.

53. The financial statements have been approved in Audit Committee meeting held on 30.05.2022 and approved by the Board of Directors on the same day.

For and **behalf of Board of Directors**

For **Singhi & Co**

Firm Registration No.-302049E

Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Place: Kolkata

Date: 30th May, 2022

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Dhananjay Uchit Singh

Executive Director

DIN - 01018678

Shreya Kar

Company Secretary

REGISTERED OFFICE

16/S Block -A, New Alipore, Kolkata-700053
Ph. No.:033-40057777; Fax No.:033-23982239
Email: investor.contact@msteel.com
Website: www.msteel.com

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Ltd

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Website: www.karvyfintech.com