



MSP STEEL & POWER LIMITED

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

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

CIN No. : L27109WB1968PLC027399

Date: 09th September, 2020

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 51st Annual General Meeting (AGM)

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), we hereby enclose the Notice of the 51st Annual General Meeting to be held on Wednesday, September 30, 2020 at 5.00 P.M. (IST) through Video Conferencing or Other Audio Visual Means and the Annual Report of the Company for Financial Year ended March 31, 2020 respectively.

The said Notice which forms part of the Annual Report for the Financial Year ended March 31, 2020 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 i.e www.mspsteel.com.

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 : 1, Crooked Lane, Kolkata - 700 069

Corporate Office: 16/S, Block-A, New Allipore, Kolkata - 700 053

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

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

NOTICE

To
**The Members,
MSP Steel and Power Limited**

NOTICE is hereby given that the 51st Annual General Meeting of **MSP STEEL & POWER LIMITED** will be held on Wednesday, September 30, 2020 at 5:00 P.M through Video Conferencing ("VC") or 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 (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director, in place of Mr. Suresh Kumar Agrawal (DIN: 00587623) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To Approve the amount payable as Annual Remuneration to Mr. Manish Agrawal, Non-Executive Director of the Company

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

"RESOLVED THAT pursuant to Regulation 17(6)(ca) of SEBI(Listing Obligation and Disclosure Requirements), Regulations, 2015 as amended from time to time (including any amendment(s) or modification(s) thereon),

hereby, on a resolution recommended by or approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, the amount of the remuneration to be paid to Mr. Manish Agrawal, Non-Executive Director of the Company for the financial year ending on 31st March 2021, be and is hereby resolved as follows:-

4. Ratification of Remuneration payable to Mr. Sambhu Banerjee, appointed as Cost Auditors of the Company for the F.Y. 2020-21

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(3) 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. 25000/- (Rs. Twenty Five thousand only) (Excluding applicable taxes and reimbursement of travel and 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 Cost records of the Company for the financial year 2020-2021, 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."

5. To increase the Overall Managerial Remuneration of the Managerial person of the company

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

"RESOLVED THAT in accordance with the provisions of section 197, section 198 of the Companies Act 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V (Part II section II) and such other applicable laws framed there under (including any statutory modification(s), re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination & remuneration Committee, approval of the members of the Company be and is hereby accorded that the overall limit of Managerial Remuneration payable to the Managerial person of the company for the financial year 2019-2020 is within the limits of the Act and the company intends to increase the limits for Managerial Remuneration in respect of financial year 2020-21 as prescribed under of schedule V of the Companies Act 2013.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all other act, deeds and things as may be necessary or desirable to give effect to this resolution".

6. Approval for Related Party Transaction(s) with MSP Sponge Iron Limited for purchase of Pig Iron and Silico Manganese and sale of finished goods & other Scrap Items

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 Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Company's policy on Related Party Transactions, approval of the Members be and is hereby accorded to the Board of Directors of the Company ('Board') to enter into contract(s)/ arrangement(s)/ transaction(s) with MSP Sponge Iron Limited., a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations, for Purchase of Pig Iron and Silico Manganese and sale of finished goods & other Scrap Items on such terms and conditions (as detailed in the Statement annexed to the Notice), as the Board may deem fit, up to a maximum aggregate value of 300 crore at arm's length basis and in the ordinary course of business, for the Financial Year 2020 -21.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or Company Secretary or to any other Officer(s)/Authorized Representative(s) of the Company to do all such acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution(s).

By Order of the Board
MSP STEEL & POWER LTD

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

9. 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 AGM through VC/OAVM will be made available to at-least 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.
10. 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 FY 2019-2020
11. All the documents referred in the accompanying notice will be available for inspection through electronic mode on all working days till the date of this Annual General Meeting
12. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
13. Brief details of the directors, who are being re-appointed, are annexed hereto as per requirements of regulation 36(3) of the SEBI Listing Regulations and as per provisions of the Act.

UPDATION/REGISTRATION OF EMAIL IDS, MOBILE NOS., ADDRESSES etc.

14. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant(s). Members holding shares in physical mode and who have not registered / updated their email address with the Bank are requested to register / update the same by sending an email to einward.ris@kfintech.com with details of folio number, name of the member, self-attested copy of PAN, scanned copy of the share certificate (front and back) card along with the scanned copy of their request letter duly signed by the 1st shareholder
15. Members can also temporarily update their email address and mobile number with KFin, by the following steps. However, Members holding shares in electronic form, will have to once again register their email address and mobile number with their DPs, to permanently update the said information.
 - i) Visit the link https://ris.kfintech.com/email_registration/
 - ii) Select the company name: MSP STEEL & POWER LIMITED
 - iii) Enter DPID Client ID (in case shares are held in dematerialised mode)/Physical Folio No. (in case shares are held in physical form) and Permanent Account Number ('PAN').
 - iv) In case shares are held in physical form, if PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
 - v) Enter the email address and mobile number.
 - vi) System will check the authenticity of the DPID Client ID/Physical Folio No. and PAN/Certificate No.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE

16. In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020 and Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and

18. Information And Instructions For E-Voting And Remote E-Voting

- a) Pursuant to provisions of Section 108 of the Companies Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI LODR, the company is providing the facility to the Members holding shares in physical or dematerialized form as on the cut-off date, being Wednesday, September 23, 2020, to exercise their rights to vote on the resolutions proposed to be passed at the AGM by electronic means ('e-voting'). Members may cast their vote remotely on the resolutions proposed to be passed at the AGM, using electronic voting system on the dates mentioned here-in-below ('Remote e-voting').
- b) E-voting facility will also be made available at the AGM ('InstaPoll') and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM through InstaPoll.
- c) The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to equity shares held by them in the company as on Friday, September, 4th 2020 (cut-off date fixed for this purpose), subject to the provisions of the Act
- d) 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 voting process in a fair and transparent manner, who have communicated their willingness to be appointed.
- e) The remote e-voting period commences on Sunday, September 27, 2020 (9.00 a.m. IST) and ends on Tuesday, September 29, 2020 (5.00 p.m. IST). During this period, Members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Wednesday, September 23, 2020 may cast their votes electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.
- f) A member can opt for only single mode of voting i.e., through remote e-voting or voting at the Meeting (InstaPoll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID"

19. In case a Member receives an email from K-FinTech (for Members whose email ids are registered with the Company/DPs) :

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e. User id and password mentioned on the E-mail). Your Folio No. / DP ID / Client ID will be your user ID. However, if you are already registered with K-FinTech for e-voting, you can use your existing User ID and password for casting your vote. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or contact toll free numbers on 1800 345 4001 (from 9.00 A.M. to 6.00 P.M.) for your existing password.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password . The new password shall comprise minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and one special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for MSP STEEL & POWER LIMITED.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under each of the heading of the resolution and cast your vote by choosing the "FOR / AGAINST" or

- alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.
- viii) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - ix) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
 - x) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as ABSTAINED.
 - xi) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ps@bajajtodi.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO."

20. In case a Member whose email address is not registered/updated with the Company / K-finTech/DPs please follow the following steps to generate your login credentials:

- i) Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by clicking on <https://karisma.kfintech.com/shareholders> or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor.contact@mspsteel.com or shreya.kar@mspsteel.com or clicking the link KFinTech at https://ris.kfintech.com/email_registration
- ii) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
- iii) After due verification, the Company / KFinTech will forward your login credentials to your registered email address.
- iv) Follow the instructions as mentioned in (vi) (A) (i-xii) to cast your vote.
- v) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).

21. Information and Instructions for Insta poll

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting. The following Steps should be followed:

- i) The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page
- ii) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- iii) Only those shareholders, who are present in the e-AGM 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 available during the e-AGM.

Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

22. 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) 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 three days of the conclusion of the AGM, a 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.

- (iii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.mspsteel.com) and on Service Provider's website (www.evotingindia.com) 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.

By Order of the Board
MSP STEEL & POWER LTD

Registered Office:

1, Crooked Lane

Kolkata-700 069

Dated: 5th September, 2020

Shreya Kar

Company Secretary

Mem no.-A41041

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned in Item Nos. 3 of the accompanying Notice dated 5th September, 2020

Item No. 3

The remuneration being paid to the Non-Executive Directors of the Company i.e Mr. Suresh Kumar Agrawal and Mr. Manish Agrawal during their tenure is within the limits as prescribed under the provisions of Companies Act, 2013.

As per Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") which has come into force from April 01, 2019 as amended, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the

remuneration there
The Board of Directors on recommendation of Nomination and Remuneration Committee at its meeting held on 14th September 2020 has approved a remuneration of Rs. 2,40,877/- (Thirty Four Lakh

2(1)(zb) of the SEBI Listing Regulations. The estimated value of transaction with MSP Sponge Iron Limited for Financial Year 2020-21 will be Rs.300 crores, which would breach the materiality threshold of 10% of the annual turnover of the Company i.e. Rs 153.27 crores as per last audited financial statements of FY 2019-20. Hence, to ensure uninterrupted operations of the Company, it is proposed to secure shareholders' approval for the related party contracts/arrangements to be entered into with MSP Sponge Iron Limited during Financial Year 2020-21, as mentioned in item no. 6 of the Notice

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions are as follows:

Sl no	Particulars	Remarks
1.	Name of Related Party	MSP Sponge Iron Limited
2.	Name of the Director or KMP who is related	1. Mr Manish Agrawal who is the Managing Director of MSP Sponge Iron Limited is also a Non executive Director in MSP Steel & Power Ltd 2. Mr. Suresh Kumar Agrawal who is a Director in MSP Sponge Iron Limited is also the Chairman of MSP Steel & Power Ltd
3.	Nature of Relationship	MSP Sponge Iron Ltd is the Group Company of MSP Steel & Power Ltd
4.	Nature, material terms, monetary value and particulars of the contract	The transaction involves purchase of Pig Iron I and Silico Manganese on a continuous basis for



MSP STEEL & POWER LIMITED

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NOTICE

To
**The Members,
MSP Steel and Power Limited**

NOTICE is hereby given that the 51st Annual General Meeting of **MSP STEEL & POWER LIMITED** will be held on Wednesday, September 30, 2020 at 5:00 P.M through Video Conferencing ("VC") or 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 (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director, in place of Mr. Suresh Kumar Agrawal (DIN: 00587623) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To Approve the amount payable as Annual Remuneration to Mr. Manish Agrawal, Non-Executive Director of the Company

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

"RESOLVED THAT pursuant to Regulation 17(6)(ca) of SEBI(Listing Obligation and Disclosure Requirements), Regulations, 2015 as amended from time to time (including any amendment(s) or modification(s) or any relaxation,

hereby adopted upon recommendation of, or approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the amount of the remuneration to be paid to Mr. Manish Agrawal, Non-Executive Director of the Company for the financial year ending on 31st March 2021 is Rs. 10,00,000/- (Ten Lakhs only) and the same shall be paid in the form of a lump sum payment.

4. Ratification of Remuneration payable to Mr. Sambhu Banerjee, appointed as Cost Auditors of the Company for the F.Y. 2020-21

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(3) 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. 25000/- (Rs. Twenty Five thousand only) (Excluding applicable taxes and reimbursement of travel and 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 Cost records of the Company for the financial year 2020-2021, 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."

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"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all other act, deeds and things as may be necessary or desirable to give effect to this resolution".

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"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or Company Secretary or to any other Officer(s)/Authorized Representative(s) of the Company to do all such acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution(s).

By Order of the Board
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15. Members can also temporarily update their email address and mobile number with KFin, by the following steps. However, Members holding shares in electronic form, will have to once again register their email address and mobile number with their DPs, to permanently update the said information.
 - i) Visit the link https://ris.kfintech.com/email_registration/
 - ii) Select the company name: MSP STEEL & POWER LIMITED
 - iii) Enter DPID Client ID (in case shares are held in dematerialised mode)/Physical Folio No. (in case shares are held in physical form) and Permanent Account Number ('PAN').
 - iv) In case shares are held in physical form, if PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
 - v) Enter the email address and mobile number.
 - vi) System will check the authenticity of the DPID Client ID/Physical Folio No. and PAN/Certificate No.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE

16. In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020 and Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and

18. Information And Instructions For E-Voting And Remote E-Voting

- a) Pursuant to provisions of Section 108 of the Companies Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI LODR, the company is providing the facility to the Members holding shares in physical or dematerialized form as on the cut-off date, being Wednesday, September 23, 2020, to exercise their rights to vote on the resolutions proposed to be passed at the AGM by electronic means ('e-voting'). Members may cast their vote remotely on the resolutions proposed to be passed at the AGM, using electronic voting system on the dates mentioned here-in-below ('Remote e-voting').
- b) E-voting facility will also be made available at the AGM ('InstaPoll') and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM through InstaPoll.
- c) The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to equity shares held by them in the company as on Friday, September, 4th 2020 (cut-off date fixed for this purpose), subject to the provisions of the Act
- d) 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 voting process in a fair and transparent manner, who have communicated their willingness to be appointed.
- e) The remote e-voting period commences on Sunday, September 27, 2020 (9.00 a.m. IST) and ends on Tuesday, September 29, 2020 (5.00 p.m. IST). During this period, Members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Wednesday, September 23, 2020 may cast their votes electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.
- f) A member can opt for only single mode of voting i.e., through remote e-voting or voting at the Meeting (InstaPoll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID"

19. In case a Member receives an email from K-FinTech (for Members whose email ids are registered with the Company/DPs) :

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e. User id and password mentioned on the E-mail). Your Folio No. / DP ID / Client ID will be your user ID. However, if you are already registered with K-FinTech for e-voting, you can use your existing User ID and password for casting your vote. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or contact toll free numbers on 1800 345 4001 (from 9.00 A.M. to 6.00 P.M.) for your existing password.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password . The new password shall comprise minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and one special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for MSP STEEL & POWER LIMITED.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under each of the heading of the resolution and cast your vote by choosing the "FOR / AGAINST" or

- alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.
- viii) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - ix) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
 - x) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as ABSTAINED.
 - xi) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ps@bajajtodi.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO."

20. In case a Member whose email address is not registered/updated with the Company / K-finTech/DPs please follow the following steps to generate your login credentials:

- i) Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by clicking on <https://karisma.kfintech.com/shareholders> or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor.contact@mspsteel.com or shreya.kar@mspsteel.com or clicking the link KFinTech at https://ris.kfintech.com/email_registration
- ii) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
- iii) After due verification, the Company / KFinTech will forward your login credentials to your registered email address.
- iv) Follow the instructions as mentioned in (vi) (A) (i-xii) to cast your vote.
- v) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).

21. Information and Instructions for Insta poll

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting. The following Steps should be followed:

- i) The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page
- ii) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- iii) Only those shareholders, who are present in the e-AGM 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 available during the e-AGM.

Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

22. 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) 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 three days of the conclusion of the AGM, a 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.

- (iii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.mspsteel.com) and on Service Provider's website (www.evotingindia.com) 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.

By Order of the Board
MSP STEEL & POWER LTD

Registered Office:

1, Crooked Lane

Kolkata-700 069

Dated: 5th September, 2020

Shreya Kar

Company Secretary

Mem no.-A41041

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned in Item Nos. 3 of the accompanying Notice dated 5th September, 2020

Item No. 3

The remuneration being paid to the Non-Executive Directors of the Company i.e Mr. Suresh Kumar Agrawal and Mr. Manish Agrawal during their tenure is within the limits as prescribed under the provisions of Companies Act, 2013.

As per Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") which has come into force from April 01, 2019 as amended, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the

remuneration there
The Board of Directors on recommendation of Nomination and Remuneration Committee at its meeting held on 14th September 2020 has approved a remuneration of Rs. 2,40,877/- (Thirty Four Lakh

2(1)(zb) of the SEBI Listing Regulations. The estimated value of transaction with MSP Sponge Iron Limited for Financial Year 2020-21 will be Rs.300 crores, which would breach the materiality threshold of 10% of the annual turnover of the Company i.e. Rs 153.27 crores as per last audited financial statements of FY 2019-20. Hence, to ensure uninterrupted operations of the Company, it is proposed to secure shareholders' approval for the related party contracts/arrangements to be entered into with MSP Sponge Iron Limited during Financial Year 2020-21, as mentioned in item no. 6 of the Notice

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions are as follows:

Sl no	Particulars	Remarks
1.	Name of Related Party	MSP Sponge Iron Limited
2.	Name of the Director or KMP who is related	1. Mr Manish Agrawal who is the Managing Director of MSP Sponge Iron Limited is also a Non executive Director in MSP Steel & Power Ltd 2. Mr. Suresh Kumar Agrawal who is a Director in MSP Sponge Iron Limited is also the Chairman of MSP Steel & Power Ltd
3.	Nature of Relationship	MSP Sponge Iron Ltd is the Group Company of MSP Steel & Power Ltd
4.	Nature, material terms, monetary value and particulars of the contract	The transaction involves purchase of Pig Iron I and Silico Manganese on a continuous basis for

2019
2020





MSPSPL

AGLIMPSE OF MSP

At MSP STEEL & POWER LIMITED we are amongst the fore runners of steel manufactures in India. We have a diversified product mix that consist of.

MSPL PRODUCT RANGE

- Pellets
- Sponge iron
- TMT Bars
- Billet
- Power

STRUCTURALS

- Joints
- Angles
- Channels
- Beams

We have fully integrated and consolidated across the value chain and have manufacturing facilities in Jamgaon, Raigarh (Chattisgarh)

Forward-looking statement

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

CORE VALUES



INTEGRITY

Adhere to the highest standards of integrity with all stakeholders

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



INNOVATION

Continuously improve company performance by innovation

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



TEAMWORK

Create a familial environment to promote teamwork

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



EXCELLENCE

Strive for excellence in performance, quality and behavior

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

PRODUCTS

MSP STRUCTURALS

MS BILLETS



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Director's Report

Corporate Governance Report

Independent Auditors Report

Financials

CORE MANAGEMENT



Mr. Suresh Kumar Agrawal
Chairperson



Mr. Saket Agrawal
Managing Director



Mr. Anil Kumar Agrawal
Director



Mr. Rakesh Agrawal
Director

CORE COMMITTEE

CHAIRPERSON

Mr. Suresh Kumar Agrawal

BOARD OF DIRECTORS

Mr. Saket Agrawal
Managing and Executive Director

Mr. Dhananjay Uchit Singh
Non-Independent Executive Director

Mr. Manish Agrawal
Non-Independent Non Executive Director

Mr. Kapil Deo Pandey
Non-Executive Independent Director

Mrs. Suneeta Mohanty
Non-Executive Independent Director

Mr. Navneet Jagatramka
Non-Executive Independent Director

Mr. Ashok Kumar Sain
Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Kamal Kumar Jain

COMPANY SECRETARY

Ms. Shreya Kar

CHIEF RISK OFFICER

Mr. Amit Agarwal

AUDITORS
STATUTORY AUDITORS
M/s Singh & Co.

COST AUDITOR
Mr. Sambhu Banerjee

SECRETARIAL AUDITOR
M/s Bajaj Todi & Associates

REGISTERED OFFICE

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

CORPORATE OFFICE

16/S, Block-A, New-Alipore
Kolkata – 700 053
Ph.Nos.: 033-4005 7777/2399 0038/39/80
Fax Nos.:033-40057788/23982239
E-mail: investor.contact@mspsteel.com

BANKERS

State Bank of India
Kotak Mahindra Bank
Syndicate Bank
UCO bank
Indian Overseas Bank
Allahabad Bank
Corporation Bank
DBS Bank Limited
ICICI Bank Limited
Union Bank of India
Oriental Bank of Commerce
Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENT

K Fin Technologies Pvt. Ltd,
Kary Selenium Tower-B, Plot No.-31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad-500032,
Ph. No.: (040) -6716-2221/3321-1000
Fax No.: (040)-2300-1153
E-mail:compliance.kfpl@kary.com
einvest.ris@kary.com
Website: www.karyfintech.com

ACTIVITIES IN CORPORATE SOCIAL RESPONSIBILITY

At MSP Steel, we believe in complete balance by giving back to the society for everything we've received. We believe in being a responsible corporate citizen. Certain activities taken up by MSP Steel are:

- Concrete Road and beautiful temple for surrounding
- Provided Uniforms and school books to children free of cost
- Sponsored teachers in different government schools in Raigarh

MSP PUBLIC SCHOOL, Junadih Distt. Raigarh, (CG) - Imparting affordable & quality education



Free Medical Checkup Camp In Labour Hutment

November -2019



ESIC HEALTH CAMP ON 03.03.2020

मनाया गया विशेष सेवा पखवाड़ा
कर्मचारी राज्य बीमा निगम
द्वारा जागरूकता सह स्वास्थ्य
सांश्रितिका



COVID-19 Awareness Campaign in Family Colony & nearby villages



Approx. 1,000 No's of Masks were prepared by the Spouses of our employees residing in Junadh Family Colony



CSR ACTIVITIES



Water Pond excavation in Navapara village under CSR Activity



Water Cooler installed in Pellet Division

Glimpse of 49th Safety Day/ Week Celebration on 4th March, 2020





ISO CERTIFICATION



Suresh Kumar Agrawal

People need to be flexible in their thinking, take calculated risks and be willing to discover the untapped potential that exists in equipment, processes and systems.

Chairman's Statement

My Dear Shareholders,

First and foremost, I express my gratitude to the Board of Directors, and the shareholders for giving me the privilege of being the Chairman of this marquee company with a remarkable lineage and legacy of over fifty years! I am simply humbled and delighted to address you for this time.

Undoubtedly, FY 2019-20 was a challenging year not just for MSP Steel & Power Limited (MSPL), but for most businesses across the globe. Almost all countries faced a slowdown in economic growth amidst rising trade tensions and policy uncertainties. This has had its bearing on the steel industry as well, in terms of weak demand and falling steel prices. Making matters worse, the COVID-19 outbreak in early 2020 brought global economic activities to a near standstill as nationwide lockdowns and social distancing norms were imposed to contain the spread in the affected countries. Yet I begin with my deep heartfelt condolences for those precious lives lost due to the ongoing pandemic. I pray and hope for its early end and for your safety and good health in these unprecedented times.

India was the world's second largest steel producer in 2019. India surpassed Japan to become the world's second largest steel producer in 2019 with crude steel production of 111.2 million tonnes (MT). As per Indian Steel Association (ISA), domestic steel demand is estimated to grow at 7 per cent in FY20 and FY21. In FY20, crude steel production and finished steel production in India was 108.5 MT and 101.03 MT, respectively. Export and import of finished steel stood at 8.42 MT and 6.69 MT, respectively, in FY20. India's per capita consumption of steel grew at a CAGR of 4.43 per cent from 46 kgs

in FY08 to 74.10kgs in FY19,

India's steel demand is likely to face a sharp decline of 18 per cent in 2020, while global steel demand is expected to contract 6.4 per cent to 1,654 million tonnes (MT) due to the COVID-19 crisis. Steel demand in developed economies is expected to decline by 17.1 per cent in 2020.

The manufacturing sector is expected to stage a relatively quick recovery. The key steel-consuming sectors are expected to improve. Thus, we are focusing on efficiency improvement, ramping up of production to pre-covid operational levels and ensuring adequate liquidity to ride out any potential

core, MSPL has the eth

The current pandemic is a big force for all round change. Change is the only rule in current times to constantly assess and realign the way we work, we socialize and the way we live. This is the only way to stay relevant with what the future might hold for us. For all of us, there has never been a bigger need to focus on and priorities personal safety and hygiene.

I am confident that the management of your company, under the able guidance and support of your Board of Directors, shall be able to successfully navigate through these timid but challenging market conditions, and that post-Covid-19, MSPL will emerge stronger than ever and will become an admired and leading steel producer. I would like to acknowledge and appreciate the continuous efforts of the executives, management and employees who have taken the Company to new heights and have demonstrated the agility of the Brand MSP to stay relevant in changing and challenging times.

I would also like to extend my heartfelt gratitude and appreciation towards my fellow Board Members for their unstinted support. My thanks also to our bankers, business associates and vendors who make our journey easier and simpler.

And finally, on behalf of the entire management and the Board, I want to thank all shareholders for your unwavering support.

Stay safe and in good health!
Warm regards,
Suresh Kumar Agrawal
(Chairman & Director)

MD's Statement



Mr. Saket Agrawal

is a commerce graduate from St. Xavier's College Kolkata and an MBA from IMI, Delhi. He is involved in the steel business for over 12 years and is responsible for the commercial, Finance & accounts function of the company.

All actions at MSPL remain anchored in fulfilling our shared vision of "To be an Admired & Leading Steel Producer"

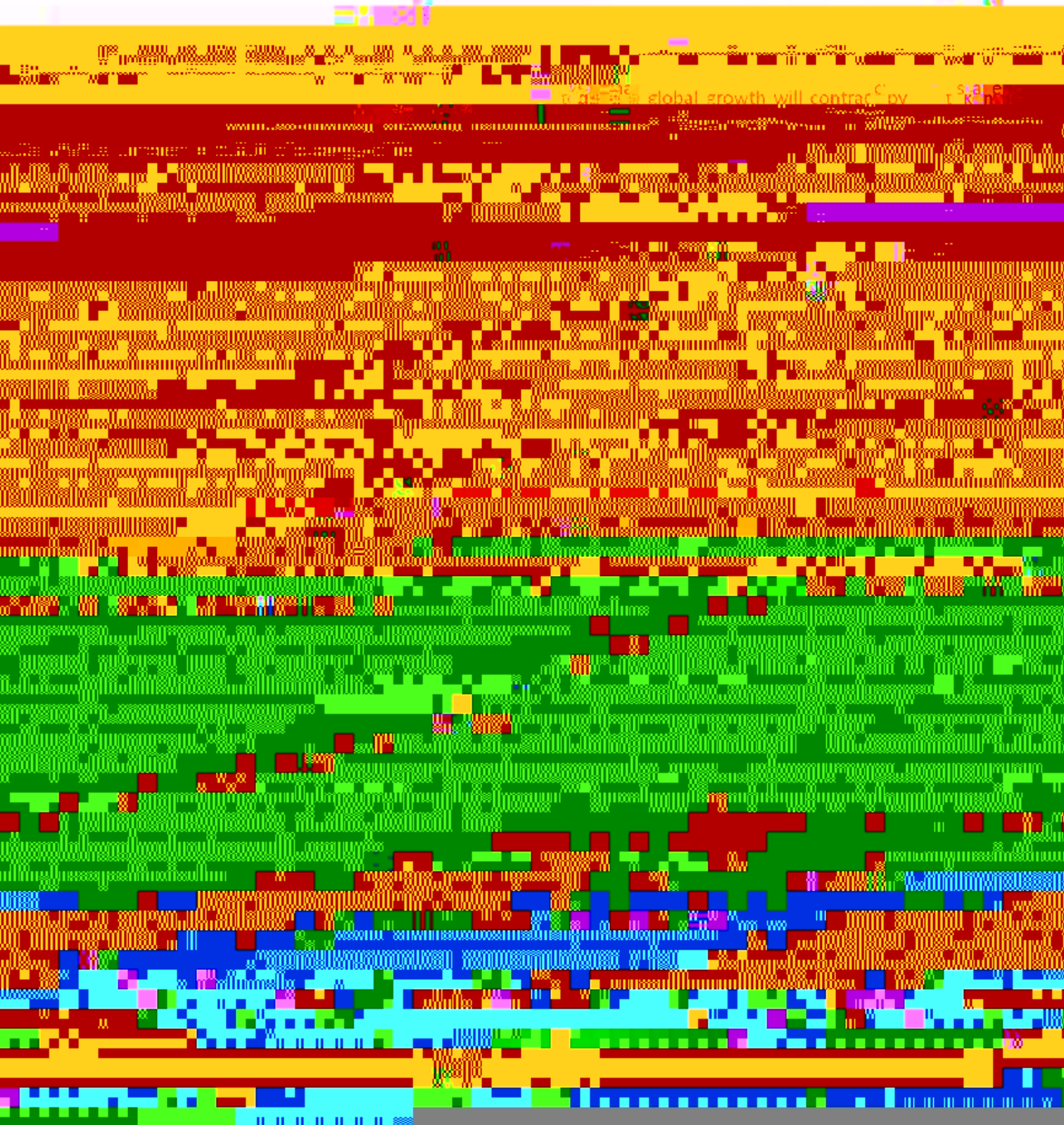
Dear Shareholders,

It is my privilege to write to you and present the Integrated Report for FY 2019-20. I hope this letter finds you safe and in good health.

For most of FY 2019-20, the global steel industry faced a number of challenges due to global demand and geopolitical tensions which have affected the contours of the business environment in which we operate. Next came the onset of the COVID-19 pandemic in the final quarter of the year, which ushered in a new reality for industries across the world. The pandemic of COVID-19 has proven to be a critical turning point in the history of human race and is set to reshape the global society. Despite its challenges, the pandemic has presented an opportunity for all of us to introspect and rediscover new opportunities, rebuild our environment, and re-establish our economy. The world needs to embrace more responsible and sustainable choices for future generations. I am hopeful that with appropriate action aided by modern technology, things will soon turn around.

Global GDP growth rate was 2.9% in 2019, against an initial growth projection of 3.5%. In India, growth plunged to 4.2% in FY 2019-20 against an initial growth projection of 7.5% in the beginning of the year. India was just beginning to show signs of coming out of a protracted slowdown that began in the last quarter of 2018-19 when COVID-19 arrived. The impact of the slowing economy was also felt in the global steel sector. The Indian steel sector registered a stark reduction of growth to 1.8% in 2019 compared to 7.7% growth in the previous year. Domestic steel prices declined sharply in FY 2019-20 (-15% year on- year, on average) due to weak demand from key industries including automobile,

construction and consumer durables. Overcapacity in China has played a role in the softness in steel demand and prices. Also, heavy losses in state-owned

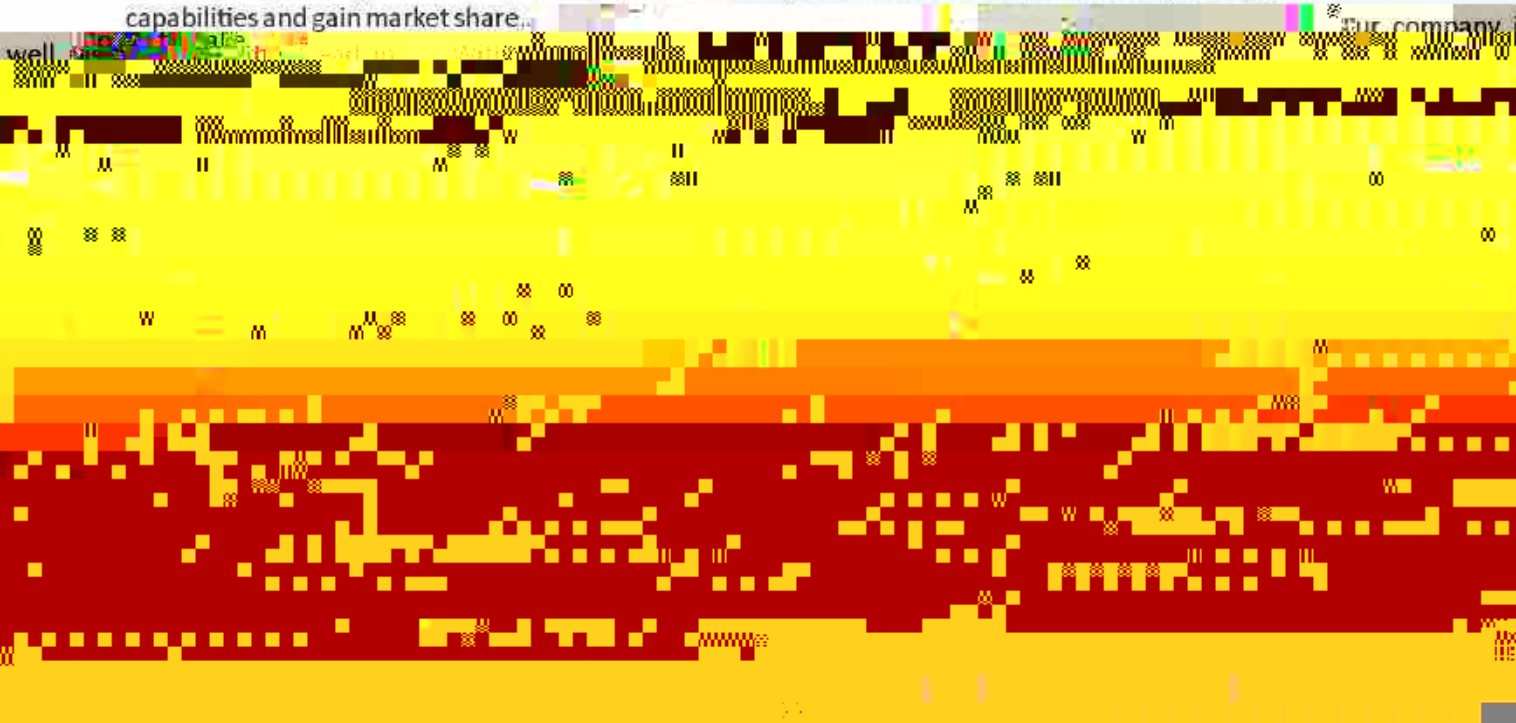


restarting construction and infrastructure projects will be a challenge in near term. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21 due to the lockdown followed return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the Financial Year 2020-21.

Our strong and deep relationships with a high-quality customer base, give us the wherewithal to weather the difficulties ahead. The next few months will be difficult, but your company has deep relationships with customers and partners, enviable scale, a robust and resilient business model, and strong financials. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to acquire new capabilities and gain market share.

MSPL customer-centricity and commitment to helping customers succeed in their businesses, has helped us establish enduring Customer-relationships and abiding trust. We have stayed close to our customers through good times and bad, helping them navigate challenges and enabling competitive differentiation.

On behalf of the Board of Directors of MSP Steel & Powers Limited, I want to thank all shareholders for your continued trust, confidence, and support.





MSP STEEL & POWER LIMITED
CIN : L27109WB1968PLC027399

Registered Office : 1, Crooked Lane, Kolkata - 700 069

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

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

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

NOTICE

To
The Members,
MSP Steel and Power Limited

NOTICE is hereby given that the 51st Annual General Meeting of **MSP STEEL & POWER LIMITED** will be held on Wednesday, September 30, 2020 at 5:00 P.M through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")

to transact the following business:

4. Ratification of Remuneration payable to Mr. Sambhu Banerjee, appointed as Cost Auditors of the Company for the F.Y. 2020-21

The Board of Directors of the Company has appointed Mr. Sambhu Banerjee as Cost Auditor of the Company for the F.Y. 2020-21. The remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 is Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

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The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

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 Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Company's policy on Related Party Transactions, approval of the Members be and is hereby accorded to the Board of Directors of the Company ('Board') to enter into contract(s)/ arrangement(s)/ transaction(s) with MSP Sponge Iron Limited., a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Regulations, for Purchase of Pig Iron and other Managaneese and sale of finished goods & other items from

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

The Board of Directors of the Company has also approved the remuneration payable to Mr. Sambhu Banerjee for the F.Y. 2020-21 as Rs. 1,00,000/- (One Lakh Rupees only) plus GST.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or Company Secretary or to any other Officer(s)/Authorized Representative(s) of the Company to do all such acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution(s).

By Order of the Board
MSP STEEL & POWER LTD

Registered Office:

1 Crooked Lane
Kolkata-700 069
Dated: :5th September, 2020

Shreya Kar
Company Secretary
Mem no.-A41041

NOTES:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the **51st 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) Regulation, 2015.

marked to [evoting.karvy.com](https://www.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

9. 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 AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include Large Shareholders (Shareholders holding 2% or more shareholding)

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE

16. In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020 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 alongwith the Annual Report of the Company for the financial year ended March 31, 2020, 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 Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 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 shall also be available on the website of Company's Registrar and Transfer Agent engaged for providing e-Voting facility, i.e., <https://evoting.karvy.com>

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

17. The Company will provide VC/OAVM facility to its members for participating at the AGM.
- a) Members will be able to attend the AGM through VC or OAVM or view the live webcast of the AGM provided by K-fin technologies private Ltd at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.

Members are requested to follow the instructions mentioned below:

- i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kfintech.com>
 - ii. Enter the login credentials (i.e., User ID and password for e-voting).
 - iii. After logging in, click on "Video Conference" option
 - iv. Then click on camera icon appearing against AGM event of MSP STEEL & POWER LIMITED, to attend the Meeting. Further as Members will be required to allow Camera, usage of Internet with a good speed is recommended to avoid any disturbance during the meeting.
 - v. 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.
- b) 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.
- c) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis (FIFO).
- d) Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DPID and Client ID/Folio No. at <https://emeetings.kfintech.com> from 25.09.2020 (9.00 a.m. IST) and ends on 26.09.2020 at (5.00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- e) Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be

18. Information And Instructions For E-Voting And Remote E-Voting

- a) Pursuant to provisions of Section 108 of the Companies Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI LODR, the company is providing the facility to the Members holding shares in physical or dematerialized form as on the cut-off date, being Wednesday, September 23, 2020, to exercise their rights to vote on the resolutions proposed to be passed at the AGM by electronic means ('e-voting'). Members may cast their vote remotely on the resolutions proposed to be passed at the AGM, using electronic voting system on the dates mentioned here-in-below ('Remote e-voting').
- b) E-voting facility will also be made available at the AGM ('InstaPoll') and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM through InstaPoll.
- c) The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to equity shares held by them in the company as on Friday, September, 4th 2020 (cut-off date fixed for this purpose), subject to the provisions of the Act
- d) 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 voting process in a fair and transparent manner, who have communicated their willingness to be appointed.
- e) The remote e-voting period commences on Sunday, September 27, 2020 (9.00 a.m. IST) and ends on Tuesday, September 29, 2020 (5.00 p.m. IST). During this period, Members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Wednesday, September 23, 2020 may cast their votes electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.
- f) A member can opt for only single mode of voting i.e., through remote e-voting or voting at the Meeting (InstaPoll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID

19. In case a Member receives an email from K-FinTech (for Members whose email ids are registered with the Company/DPs) :

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e. User id and password mentioned on the E-mail). Your Folio No. / DP ID / Client ID will be your user ID. However, if you are already registered with K-FinTech for e-voting, you can use your existing User ID and password for casting your vote. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or contact toll free numbers on 1800 345 4001 (from 9.00 A.M. to 6.00 P.M.) for your existing password.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password . The new password shall comprise minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and one special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for MSP STEEL & POWER LIMITED.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under each of the heading of the resolution and cast your vote by choosing the "FOR / AGAINST" or

alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.

viii) You may then cast your vote by selecting an appropriate option and click on "Submit".

(A) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / account.

voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a 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.

- (iii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.mspsteel.com) and on Service Provider's website (www.evotingindia.com) 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.

By Order of the Board
MSP STEEL & POWER LTD

Registered Office:

1, Crooked Lane

Kolkata-700 069

Dated: 5th September, 2020

Shreya Kar

Company Secretary

Mem no.-A41041

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned in Item Nos. 3 of the accompanying Notice dated 5th September, 2020

Item No. 3

The remuneration being paid to the Non-Executive Directors of the Company i.e Mr. Suresh Kumar Agrawal and Mr. Manish Agrawal during their tenure is within the limits as prescribed under the provisions of Companies Act, 2013.

As per Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") which has come into force from April 01, 2019 as amended, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

The Board of Directors on recommendation of Nomination and Remuneration Committee at its meeting held on 14th September, 2020 has approved a remuneration of Rs 3,499,877/- (Thirty Four Lakh Ninety Nine Thousand Eight Hundred Seventy Seven Only) p.a. payable to Mr. Suresh Kumar Agrawal, (DIN 00587623) Non Executive Director of the company,(including, fees, commissions, sitting fees) payable for meetings attended during the Financial Year 2019-2020

Mr. Suresh Kumar Agrawal holds a Bachelor Degree in Mechanical Engineering from Jabalpur University. He has 45 years of rich and extensive Experience in the Steel Industry which has proved to be very instrumental in guiding the company towards growth and sustainability. His vision has seen the company achieve high standards of Corporate Governance, innovation, growth oriented projects etc. He has also played a pivotal role in maximizing shareholders value.

The Board deems it appropriate to recognize the contribution of Mr. Suresh Kumar Agrawal towards the company and to compensation such remuneration as it deems fair.

Except Mr. Manish Agrawal, and Mr. Saket Agrawal and their relatives, none of the Directors, Key Managerial Personnel or their relatives is deemed to be concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the Special Resolution as set out in Item No. 3 of the Notice for the approval of the Members.

Item No. 4

The Board of Directors of the Company based on the recommendation of the Audit Committee at its meeting held on 22nd August 2020 has considered and approved the appointment 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 2020-2021 on a yearly remuneration of Rs. 25,000/- (excluding applicable taxes) 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 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 means of an Ordinary Resolution is sought for the resolution set out in Item No. 3 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

In accordance with section 197 of the Companies Act 2013 as amended by the Companies (Amendment) Act 2017 read with schedule V, the total managerial remuneration payable by the company to its Directors, including its Managing Director, Whole Time Director and Manager shall not exceed eleven percent of the Net profits of the Company for that financial year computed in the manner laid down in section 198.

In accordance with schedule V of the Act, the Company during the financial year 2019-2020 has incurred loss of Rs 6745.31Lacs . The effective Capital of the Company for the financial year 2019-2020 is Rs 105,294.39 Lacs and the yearly remuneration payable by the Company to its managerial person is Rs. 120.16 Lacs which is within the limits as provided in the Schedule.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee at its meeting held on 14th August, 2019 recommends to increase the overall limit of Managerial Remuneration payable to the Managerial Person of the Company for the Financial Year 2020-21.

Accordingly the Board recommends Special Resolution set out in Item no 5 for approval of the Members.

Item No. 6

Approval of the shareholders of MSP Steel & Power Ltd(the company) is being sought, to enter into related party transaction(s) with MSP Sponge Iron Limited to Purchase of Pig Iron and Silico Manganese and Sale of finished Goods and other Scrap Items for an amount not exceeding 300 crore during the Financial year 2020-21.

Cost effective and assured supply of pig iron and silico manganese is the key requirement of the company. The Company intends to procure bulk Pig Iron and Silico Manganese and subsequent selling of the finished goods to MSP Sponge Iron Limited to have consistent control over quality of the supplies. This transaction will not only help the Company to manage manufacturing operations smoothly but also ensure consistent flow of desired quality and quantity of product for uninterrupted operations and increased productivity.

Approval being sought for Financial Year 2020-21

As per the requirements of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), all material related party transactions shall require the approval of Members through a Resolution. Further, the explanation to Regulation 23(1) of the SEBI Listing Regulations states that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. MSP Sponge Iron Limited is a related party in terms of Regulation

2(1)(zb) of the SEBI Listing Regulations. The estimated value of transaction with MSP Sponge Iron Limited for Financial Year 2020-21 will be Rs.300 crores, which would breach the materiality threshold of 10% of the annual turnover of the Company i.e. Rs 153.27 crores as per last audited financial statements of FY 2019-20. Hence, to ensure uninterrupted operations of the Company, it is proposed to secure shareholders' approval for the related party contracts/arrangements to be entered into with MSP Sponge Iron Limited during Financial Year 2020-21, as mentioned in item no. 6 of the Notice

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions are as follows:

Sl no	Particulars	Remarks
1.	Name of Related Party	MSP Sponge Iron Limited
2.	Name of the Director or KMP who is related	1.Mr Manish Agrawal who is the Managing Director of MSP Sponge Iron Limited is also a Non executive Director in MSP Steel & Power Ltd 2. Mr. Suresh Kumar Agrawal who is a Director in MSP Sponge Iron Limited is also the Chairman of MSP Steel & Power Ltd
3.	Nature of Relationship	MSP Sponge Iron Ltd is the Group Company of MSP Steel & Power Ltd
4.	Nature, material terms, monetary value and particulars of the contract	The transaction involves purchase of Pig Iron and Silico Manganese on a continuous basis for an aggregate amount of Rs 300 Crores during the F.Y, 2020-2021
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs

None of the Directors, other than those mentioned herein above, and key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

Accordingly the Board recommends Ordinary Resolution set out in Item no 6 for approval of the Members

By Order of the Board
MSP STEEL & POWER LTD

Registered Office:

Plot 2, Sector 1, Phase 1, Gurgaon

Haryana - 122002

India

Phone: +91 122 400 0000

Fax: +91 122 400 0001

Email: info@mspsteel.com

Website: www.mspsteel.com

LinkedIn: www.linkedin.com/company/msp-steel

Facebook: www.facebook.com/mspsteel

Twitter: [www.twitter.com/mspsteel](https://twitter.com/mspsteel)

Instagram: www.instagram.com/mspsteel

YouTube: www.youtube.com/mspsteel

WhatsApp: www.whatsapp.com/mspsteel

Telegram: www.telegram.com/mspsteel

Skype: www.skype.com/mspsteel

Zoom: www.zoom.us/j/91919191919

Slack: www.slack.com/mspsteel

Discord: www.discord.com/mspsteel

Signal: www.signal.com/mspsteel

Telegram: www.telegram.com/mspsteel

WhatsApp: www.whatsapp.com/mspsteel

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2019-2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2018-2019

OVERVIEW

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during the Financial Year 2019-20. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time. Your attention is also drawn to sections on Opportunities, Risks and Strategy Planning forming part of the Report.

Global growth is projected at -4.9% in 2020 owing to the unprecedented Covid-19 pandemic. The pandemic has had a significant impact on all global economies in the first half of 2020, and the recovery is projected to be gradual. In 2021 global growth is projected at 5.4%



1. ECONOMY & OUTLOOK

1. GLOBAL ECONOMY

With continued weakness in global trade and investment, global growth slumped to 2.9% in 2019, leading to varying degrees of deceleration in economies around the globe. Rising geopolitical tensions, worsening trade relations among some nations, trade policy uncertainties, and stress in key emerging market economies continued to impact

2. GLOBAL OUTLOOK

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced

and weather-related disaster and economic activity. Intensifying social unrest in global economies, and emerging markets and developing

in 2019. The industrial sector in Germany due to external demand shock, tightening in global financial markets, and lower demand in Asia and disruptions to commodity prices in China, witnessed recovery from the sharp contraction in the first

blue-added tax, and overall slowdown in manufacturing

3. INDIAN ECONOMY

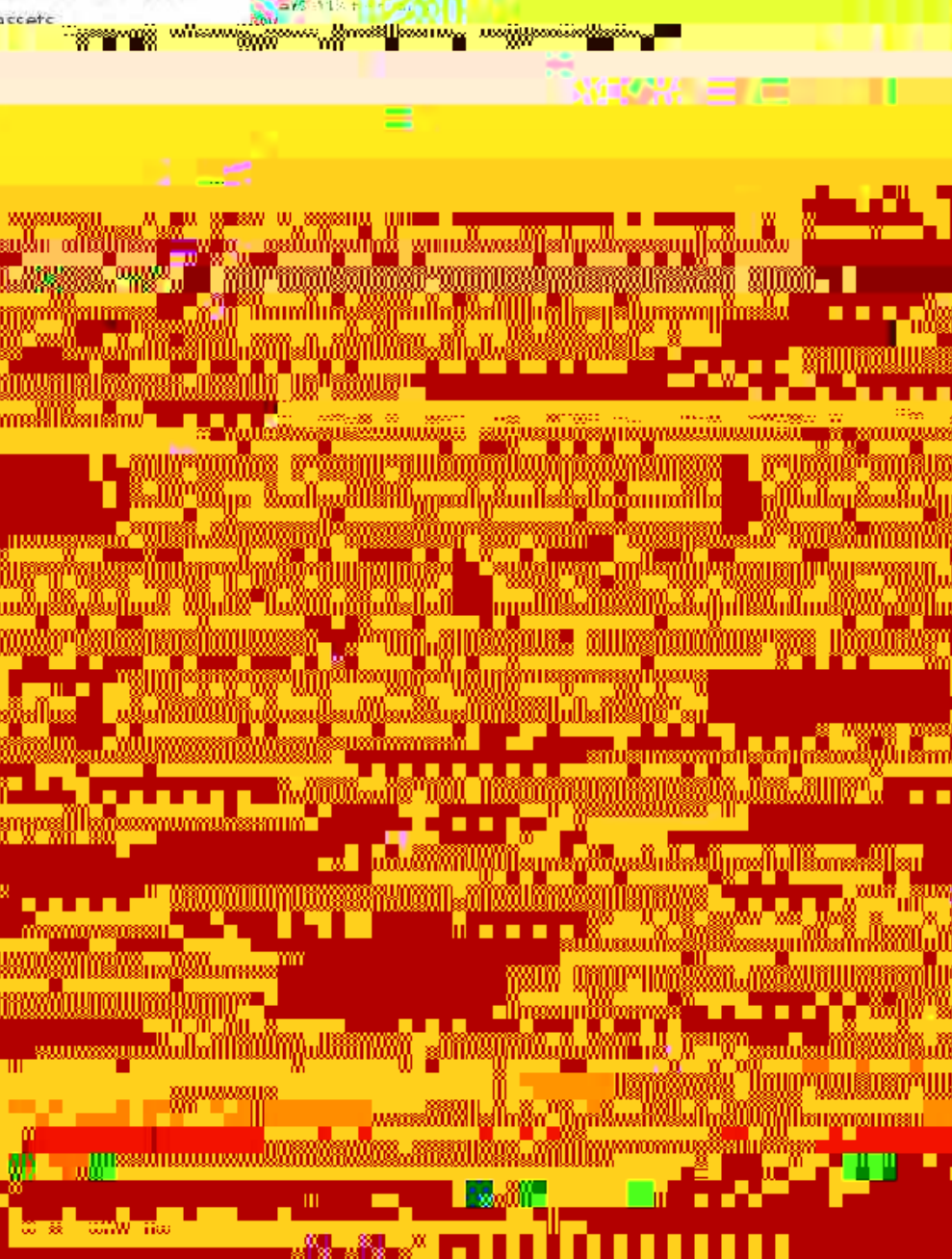
In India, growth slowed down to 4.2% in 2019. This economic slow down can be attributed to weak investments and declining consumer demand. Further, several sectors such as real estate, aviation, automobile, and construction sectors suffered a consistent decline in demand. The banking sector and financial services also witnessed significant pressure of non-performing assets.

Indian economy would contract by 4.5% in CY20. Post this period of contraction, IMF has projected a 6% growth for India in CY21.

II. STEEL INDUSTRY

1. GLOBAL STEEL INDUSTRY

Global crude steel production in 2019 saw a growth of 3.4%



2. OUTLOOK OF GLOBAL STEEL INDUSTRY

The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, outlook for the steel industry includes scenarios regarding the pandemic's speed of propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak, and the effectiveness of the stimulus announced by the Governments of various nations.

remain weak due to the decreasing output and stagnant investment in the manufacturing sector.

DOMESTIC SCENARIO

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.

As rise in production has resulted in India being

After slower than expected growth in 2019, steel demand is



Demand – Availability

Industry dynamics including demand – availability of iron and steel in the country are largely determined by market forces and gaps in demand-availability are met mostly through imports.

- Interface with consumers exists by way of meeting of the Steel Consumers' Council, which is conducted on regular basis.
- Interface helps in redressing availability problems, complaints related to quality.

Steel Prices

Price regulation of Iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces.

- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment. Currently, GST of 18% is applicable on steel and there is no export duty on steel items.
- A Steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyze price fluctuations and advise all concerned regarding any irrational price behavior of steel commodity.
- To avoid any distortion in prices in view of ad-hoc and rising imports, the Government had taken several steps including raising import duty and imposed a gamut of measures including anti-dumping and safeguard duties on a host of applicable iron and steel items. In a further move to curb steel imports, the Indian government banned the production and sale of steel products that does not meet Bureau of Indian Standard (BIS) approval and to check the sale of defective and sub-standard stainless steel products used for making utensils and various kitchen appliances, it issued the Stainless Steel (Quality Control) Order, 2016 for products used in making utensils and kitchen appliances, that will help filter imports of the metal.

4. OUTLOOK OF INDIAN STEEL INDUSTRY

India was the world's second largest steel producer in 2019. India surpassed Japan to become the world's second largest steel producer in 2019 with crude steel production of 111.2

million tonnes (MT). In India, as per Indian Steel Association (ISA), steel demand is estimated to grow 7 per cent in FY20 and FY21. In FY20, crude steel production and finished steel production in India was 108.5 MT and 101.03 MT, respectively. Export and import of finished steel stood at 8.42 MT and 6.69 MT, respectively, in FY20. India's per capita consumption of steel grew at a CAGR of 4.43 per cent from 46 kgs in FY08 to 74.10 kgs in FY19.

India's steel demand is likely to face a sharp decline of 18 per cent in 2020, while global steel demand is expected to contract 6.4 per cent to 1,654 million tonnes (MT) due to the COVID-19 crisis. Steel demand in developed economies is expected to decline by 17.1 per cent in 2020. Although the downturn is led by consumer and service sectors, massive dislocations in spending, labour markets, and confidence are fuelling declines in steel-using sectors, the global body said. "While, the steel demand in the developing economies excluding China is expected to fall by 11.6 per cent in 2020. India is likely to face an 18 per cent decline in steel demand in 2020, which will rebound by 15 per cent in 2021.

In India, the government implemented the most stringent nationwide lockdown measures in the world, bringing industrial operations to a standstill. Construction activity was halted entirely at the end of March, and recovery is expected to remain subdued due to the slow migration of labourers. Further, supply chain disruptions coupled with slower demand recovery will hit the steel-using industries like the automotive and machinery sectors.

On demand recovery, world steel said global steel demand is expected to recover by 3.8 per cent to 1,717 MT in 2021. The reduction in global steel demand will be mitigated by an expected faster recovery in China than in the rest of the world. In India, the government's support to rural income, as well as expected consumption related to the upcoming festive season, will help in substantial recovery of demand for consumption-driven manufacturing goods in the second half.

Supported by the government stimulus, recovery in construction will be led by infrastructure investment such as railways. The demand in India will rebound by 15 per cent in 2021.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent 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), Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US\$ 13.40 billion between April 2000–March 2020.

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 policy which provides a minimum value addition of 15 per cent in notified steel products covered under preferential procurement. In 2019, the Government introduced Steel Scrap Recycling Policy with an aim to reduce import.

In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilization in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21 due to the lockdown during the first quarter followed by the monsoons during the second quarter.

III. BUSINESS OVERVIEW

Performance review of the Company

The operational and financial performance of the Company for 2019-20 is given below:

Particulars	Standalone		Consolidated	
	F.Y. 19-20 (` In Lacs)	F.Y. 18-19 (` In Lacs)	F.Y. 19-20 (` In Lacs)	F.Y. 18-19 (` In Lacs)
Revenue from Operations	153272.71	166980.19	153272.71	166980.19
Other Income	236.10	200.17	255.55	200.17
Total Income	153508.81	167180.36	153528.26	167180.36
Total Expenses (D)	158966.33	167321.26	159007.79	167321.26
Profit/(Loss) Before Tax (E=C-D)	(5457.52)	(140.90)	(5479.53)	(141.59)
Add/(Less): Exceptional Items(F)	157.17	(53.99)	157.17	(53.99)
Less: Tax Expenses (G)				
Income Tax for Earlier Years	11.78	252.86	11.78	252.86
Deferred Tax	1118.84	1611.88	1119.10	1611.88
Profit/(Loss) for the Year (E+F-G)	(6745.31)	(2059.63)	(6768.85)	(2060.32)

Standalone

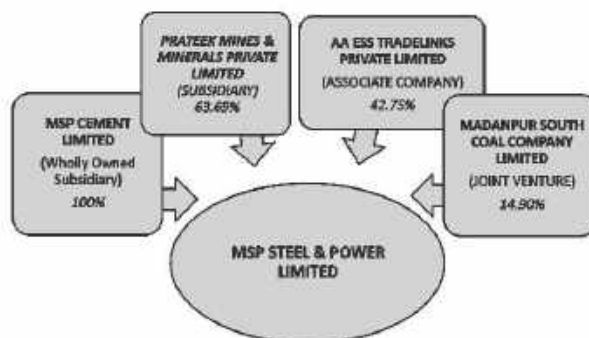
The Standalone gross revenue from operations stood at Rs. 153272.71 Lacs in the financial year 2019-20 as compared to Rs. 166980.19 Lacs in the previous Financial Year 2018-19.

Consolidated

The Company reported a consolidated revenue from operations and net profit after tax of Rs. (6768.85) Lacs; and Rs (2060.32) Lacs respectively. The Company's consolidated financial statements include the financial performance of the following subsidiaries and joint ventures.

Company's Subsidiary, Associates and Joint ventures

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



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

Name of the Company	% of Share	(Rs. In lakhs)	
		Networth	Profit/(Loss) for the Year
MSP Cement Limited CIN: U26940CT2008PLC002120	100 %	40.51	(17.55)
Aa Ess Tradelink Private Limited CIN: 51109WB1995PTC072185	42.75 %	6397.51	(1.23)
Madanpur South Coal Company Limited CIN: U10300CT2006PLC020006	14.54 %	671.14	(12.34)
Prateek Mines & Minerals Private Limited CIN:U14219WB2006PTC112186	63.69%	96.27	(7.42)

Financial Performance:

Own Funds

Networth of the Company was Rs.664.99 Crs as on 31st March 2019 to Rs. 577.95 Crs as on 31st March 2020.

controls are in place.

V.HUMAN RESOURCES MANAGEMENT & INDUSTRIAL RELATIONS

Human resource has always been one of the most valued stakeholders for the Company. The Company has a culture of working together through joint consultation between Union and Management and a very strong commitment towards community 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. Your Company has also encouraged wholehearted participation of the employees and union in improving productivity as well as quality of its products.

The workforce is created, developed and motivated with a customer-centric, process-based, transparent and agile

Basic (EPS)

business needs and cha

professional ownership. It also elicits innova

March 31, 2020

Rs. (1.75) as compared to the (EPS-Basic and Diluted)

VI. STATUTORY COMPLIANCE

The Company has in place adequate systems and processes to ensure that it is in compliance with all applicable laws. The Company Secretary is responsible for implementing the systems and processes for monitoring compliance with the applicable laws and for ensuring that the systems and processes are operating effectively. The Company Secretary also confirms compliance with Company law, SEBI Regulations and other corporate laws applicable to the Company.

VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal audit works as a catalyst for improving an organisation's effectiveness, thus providing insight and recommendations based on analysis and assessments of data and business processes. With its commitment to integrity and accountability, internal audit provides value to governing bodies and senior management as an objective source of independent advice.

The Board of Directors and the Audit Committee are responsible for ensuring that these controls are adequate and operating effectively. The Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by the Management. These policies are supported by the Corporate Accounting and Systems that apply to the entity to implement the tenets of Corporate Governance and the Significant Accounting Policies uniformly across the Company. Significant audit observations and corrective action(s) there on are presented to the Audit Committee. The Audit Committee at its meetings reviews the reports submitted by the Internal Auditor. Also, the Audit Committee at frequent intervals has independent sessions with the Company auditor and the

Requirements) Regulations 2015 and Section 177 of the Companies Act, 2013 besides other assignments referred to by the Board of Directors from time to time.

IX. RISKS AND OPPORTUNITIES

MSPL is committed to recognizing and managing the risks it is exposed to, and has put in place mechanisms to handle the same. The Company's management systems, organizational structures, processes, standards, and code of conduct together form its internal control systems, which govern how it conducts its business and manage all associated risks.

The Company has a comprehensive Risk Management Policy which is well-defined to include strategic, operational, financial compliance related risks and the mitigation process are also detailed. The Board of Directors of the Company periodically review these risks and plan for action to be taken.

The risk management policy in general encompasses assessment process covering projects, raw materials, occupational health, environment, regulatory rules, competition, demand, substitute products and other operational risks related to the business. Periodical meetings are held by the senior management to identify business risks and to formulate plan for managing the same which helps in strategic decision making by the Board easily.

The business of the Company is susceptible to certain risks and uncertainties arising out of the following macroeconomic factors:

Political, legal and regulatory risks

There exists a possibility of a change in the overall duty

environment and can be affected by the general unprecedented crises like the recent outbreak of Covid-19 pandemic. This crisis has severely impacted economic activity across the globe. The manufacturing industry globally has been under stress as the supply chain was disrupted with restrictions on movement of goods and growing market uncertainty. Unprecedented situations like lockdown may also impact business. The pandemic also resulted in disrupting the domestic and international demand for Stainless steel.

Volatility in key raw-materials

The Company is exposed to price changes to some of its key raw-materials. This aspect could lead to a scenario of demand deterioration when prices fluctuate. The volatility in these materials could lead to an increase in inventories leading to some impact on the Company's performance.

Financial Risks

The Company's debt servicing capabilities could get affected due to any volatility in financial markets. The Company could face incremental challenges in a changing interest rate scenario. Further, the Company is also exposed to currency risks arising due to a considerable amount of import and export of goods it undertakes.

Risk Mitigation

Currently, the Company has been taking swift affirmative actions to mitigate the negative impact caused due to the Covid-19 pandemic. MSPL has also been closely monitoring the external environment and optimizing operations to align with the market conditions. MSPL continues to undertake continuous modernization programs to maintain efficient operations of its products and engineering activities.

X.CAUTIONARY STATEMENT

There are certain Statements which have been made in the Management Discussion and Analysis Report describing the estimates, expectations or predictions, may be read as 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed or implied. The important factors that would make a difference to the

Company's operations include demand-supply conditions, raw material prices, changes in Government Policies, Governing Laws, Tax regimes, global economic developments and other factors such as litigation and labour negotiations.

DIRECTORS REPORT

Dear Members,

PERFORMANCE

The Board of Directors present before you the Fifty-First Annual Report on the business and operations of the Company along with the Standalone and Consolidated Audited Financial Statements and Auditor's Report for the financial year ended March 31, 2020.

1. CORPORATE OVERVIEW

The Company was incorporated in 1968 and has thereafter transformed from being an integrated steel plant since 2003

at Raigarh, Chhattisgarh to an integrated steel plant with backward integrated facilities to manufacture pellet and captive power, The MSP is now a Rs. 1500 crores turnover enterprise with a wide range of products and a pan India presence. Besides, it boasted of facilities like bar and structure mills, coal washery, billet and rolling mills units amongst others.

2. FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended 31st March, 2020 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidate	
	F.Y. 19-20	F.Y. 18-19	F.Y. 19-20	F.Y. 18-19
Revenue from Operations	153272.71	166980.19	153272.71	166980.19
Other income	236.10	200.17	255.55	200.17
Total Income	153508.81	167180.36	153528.26	167180.36
Total Expenses (D)	158966.33	167321.26	159007.79	167321.26
Profit/(Loss) Before Tax (E=C-D)	(5457.52)	(140.90)	(5479.53)	(141.59)
Add/(Less): Exceptional Items(F)	157.17	(53.99)	157.17	(53.99)
Less: Tax Expenses (G)				
Income Tax for Earlier Years	11.78	252.86	11.78	252.86
Deferred Tax	1118.84	1611.88	1119.10	1611.88
Profit/(Loss) for the Year (E+F-G)	(6745.31)	(2059.63)	(6768.85)	(2060.32)
Share of Profit / (Loss) of Associates	-	-	(1.27)	(0.69)

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020

Limited, AA EssTradelinks Pvt. Ltd. and Madanpur South Coal Company Limited, Prateek Metals & Minerals Private Limited

are prepared in accordance with the Indian Accounting

standards prepared in accordance with the

under Section 133 of the

Companies Act, 2013

As the financial year ends on 31st March, 2020, the Company has faced a significant global crisis. The year started off on an optimistic

note on the economic substance of the year, supported by fiscal stimulus and resilient

year ended March 31,

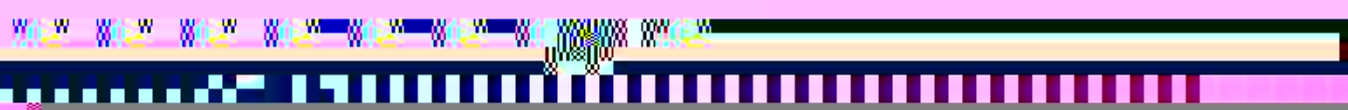
producer with production standing at 106.5 MT in 2018. The

Accounting Standards shall also be applicable to the financial statements of the Company for the financial year ended 31st March, 2020.



cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. India's steel production capacity has expanded to 137.975 million tones in FY19. India surpassed

for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.



Rs. 166980.19 Lacs in the previous Financial Year 2018-19.

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

Consolidated Highlights:

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

The Consolidated gross revenue from operations stood at Rs. 153272.71 Lacs for the FY 2019-20.

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

4. DIVIDEND

The Board of Directors of the Company have not recommended any dividend for Equity Shares and preference Shares during the year in view of losses.

5. TRANSFER TO RESERVES

No amount was proposed to be carried to any of the reserves for the Financial Year 2019-20.

6. PROSPECTS

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 Regulation.

7. SHARE CAPITAL

During the Financial Year 2019-20, there was no change in the Authorized Share Capital and Paid-up Share Capital of the Company. As on March 31, 2020, the Authorized Share Capital of the Company was Rs. 9,000,000,000/- (Rupees Nine Hundred Crores Only) divided into 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 3,885,280,000 (Rupees Three Hundred Eighty Eight Crores Fifty Two Lakhs Eighty Thousand Only) which Comprises of 385,415,000 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. During the year under review the Company has not issued any Shares or any other Securities.

8. OPTIONALLY CONVERTIBLE DEBENTURES (OCD)

The aggregate outstanding amount of Optionally Convertible Debentures ("OCD") of the Company as on March 31, 2020 is. Rs. 4,519,705,540/- (Rupees Four Hundred Fifty One Crores Ninety Seven Lakhs Five Hundred And Five Forty Only) consisting of 451,970,554 (Forty Five Crores Ninety Seven Lakhs Five Hundred Fifty Four) OCDs of face value of Rs. 10/- (Rupees Ten) each which has been issued to Consortium Lenders, pursuant to MSP S4A Scheme (the "S4A Agreements") in the Financial Year 2017-18.

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

9. SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

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



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



Prateek Mines & Minerals Private Limited is a subsidiary of the Company having its Registered office at 1, Crooked Lane Ground Floor, Room No. G-2 Kolkata-700069, was incorporated on 19th December, 2006 for producing and dealing in all types of Minerals and their by-products. It has become subsidiary of the Company w.e.f 14th November, 2019.

AA ESS Tradelinks Private Limited is an associate company of MSP Steel & Power.

(Rs. In lakhs)

Name of the Company	% of Share	Networth	Profit/(Loss) for the Year
MSP Cement Limited CIN: U26940CT2008PLC002120	100 %	40.51	(17.55)
Aa Ess Tradelink Private Limited CIN: 51109WB1995PTC072185	42.75 %	6397.51	(1.23)
Madanpur South Coal Company Limited CIN: U10300CT2006PLC020006	14.54 %	671.14	(12.34)
Prateek Mines & Minerals Private Limited CIN:U14219WB2006PTC112186	63.69%	96.27	(7.42)

Your Company has constituted a body of determining

given or securities provided are as per the provisions of Section 186 of the Companies Act, 2013 and forms part of the notes to the financial statements provided in this Annual Report.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

As stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, ("SEBI LODR") Management's Discussion and Analysis Report for the year under review, stating the operations of the Company, is provided in a separate section and forms an integral part of the Annual Report.

13. CORPORATE GOVERNANCE

The Company constantly endeavors to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company.

The Company has complied with the requirements of the

Requirements) Regulations, 2015. As stipulated under the Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled "Business Responsibility Report (BRR)", is annexed as **Annexure-2** forms part of this Annual Report which describes the initiatives taken by your Company from environmental, social and governance perspective.

15. EXTRACT OF ANNUAL RETURN

The details forming part of Annual Return in **Form MGT-9** as required under section 92 of the Companies Act 2013, is annexed as **Annexure-3** which forms an integral part of this report and is also available on the company's website viz www.mspsteel.com.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL

Board of Directors

Your Company recognizes that the Board of Directors forms one of the pillars of a robust Corporate Governance framework. Your Board comprises of an optimum combination of Executive and Non-Executive Directors including Independent Directors having diversified skill



the Directors on the Board of your Company as on 31st March, 2020 are disqualified to be appointed as a Director of your Company under the applicable provision of the Act and/or the Listing Regulations.

1) Appointment & Cessation:-



• **Re-Appointment of Managing Director**

In term of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Saket Agrawal (DIN: 00129209) is re-appointed as the Managing Director of the Company, for a period of 5 (five) years with effect from **14th November, 2019 to 13th November, 2024** upon the terms & conditions of appointment including the payment of remuneration

to be paid in the event of his resignation or termination.

... terms & conditions of the said

... and vary

Independent Directors in the Board

Following persons are designated as Independent Directors of the Company pursuant to Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

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

Committees Of The Board

The Board of Directors of your Company had constituted four committees for best Corporate Governance Practices and in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation 2015 comprising of:

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

The Details of the Committees along with their composition, including number of meetings held and attendance in the meetings during the financial year 2019-20, have been disclosed separately in the Corporate Governance Report section of this Annual Report.

iii) Meetings of the Board of Directors & Independent Directors

• Meetings Of The Board,

Meetings of the Board of Directors are scheduled at regular

• 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 Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. A meeting was scheduled on 14th February, 2020, without the attendance of non-independent directors and members of the management, inter alia, to:

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

17. DECLARATION

The term "Independent Director" as defined under section

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

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

19. PERFORMANCE EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Nomination & Remuneration Committee after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process. Details pertaining to the evaluation process has been explained in the Corporate Governance Report annexed to the Annual Report.

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

i) Nomination & Remuneration Policy

In terms of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, your Company has in place a Nomination & Remuneration Policy which broadly lays down the guiding principles, procedures and basis for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel, including criteria for determining qualification, positive attributes, independence of a Director and payment of Remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other Employees. During the year under review, the Board of Directors of your Company based on the recommendation of the Nomination & Remuneration Committee, reviewed and adopted a revised Nomination and Remuneration Policy, to align the Policy with the various amendments in the Act and the Listing Regulations. The amended Nomination & Remuneration Policy of your Company is attached to this Report as Annexure II and is also available on your Company's website at the link

<http://mspsteel.com/nomination-remuneration-diversity>

to board.

20. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act

read with Schedule VII of

Established Corporate Social Responsibility

Policy to monitor Corporate Social

As per 2014, as amended, for time to time, there are no

remuneration in excess of the

on the said rules.

responsibility Policy and Sustainability Policy, and also to recommend to the Board

Company has est

Committee to fo

to the Board

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

achieving strategic objectives. The Risk Management Policy of your Company defines how risks associated with your Company will be Identified, analyzed and managed. It outlines how Risk Management activities will be performed and monitored by your Company and practices for recording and prioritizing risks. The Board of Directors of your Company has approved and adopted a revised Risk Management Policy of your Company with an objective to establish a systematic and disciplined approach to Risk



During the year under review, no complaint pertaining to sexual harassment was received by your Company.

23. RELATED PARTY TRANSACTIONS

All contracts or arrangements that were entered into by the Company with the related parties as defined under Section 177 of the Companies Act, 2013 during the year were in the ordinary course of business and at arm's length basis. All related party transactions are placed before the Audit Committee for review and approval. Since all related party transactions entered into by the Company were in the Ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable to the Company. The routine related party transactions was placed before the Audit Committee for their omnibus approval

The Company's policy on "materiality of related party transactions" and the process of dealing with such transactions are in line with the amended provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015. The said policy is also available on the website of the Company and the link for the same is www.mspsteel.com/http://mspsteel.com/related-party-transaction-policy.

24. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(5) of the Companies Act, 2013, your Directors hereby confirms:

(a) that in the preparation of the annual accounts for the FY 2019-20, the applicable Accounting Standards (IND AS) had been followed along with proper explanation relating to material departures;

(b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2020 and of the loss of the company for that period;

(c) that the directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

25. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

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

The relevant information as required under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in **Annexure-6** to the Board's Report.

27. AUDITORS & AUDITOR'S REPORT

Statutory Auditors

In terms of Section 139 of the Companies Act, 2013, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), were appointed as Statutory Auditors of the Company for a tenure of 4 year by the Members, to hold the office from the conclusion of the Annual General Meeting held for the Financial Year 2017-18 till the conclusion of the Annual General Meeting to be held the Financial Year 2021-22.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors along with a certificate from them to the effect that

their appointment is in accordance with the conditions prescribed under the Companies Act, 2013 and rules made thereunder.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 with effect from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

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

Explanation to Auditor's Comments

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

Internal Auditor

Pursuant to Section 138 of the Companies Act, 2013, your Company has appointed M/s S.K. Agrawal & Company as Internal Auditor of the Company, to conduct internal audit of the functions and activities of the Company to audit for the period April 2019 to March 2020.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Rules, 2014, your Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment

Auditor (Membership No. 9780) to conduct the audit of the cost accounts of the Company for the financial year 2020-21.

As required under the Act, a resolution seeking member's approval for the remuneration payable to Mr. Sambhu Banerjee, Cost Auditor forms part of the Notice convening the 51st Annual General Meeting for their ratification.

Secretarial Auditor

Secretarial Audit for the financial year 2019-20 was conducted by M/s. Bajaj Todi & Associates, Practising Company Secretaries, (C.P. No.:3502) as required under section 204 of the Companies Act, 2013 read with relevant Rules made there under. The Secretarial Audit Report for FY 2019-20 is annexed herewith as **Annexure-7 and forms integral part of the report**. The Report does not contain any qualification, reservation or adverse remarks.

The Board of Directors has re-appointed M/s Bajaj Todi & Associates, Practising Company Secretaries, (C.P. No.:3502) as Secretarial Auditor for conducting the Secretarial Audit of the Company for the Financial Year 2020-21.

During the period under review, the Company has complied with the applicable secretarial standards notified by the Institute of Companies Secretaries of India.

28. REPORTING OF FRAUD

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

29. RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company has an effective and robust Risk Management Framework which would enable timely identification of risks, assessment and mitigation.

assessed and there is an adequate risk management mechanism in place capable of addressing those risks. Further, details on Risk Management Policy are briefed out in the Management Discussion and Analysis Report, forming a part of this Annual Report.

30. INTERNAL FINANCIAL CONTROL

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of internal financial controls. Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company has in place adequate Internal Financial Control commensurate with the size, scale and complexity of its operation. The Directors of the Company have been entrusted with the overall responsibility to implement and operate the internal financial controls adequately and effectively. The Company has devised appropriate systems and frameworks including proper delegation of authority, ensuring orderly and efficient conduct of business, adherence to policies and procedures, effective IT system including ERP application aligned to business requirements, risk management framework and whistle blower mechanism. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 1987. The details are given in the Management Discussion and Analysis Report and the Management

15. The objective of the policy is to prohibit, prevent and redress. Objectives, expectations and redress may be forwarded

employees have access to the Policy document and are strictly required to abide by it.. Sexual harassment at the work place or other than work place if involving employees is a grave offence and is, therefore, punishable. During the year under review, no complaints were reported to the Board.

32. 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.

33. INVESTOR SERVICES

The Company and its Registrar M/S KFin Technologies Private 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.

34. LISTING FEES

The listing fees payable for the financial year 2020-2021 have been paid to Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) within due date.

35. AWARDS AND RECOGNITIONS

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

CAUTIONARY STATEMENT

The following information is intended to provide a general overview of the Company's business and financial performance. It is not intended to constitute an offer of securities or any other financial product. The information is not intended to be relied upon as a basis for investment decisions. The information is subject to change without notice. The information is not intended to be used for any other purpose. The information is not intended to be used for any other purpose.

Objectives, expectations and redress may be forwarded

ACKNOWLEDGEMENTS

Your directors take this opportunity to express their deep and sincere gratitude to shareholders, customers, dealers, agents, suppliers, investors, bankers for their continued support and faith reposed in the Company during the year.

The Directors place on record a deep sense of appreciation and contribution made by every member of MSP family at all levels whose contribution was significant for the growth of the Company.

For and behalf of the board
MSP STEEL & POWER LIMITED

Date : 20.07.2020

Place : Kolkata

Manish Agrawal

DIN : 00129240

Director

Suresh Kumar Agrawal


DIN : 00587623

Director


ANNEXURE -1

FORM AOC-1

"AOC-1 (Pursuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)"

Statement containing salient features of the financial statement of subsidiaries / associate 

Part "B": Associates and Joint Ventures

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

ANNEXURE-2

BUSINESS RESPONSIBILITY REPORT***Preface***

At MSP Steel & Power Limited (MSPL), sustainability is viewed as environment and social responsibility, which allows the company to deliver on stakeholder expectations. MSPL continues to communicate the Company's obligations and performance to all its stakeholders through its Business Responsibility Report (BRR).

As a responsible corporate citizen, MSPL continues to actively engage with all its stakeholders to drive their growth for all. As mandated by the Securities and Exchange Board of

India (SEBI), India's top 1000 listed entities based on market capitalization on the NSE and BSE are required to submit a 'Business Responsibility Report' ('BRR') along with their Annual report. This report is required to be in line with the 'National Voluntary Guidelines on Social, environmental and Economic Responsibilities of Business' ('NVGs') as released by the Ministry of Corporate Affairs ('MCA') in July 2011. MSPL presents its first BRR, in line with the NVGs and the BRR requirement of the SEBI. This BRR provides information about the key initiatives undertaken by the Company, driven by the triple bottom line aspects viz., social, environmental and economic. The business responsibility performance of the Company is assessed annually by its Board of Directors.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L27109WB1968PLC027399
2.	Name of the Company:	MSP Steel & Power Limited
3.	Registered Address:	1, Gopal Das, Kolkata-700009

SECTION C: OTHER DETAILS OF THE COMPANY

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, The Company has 2 Subsidiary Companies viz., 1. MSP Cement Limited(Wholly Owned Subsidiary) 2. Prateek Mines & Minerals Private Limited
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(s)	The operations of these Subsidiary Companies being insignificant, presently there is no direct participation by these Subsidiary Companies in the Business Responsibility initiatives of the Company.
3.	Do any other entity/ entities(eg. Suppliers, distributors, etc) that the Company does business with, participate in the BR initiatives of the company? If yes, then indicate the percentage of such entity/ entities?(Less than 30%, 30-60%, More than 60%)	Yes. The Company actively supports and encourages its suppliers and other stakeholders to participate in the BR initiatives of the company. The Company ensures prohibition of child labour and forced labour in its workplace and refrains itself from engaging with such vendors, suppliers and distributors who engage child labour or forced labour in their business operations. At present, the Company does not have any established mechanism to ascertain the level of participation of the vendors, suppliers, distributors, etc, in various BR initiatives of the company. Hence , it is difficult to quantify the percentage of such entities for disclosure purposes.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR:****(a) Details of the Director/Director responsible for BR:**

1.	DIN	00129209
2.	Name	Mr. Saket Agarwal
3.	Designation	Managing Director

(b) Details of BR Head:

No.	Particulars	Details
1.	DIN Number(if applicable)	00129209
2.	Name	Mr. Saket Agarwal
3.	Designation	Managing Director
4.	Telephone number	33-4005 7777
5.	E-mail Id	

(a) Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify?(50 Words)	The policies of the Company generally conform to the principles of the National Voluntary Guidelines(NVGs) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs(MCA), Government of India								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	-	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have-in house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company carried out independent audit/ evaluation of the working of this policy by an internal audit.								

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

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

.3 Governance Related to BR

(a)	Indicate the frequency with which the board of directors, committee of the Board or CEO to assess the BR performance of the company. Within 3 months,3-6 months, Annually , more than 1 year:	Annually
(b)	Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	No

SECTION E: PRINCIPLE-WISE PERFORMANCE**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.**

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

The Company considers Corporate Governance as an integral part which leads to increase in operational efficiencies and sustained long term value creation for all the stakeholders. The Company practices its business with high standards of integrity and considers ethics, transparency, accountability and integrity as its core values, which are upheld across the organization. The Board of Directors of the Company has adopted a Code of Conduct and Business Ethics. The Company has introduced a vigil mechanism system across all its functions and establishments through a Whistle Blower Policy as approved by the Board of Directors of the Company and has uploaded the Whistle Blower Policy on the website of the Company i.e www.mspsteel.com. The Code of Conduct is applicable to all the Board of Directors and all the Senior Management staff of the Company and an annual affirmation on compliance of these Codes is taken

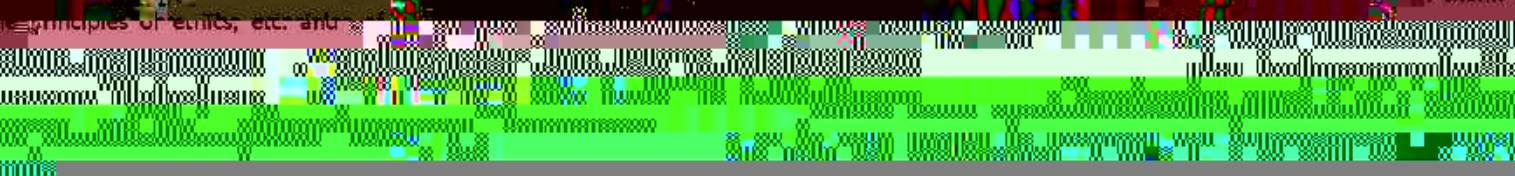
Corporate Governance Report which forms part of this Annual Report.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

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

(a) The Company is strategically focusing and engaged in the manufacture of products and give such services that will enable its customers to build sustainable structures which are more durable in nature, more cost effective and more conducive to human life style. The Company is primarily engaged in the manufacturing of TMT Bars, Structural Steel, Billets, Sponge Iron and Pellets. All products comply with relevant standards applicable. The Company has always emphasized on raising its quality of products manufactured so that it can play a great role in mitigating risks and thereby contributing towards the environmental concerns.

(b) The Company also effectively manufactures the next-gen TMT bars, constructed with Turbo Quench licensed under Herbert Rot...



Consumption per unit of Production*	Products	Financial Year 2019-20	Financial Year 2018-19
Electrical Energy (Kwh per unit of production)	Sponge Iron	53	51
Electrical Energy (Kwh per unit of production)	MS Billets	900	766
Electrical Energy (Kwh per unit of production)	TMT bars	114	108
Electrical Energy (Kwh per unit of production)	Pellets	53	51
Electrical Energy (Kwh per unit of production)	Structural Products (Heavy)	73	69
Electrical Energy (Kwh per unit of production)	Structural Products (Light)	66	69

*Consumption per unit has marginally increased during the period under review due to ongoing modernization work at the factories.

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

It is very difficult to assess end usage by customers as TMT Bars, Structural Steel, Billets, Sponge Iron, Pellets are used

and services from the local and small producers

material are transferred through railway rake resulting in very minimal transport cost with lesser fuel and carbon emission. The Company adopts latest methods involving the advanced technology of German Turbo quench, etc resulting in guaranteeing consistent properties over the entire bar length, thereby ensuring sustainability of the environment. As far as the stores and maintenance items are concerned, the Company gives preference in selection of vendors to the people who are associated with the company for a long time and who confirm to the principles of sustainability, statutory compliance and non-employment of child labour and also gives preference to the local vendors involving minimal freight on transport of such goods and services adding to the conservation of energy.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

products and waste? If yes what is the percentage of
recycling of products and waste/convertible to 50% or 100%

6. What percentage of your permanent employees are



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

The programmes under the Company's CSR initiatives are design to make it more focused towards those sections of the local communities which are disadvantaged, vulnerable and marginalized in general and women and marginalized in particular.

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

Most of the Corporate Social Responsibility(CSR) activities undertaken

was satisfactorily resolved by the management?

No complaints for violation of human rights were received by the Company during the financial year.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

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

Yes, the Company's Environment, Health & Safety(EHS) Policy extends to cover the Company and all its relevant Stakeholders, Viz, suppliers & Contractors near its operational area.

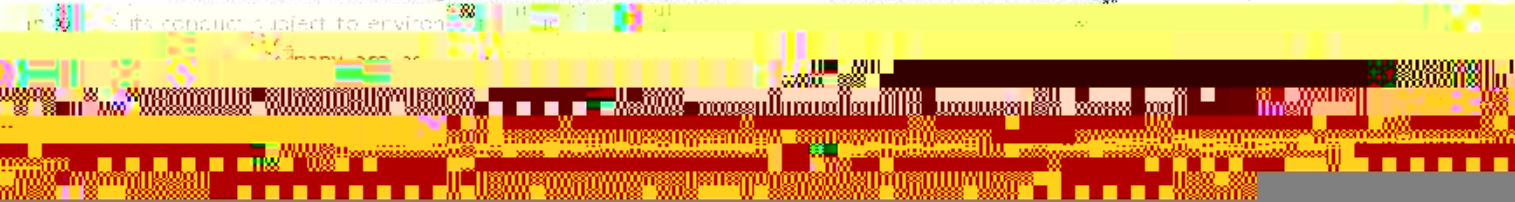


4. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.Y/N, please give hyperlink for web page etc.

The Company is conscious and committed to maintain environmental and ecological balances of this planet

- Indian Chamber of Commerce
- Coal Consumers Association of India
- Federation of Indian Export Organization
- Pellet Manufacturers Association of India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of



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

The CSR projects are implemented directly by the company through its in-house team. Recognizing communities and employees as the key success factors for business prosperity, the Company remains committed to their development. The CSR initiatives of the Company ensures its commitment to operate in an economically, socially and environmentally sustainable manner, in the best interest of all the stakeholders.

SOCIAL COMMITMENTS

MSP is a people oriented organization. The Company strongly believes that it can only prosper if its employees grow with it socially, economically and culturally. MSP helps in combating social challenges like education, healthcare, women empowerment, rural upliftment, and creating new work opportunities, etc, for the society.

EDUCATIONAL FIELD-

- Running an English Medium school in Jamgoan Village
- Provided Uniforms and school books to children free of cost
- Sponsored teachers in different government schools in Raigarh
- Imparting Adult literacy in the nearby villagers

HEALTHCARE & SAFETY INITIATIVES

- Established a health centre for local villagers
- Conducted Regular medical check-up for office staff and villagers
- Provided 24-hour ambulance services for villagers
- Provided fire fighter tanker, along with fire safety equipment
- Workshop conducted for imparting training on health & hygiene COVID-19 & safety awareness.

INFRASTRUCTURAL DEVELOPMENT

- Build school Boundary and playground

COMMUNITY WELFARE

- Organised regular cleaning dredging of ponds
- Provided bus services to improve connectivity to Raigarh

ENVIRONMENT

Planted trees in the surrounding villages and adjoining areas of the Company's facilities.

3. Have you done any impact assessment of your initiatives?

The company is generally reviewing the impact assessment of its CSR initiatives, which is reflected in the form of feedback from the beneficiaries.

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

(1) S. No	(2) CSR project or activity Identified	(3) Sector in which the project is covered	(4) Projects or programs 1. Local area 2. Specify the state and district where the project or programs was undertaken	(5) Amount spend on projects or programs Sub heads:		(6) Amount spend: Direct or through Implementing agency
				Direct expenditure (Rs. In lacs)	Over heads	
1.	Eradication of illiteracy	Enhancing education in rural area by setting up a school, renovation of the old school buildings.	Raigarh, Chhattisgarh	120.28		Direct
2.	Health	Promoting preventive healthcare	Raigarh, Chhattisgarh	1.31		Direct
3.	Infrastructural Development	Rural Development Projects	Raigarh, Chhattisgarh	17.79		Direct
4.	Social Activity	Improving Living Conditions	Raigarh, Chhattisgarh	34.53		Direct
Total				173.91		

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

Yes. The Company believes in participatory approach while planning and implementing the Community development initiatives. The Company's CSR projects at several locations are developed in consultation

with local villagers.

participation with various stakeholders and in a

participatory manner.

local communities. Each location has its independent

programme implementation committee which ensures planning and implementation of projects, periodic reviews and information sharing with necessary stakeholders. The local committees work under the overall guidance and framework defined by the corporate CSR team of the Company.

In addition to this we are imparting Adult literacy in the nearby villagers. We are also extending them free medical facilities & Ambulance Services. Providing Education facilities to Govt. High Schools as well as required/direction of Administration. Workshop conducted for imparting training on health & hygiene COVID-19 & safety awareness.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER.

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

The Company displays all the information regarding the product as maintained by Bureau of Indian Standards(BIS) and relevant Local Laws applicable on the Steel products.

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

The Company does not indulge in any anti-competitive activities. There were no complaints pending as on the end of financial year ending as on 31st March, 2020.

4. Did your company carryout any consumer survey/consumer satisfaction trends?

The senior management has taken initiatives to carry out consumer surveys and get feedback on the

length, etc. and so to understand their

and also to understand that

ANNEXURE -3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS:					
i) CIN		L27109WB1968PLC027399			
ii) Registration Date		18/11/1968			
iii) Name of the Company		MSP STEEL & POWER LIMITED			
iv) Category / Sub-Category of the Company		Company limited by shares/Indian Non-Government Company			
v) Address of the Registered office and contact details		1, Crooked Lane, Kolkata -700 069 Ph. : 33-4005 7777 Fax : +91-33-4005 7799,23982239, Email: shreya.kar@mspsteel.com			
vi) Whether listed company		Yes			
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any		Kfin Technologies Private Limited Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 Ph. : +91 40 23312454/44677312/44677392, Fax : +91 40 23440674			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-					
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company		
1	Manufacturing of Steel and Steel products	2410	99.83		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	MSP Cement Limited Banglapara, North Chakradhar Nagar, Raigarh-496001	U26940CT2008PLC002120	Subsidiary Company	100.00%	Section 2(87)
2	Prateek Mines & Minerals Private Limited 1 Crooked Lane, Ground Floor, Room No.G-2, Kolkata-700069	U14219WB2006PTC112186	Subsidiary Company	63.69%	Section 2(87)
	AA ESS Tradelinks Private Limited				

b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	15,83,82,285	-	15,83,82,285	41.09	15,83,82,285	-	15,83,82,285	41.09	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	160,405,525	-	160,405,525	41.62	160,405,525	-	160,405,525	41.62	-
{2} Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other-- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	160,405,525	-	160,405,525	41.62	160,405,525	-	160,405,525	41.62	-
B. Public Shareholding									

Sub-total (B)(2)-	96,113,104	63,337	96,176,441	24.95	94,476,441	1,706,000	96,176,441	24.95	
Total Public Shareholding (B)(B)(1)+ (B)(2)	22,09,46,138	63,337	22,50,09,475	58.88	223,309,475	1,706,000	225,009,475	58.88	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	385,351,063	63,337	385,413,000	100	383,715,000	1,706,000	385,413,000	100	(0.00)

(B) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 31st April, 2019			Share holding at the end of the year i.e. 31st March, 2020			
		No. of Shares	% of total Shares of the company	No/ Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	No/ Shares Pledged / encumbered to total shares	% change in share holding during the year
1	MSP SPONGE IRON LTD	24,736,500	6.42	100.00	24,736,500	6.42	100.00	-
2	ADHUNK GASES LTD.	23,479,000	6.09	100.00	23,479,000	6.09	100.00	-
3	MSP INFOTECH PVT LTD	12,529,760	3.25	100.00	12,529,760	3.25	100.00	-
4	ILEX PRIVATE LIMITED	4,116,000	1.07	100.00	4,116,000	1.07	100.00	-
5	B S CONFIN PVT. LTD.	3,530,000	0.92	100.00	3,530,000	0.92	100.00	-
6	HIGH TIME HOLDINGS PVT. LTD.	3,025,000	0.78	100.00	3,025,000	0.78	100.00	-
7	EMERALD TRADELINK PVT. LTD.	2,500,000	0.65	100.00	2,500,000	0.65	100.00	-
8	RAVNATH VYAPAAR PRIVATE LIMITED	2,500,000	0.65	100.00	2,500,000	0.65	100.00	-
9	AA ESS TRADING PVT. LTD.	2,650,000	0.69	100.00	2,650,000	0.69	100.00	-
10	DEKO TRADING PVT. LTD.	1,575,000	0.41	100.00	1,575,000	0.41	100.00	-
11	K. C. TEXOFINE PVT. LTD.	8,715,000	2.26	100.00	8,715,000	2.26	100.00	-
12	SIKHAR COMMOITRADE PVT.LTD.	28,984,056	7.52	100.00	28,984,056	7.52	100.00	-
13	RAJ SECURITIES LTD.	5,200,000	1.35	100.00	5,200,000	1.35	100.00	-
14	JASRAN VYAPAAR PVT LTD	1,950,000	0.51	100.00	1,950,000	0.51	100.00	-
15	LADBO INVESTMENT PRIVATE LIMITED	12,050,000	3.13	100.00	12,050,000	3.13	100.00	-
16	MSP ROLLING MILLS PVT LTD.	4,460,000	1.16	100.00	4,460,000	1.16	100.00	-
17	PANORAMA COMMERCIAL PVT LTD.	1,000,000	0.26	100.00	1,000,000	0.26	100.00	-
18	SHREE VINAY FINVEST PVT LTD	6,378,543	1.73	100.00	6,378,543	1.73	100.00	-
19	GILBERT MERCHANTS PVT. LTD.	8,504,426	2.21	100.00	8,504,426	2.21	100.00	-
20	KIRAN AGRAWAL	486,000	0.13	100.00	486,000	0.13	100.00	-
21	NISHA AGRAWAL	836,500	0.09	100.00	836,500	0.09	100.00	-
22	MANISH AGRAWAL	309,000	0.08	100.00	309,000	0.08	100.00	-
23	PRAKAY AGRAWAL	306,000	0.08	100.00	306,000	0.08	100.00	-
24	SAKET AGRAWAL	204,000	0.05	100.00	204,000	0.05	100.00	-
25	PURAN MAL AGRAWAL	186,620	0.05	100.00	186,620	0.05	100.00	-
26	SURESH KUMAR AGRAWAL	141,000	0.04	100.00	141,000	0.04	100.00	-

27	PURAN MAL AGRAWAL (HUF)	29,000	0.01	100.00	29,000	0.01	100.00	-
28	SURESH KUMAR AGRAWAL (HUF)	25,120	0.01	100.00	25,120	0.01	100.00	-
TOTAL :		168,405,525	41.62		168,405,525	41.62	100	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	At the beginning of the year At the End of the year	There were no changes in Shareholding of Promoters during the Financial Year 2019-20.						

(iv) Shareholding Pattern of Top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name (top ten Shareholders as on 1.04.2019 and 31.03.2020 is to be provided)	Shareholding at the beginning of the year (1.04.2019)/ End of the Year (31.03.2020)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	STATE BANK OF INDIA							
	At the beginning of the year	46,334,367	12.02	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	46,334,367			12.02	
2	MOO COMMODOEAL PRIVATE LIMITED							
	At the beginning of the year	91,501,634	8.17	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	91,501,634			8.17	
3	SHRINGAR MERCANTILE PVT. LTD.							
	At the beginning of the year	28,211,200	7.32	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	28,211,200			7.32	
4	JALAHABAD BANK							
	At the beginning of the year	15,401,434	4.00	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	15,401,434			4.00	
5	ORIENTAL BANK OF COMMERCE							
	At the beginning of the year	13,356,409	3.47	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	13,356,409			3.47	
6	UNION BANK OF INDIA							
	At the beginning of the year	11,056,982	3.39	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	11,056,982			3.39	
7	CORPORATION BANK							
	At the beginning of the year	8,482,007	2.20	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	8,482,007			2.20	
8	KICI BANK LTD							
	At the beginning of the year	7,054,764	1.83	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	7,054,764			1.83	
9	INDIAN OVERSEAS BANK							
	At the beginning of the year	6,139,611	1.59	1-Apr-19	NIL MOVEMENT DURING THE YEAR			
At the End of the year			31-Mar-20	6,139,611			1.59	

	UCO BANK							
30	At the beginning of the year	5,589,897		1-Apr-19	NIL MOVEMENT DURING THE YEAR			
	At the End of the year		1.45	31-Mar-20			5,589,897	1.45
(v) Shareholding of Directors and Key Managerial Personnel:								
		Shareholding at the beginning of the year					Relative Shareholding during the year	

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs In Lacs)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			0	-
(i) Principal Amount	25,272.85	13,379.15	-	41,652.00
(ii) Interest due but not paid	486.25	-	-	486.25

Other Non-Executive Directors		Mr. Menish Agrawal	Mr. Suresh Kumar Agrawal		
2	Fee for attending board / committee meetings	Nil	Nil		
	Commission	Nil	Nil		
	Others, please specify	3443210	3459877		
	Total (2)	Nil	Nil		
	Total (B)(1+2)	Nil	Nil		
Total Managerial Remuneration		3443210	3459877	6903087	
Overall Ceiling as per the Act		As per Schedule V of the Act.			
* Non-Executive Directors have waived off their remuneration except Mr. Menish Agrawal & Mr. Suresh Kumar Agrawal who derived the remuneration in the form as prescribed by the Board.					
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total	
		Mr. Shreyas Bar	Mr. Karnal Kumar Jain		
		Company Secretary	CFO		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(3) of the Income-tax Act, 1961	656,761	2,789,003	3,445,764	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	
2	Stock Option	Nil	Nil	Nil	
3	Sweat Equity	Nil	Nil	Nil	
4	Commission				
	- as % of profit	Nil	Nil	Nil	
	- others, specify...	Nil	Nil	Nil	
5	Others, please specify	Nil	Nil	Nil	
	Total (C)	656,761	2,789,003	3,445,764	
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees Imposed	Authority (ND / NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					
NO PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES					

ANNEXURE -4

Annual Report on CSR Activities

A brief outline of the Company's CSR Policy:

Corporate Social Responsibility is a process whereby the Company integrates social and environmental concerns in their business operations in a way through which a Company achieves a balance of social, Economic and environmental imperatives and at the same time meeting up to the expectations of stakeholders and enhancing shareholders value.

Your Company understands the need of promoting social well being of the weaker section of the society. As a part of initiative under Corporate Social Responsibility the Company has undertaken various projects to promote health, growth development and education in the rural areas.

The CSR Policy of the Company is available at: mspsteel.com/csr-policy/CSRPOLICY.pdf

Composition of CSR Committee:

The CSR Committee comprises of the following:

- Mr. Kapil Deo Pandey - Chairman
- Mr. Saket Agrawal - Member
- Mr. Manish Agrawal - Member

Average net profit of the Company in the last three financial years: Rs. (12,201.97) lacs

Prescribed CSR Expenditure (2% of the average net profit for the last three financial years): Rs. (244.04) lacs

Details of CSR spent during the financial year:

Total amount to be spent for the financial year: N.A

Amount unspent, if any: N.A

Manner in which the amount spent during the financial year is detailed below:

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise (Rs. In lacs)	(6) Amount spend on projects or programs Sub heads:		(7) Cumulative expenditure upto the F.Y 2019-20 (Rs. In lacs)	(8) Amount spend: Direct or through Implementing agency
					Direct expenditure (Rs. In lacs)	Overheads		
1.	Eradication of illiteracy	Enhancing education in rural area by setting up a school, renovation of the old school buildings.	Raigarh, Chhattisgarh	121.00	120.28		233.95	Direct
2.	Health	Promoting preventive healthcare	Raigarh, Chhattisgarh					
3.	Infrastructural Development	Rural Development Projects	Raigarh, Chhattisgarh	18.00	17.79		216.63	Direct
4.	Social Activity	Improving Living Conditions	Raigarh, Chhattisgarh	35.00	34.53		209.04	Direct
Total				176.00	172.60			

ANNEXURE -5

Statement of Disclosure of Remuneration 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 2019-20 (Rs. in Lacs)	% Increase in remuneration in the F.Y 2019-20	Ratio of Remuneration of each Director/to median remuneration of employees
1	Mr. Saket Agrawal Managing Director	39.85	12.48	39.85:0.18
2.	Mr. Suresh Kumar Agrawal ¹ Chairman	34.99	18.89	34.99:0.18
3.	Mr. D.Singh Executive Director	10.87	9.91	10.87:0.18
4	Mr. Manish Agrawal ² Non- Executive Promoter Director	34.43	14.77	34.43:0.18
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
9	Mr. Kamal Kumar Jain Chief Financial Officer	27.89	9.76	Not Applicable
8	Ms. Shreya Kar Company Secretary	6.57	17.32	Not Applicable

- i. The median remuneration of employees of the Company during the financial year was approximately Rs.18539.
- ii. There have been decrease in the median remuneration as compared to previous year
- iii. There were 1060 permanent employees on the rolls of Company as on March 31, 2020;
- iv. Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2019-20 was 29.38%
- v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees

ANNEXURE - 6

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

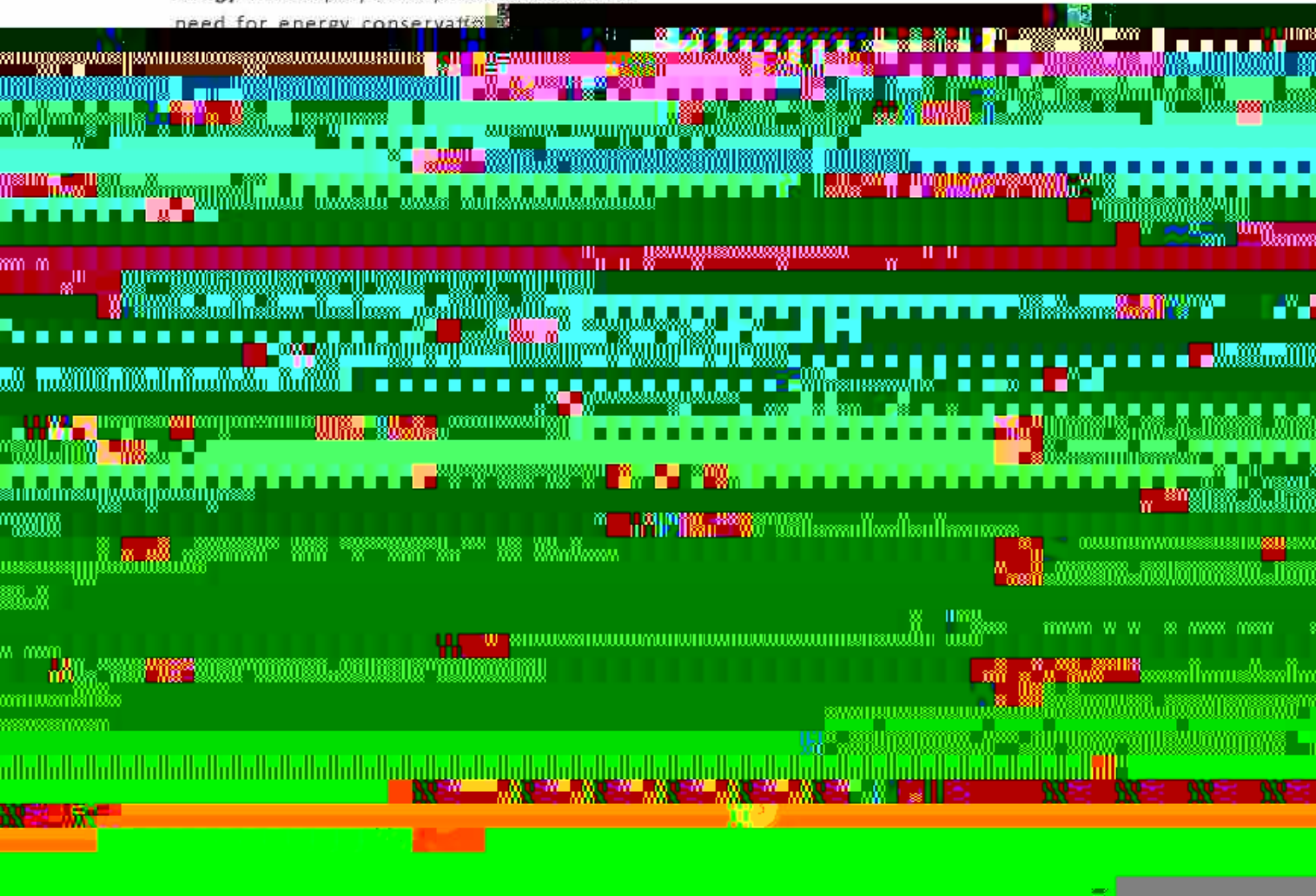
The Information as per Section 134(3)(m) of the Companies Act, 2013 read with relevant Rules framed thereunder Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo relating to the financial year ended 31st March, 2020 is as follows:

1. **Conservation of energy- the steps taken or impact on conservation of energy:** The company is always conscious about the need for energy conservation:

the quality of its products. The company has not incurred any expenditure on this account so far. The Company, however, has a full-fledged laboratory at its integrated steel plant for testing of raw materials and also of the finished products.

3. **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.



ANNEXURE - 7

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2020

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

To,
The Members,
MSP Steel and Power Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MSP Steel and Power Limited** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, 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, 2020, 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. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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 (Share Based Employee Benefits) Regulations, 2014;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- d. 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.

11. During the audit period, except the events listed below no other events occurred which has any major bearing on the Company:

- rights of the Preference Shareholders holding 31,13,000 6% Compulsorily Convertible Preference Shares of Rs. 10/- each have been varied and re-classified as 31,13,000 6% Redeemable Preference Shares of Rs. 10/- each, u/s 48 of the Companies Act, 2013
- The Company has invested in 57,000 shares of Prateek Mines & Mineral Pvt Ltd and made it the Company's subsidiary.

For Bajaj Todi & Associates
(Swati Bajaj)
Partner

C.P.No.: 3502, ACS:13216
UDIN: A013216B000386699

Place : Kolkata
Date : 20/07/2020

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

UDIN: A013216B000386699

Place : Kolkata

Date :20/07/2020

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

I. Company's Governance Philosophy:

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices.

At MSP Steel & Power Ltd. ("MSPL") good Corporate Governance has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid down a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place appropriate systems, process and technology. As a Company with a strong sense of values and commitment, MSPL believes the highest standard of Corporate Governance can be achieved by merely not drafting the codes but practicing it in the day-to-day functioning of the

Regulation 17 of SEBI (Listing Regulations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations').

The Board of your Company has an optimum mix of Executive and Non-Executive Director with half of the Board of the Company comprising of Independent Directors.

As on March 31, 2020, the Board comprised of eight Directors. Of the eight Directors two of them are Executive Directors, Six of them are Non-Executive Directors (75%) out of which four (50%) are Independent Directors including Woman Director.

COMPOSITION OF BOARD AS ON 31ST MARCH, 2020



Your Board holds diverse and highly professional, experienced and competent Directors having knowledge and expertise in industry, finance, law, banking, insurance, management, technology and other allied fields which enable them to carry on their responsibilities and business effectively. A brief resume of the Directors, nature of their expertise in specific functional areas etc. are available on the website of the Company at www.mspsteel.com

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 SEBI Listing Regulations.

The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31 March 2020 are as follows:

Director		Joining Board	Board Meeting Attended during the FY 2019-2020	attended last AGM held on 20 th September, 2019	Directorship in other public Companies (listed and unlisted excluding MSPL)	Memberships and Chairmanship in other Companies		In Other Listed Entity and category of Directorship
						Chairman	Member	
Mr. Suresh Kumar Agrawal DIN: 00587623	Chairman/ Non-Executive Director	19 th January, 2016	9	No	4	NIL	NIL	Howrah Gases Limited (Managing Director/Executive Director)
Mr. Saket Agrawal DIN: 00129209	Managing Director/ Executive Director	30 th September, 2003	9	Yes	6	NIL	NIL	-
Mr. Manish Agrawal DIN: 00129240	Non-Executive Director	5 th July, 2003	8	No	7	NIL	4	Howrah Gases Limited (Chairman Non-Executive Promoter)
Mr. Dhananjay Uchit Singh DIN: 01018678	Executive Director	21 st September, 2015	9	Yes	NIL	NIL	NIL	-
Mr. Navneet Jagatramka DIN: 01579357	Non-Executive Independent Director	12 th December, 2003	7	Yes	NIL	NIL	NIL	-
Mr. Ashok Kumar Soin DIN: 02986145	Non-Executive Independent Director	21 st September, 2012	6	No	NIL	NIL	NIL	-
Mrs. Suneeta Mohanty DIN: 08398436	Non-Executive Independent Director	25 th March, 2019	4	No	NIL	NIL	NIL	-
Mr. Kapil Deo Pandey DIN: 07208719	Non-Executive Independent Director	17 th June, 2015	7	yes	2	1	1	-

Core Skill/Expertise/Competencies of Board of Directors

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

Attendance of Board of Directors

The Board meets at least once in a quarter to review quarterly financial performance, discuss and decide on other items of agenda apart from other regular business matters when ever necessary. The Committees of the Board meets whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

Eleven Board Meetings were held during the financial year under review and the gap between two consecutive meetings

matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

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

Office of the Company at 16/S Block-A,

Hyderabad-500016

Directors, in advan

, in the defined format. All materia

- Compliance:

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all laws and regulations including the Companies Act, 2013, read with the Rules made thereunder and secretarial standards issued by the ICSI.

Disclosure of inter-se relationships between Directors

None of the Directors are relative of other Directors of the Company except Mr. Saket Agrawal who is the son of Mr. Suresh Kumar Agrawal. The term "relative" is considered as defined under Section 2(77) of the Companies Act, 2013.

Declaration by Independent Directors and confirmation By

Company are also provided to the Directors.

The Company has put up details of the familiarization programme on its website and can be accessed through URL: <http://mspsteel.com/familiarization-programmes>.

Details of Equity Shares of the Company held by the Non-Executive Directors of the Company as on 31st March, 2020 are given below:

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

Note: The Company has not issued any convertible instruments.



of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The Directors expressed their satisfaction with the evaluation process. This will lead to a closer working relationship among.

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

III. COMMITTEES OF BOARD

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

AUDIT COMMITTEE

The Audit Committee is entrusted with the responsibility of overseeing financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors qualifications etc. All the members of the Committees are financially literate having adequate knowledge of Accounts, audit, finance, taxation and governance. The composition, power, role and terms of reference are in line with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

i) Composition:

The Audit Committee of the Board of Directors is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Companies Act, 2013.

All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Committee as on 31st March, 2020, comprised of four (4) Directors of which three (3) Directors are independent. Mrs. Suneeta Mohanty, is the chairperson of the Committee and has Mr. Kapil Deo Pandey, Mr. Saket Agrawal, Mr. Navneet Singh

accurate and timely reporting process by the committee. The Board currently has four Committees, viz. the internal auditor, the statutory auditor, the cost auditor and the secretarial auditor and notes the requirements) (Amendment)

- Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending for appointment, remuneration and terms of appointment of auditors;
- Approval for payment to Statutory Auditors for any other services;
- reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval;
- reviewing, with the management, the quarterly financial statements before submission to the Board;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of auditors process;
- reviewing, approving and subsequently modifying the statement of related party transactions of the Company with the related parties;
- Scrutinising inter-corporate loans and investments of the Company;
- evaluating the internal financial controls and risk management systems and adequacy of internal audit function;
- discussing with the statutory auditor and internal auditor about the scope of the audit and post-audit discussion on the area of concern;
- reviewing the functioning of whistle blower mechanism;
- looking in to the reasons for substantial default in payment to the creditors or shareholder;
- approval of appointment of Chief Financial officer after assessing the qualifications, experience and background of the candidate;
- reviewing management discussion and analysis of the financial condition and results of operations;
- reviewing and discussing on internal audit reports relating to internal control weakness;
- reviewing the internal control weakness as per the letter issued by the statutory auditors and as stated in Internal Audit Report;
- reviewing the the appointment, removal and terms of remuneration of Chief Internal Auditor;
- carrying out such other function as directed by the Board from time to time and /or enforced by any statutory notification, amendments as may be applicable.

iii) Meetings and Attendance:

During the Financial Year 2019-20, the Audit Committee met four times on 30th May, 2019, 14th August, 2019, 14th November, 2019 and 14th February, 2020. The time gap between any two meetings did not exceed one hundred and twenty days. Mr. Kapil Deo Pandey attended the last AGM of the Company held on 20th September, 2019 on behalf of the Chairperson of the Committee. The details of the attendance of the member is as under:

Name	Category	Position	Number of Meetings	
			Held	Attended
Mrs. Suneeta Mohanty	Independent Director	Chairperson	4	3
Mr. Navneet Jagatramka	Independent Director	Member	4	2
Mr. Kapil Deo Pandey	Independent Director	Member	4	4
Mr. Saket Agrawal	Executive Director	Member	4	4

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

NOMINATION & REMUNERATION COMMITTEE

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

ij) Composition:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, the Board has constituted its Nomination and Remuneration Committee. As at 31 March 2020, the Nomination and Remuneration Committee consists of the following three members:

- Mr Kapil Deo Pandey- Chairperson (Non Executive Independent Director)
- Mr. Navneet Jagatramka- Member (Non Executive Independent Director)
- Mr. Manish Agrawal- Member (Non-Executive Director)

ii) Brief description of charter/terms of reference of Nomination and Remuneration Committee:

The brief terms of reference according to the provisions of Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 of the Nomination and Remuneration Committee, inter alia, includes the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- place necessary reports before the Chairman after completion of evaluation process
- to ensure that the level of composition of remuneration is reasonable enough to retain and motivate Directors, KMPs and other employees and at the same time ensure that relationship of remuneration to the performance is

iv) Nomination and Remuneration Committee Policy:

The Company has the Nomination and Remuneration Policy for the Company in compliance with Regulation 19 of SEBI Listing Regulation read with provisions of Section 178 of the Companies Act, 2013. The said policy of the Company which has the criteria for making payments to Non-Executive Directors is available on the website of the company at www.mspsteel.com

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee ('SRC') considers and resolves the grievances of our shareholders, debenture holders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time.

ij) Composition:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Amended Regulation, the Board has constituted its Stakeholder Relationship Committee. As at 31 March 2020, the Nomination and Remuneration Committee consists of the following three members:

- Mr Kapil Deo Pandey- Chairperson (Non Executive Independent Director)
- Mr. Saket Agrawal- Member (Executive Director)
- Mr. Manish Agrawal- Member (Non-Executive Director)

- review the quarterly and half yearly reports as submitted by the Registrar and Share Transfer Agents of the Company

the Companies Act, 2013;

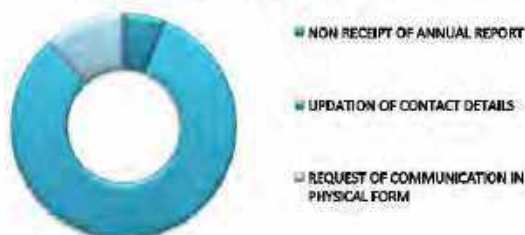
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress;

- Review the quarterly and half yearly reports as submitted by the Registrar and Share Transfer Agents of the Company

reports/statutory notices by the

comment

NATURE OF COMPLAINTS



The above Chart includes Complaints received by the Company through SEBI SCORES portal. The Complaints are handled by Company's Registrars and Share Transfer Agents K-Fin Technologies Private Limited, Hyderabad, Telangana. The Stakeholder Relationship Committee monitors the complaints and other activities and also helps in resolving grievances wherever needed.

A firm of Practicing Company Secretaries i.e Bajaj Todi & Associates conducts the audit on quarterly basis and submits Capital Reconciliation Audit Report.

IV. Remuneration

A. Remuneration Policy

A policy on determining remuneration to be paid to the Executive Directors, Non- Executive Directors and the Independent Directors has been framed by Nomination and

C. Remuneration to Non- Executive Directors including Independent Directors

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

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

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

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

The details of the remuneration paid to Directors for the

V. General Body Meetings

A. Annual General Meeting

Details of last three Annual General Meeting held are:

AGM	Financial Year	Date & Time	Venue	Details of Special Resolution Passed
48th AGM	F.Y. 2016-17	September 23, 2017 at 12.30PM	Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700017	<ul style="list-style-type: none"> • Increase in the Authorised Share Capital and consequential amendments to Memorandum of Association of the Company • Reclassification of 6% Redeemable Non-cumulative Preference Shares to 6% Compulsorily Convertible Preference Shares ("CCPS"), and allotment of Equity Shares upon Conversion of CCPS • Approval for conversion of debt into Optionally Convertible Debentures (OCDs) of the Company pursuant to implementation of the Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme") for the Company by its Lenders
49th AGM	F.Y. 2017-18	September 27, 2018 at 3.30PM	Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700017	No Special Resolutions are passed for F.Y. 2017-18
50th AGM	F.Y. 2018-19	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

B Postal Ballot

During the year under review, no resolution was passed through postal ballot neither any of the resolution is proposed to be conducted through postal ballot. However, resolution if any, is required to be passed through the same shall be in Compliance with the Companies Act, 2013 and Listing Regulations.

VI. Means Of Communication With Shareholders

A) Financial Results:

Prior intimation of the Board Meeting to consider and

approve Unaudited/ Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company at www.mspsteel.com. The aforesaid Financial Results are immediately intimated to the Stock exchanges after the same are approved at the Board Meeting. The Unaudited Quarterly/Half Yearly Results are announced within forty five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

Financial Results	Date of Approval	Date of Submission
Un-audited Financial Results for the quarter ended 30 th June, 2019	14 th August, 2019	14 th August, 2019
Un-audited Financial Results for the quarter ended 30 th September, 2019	14 th November, 2019	14 th November, 2019
Un-audited Financial Results for the quarter ended 31 st December, 2019	14 th February, 2020	14 th February, 2020
Audited Financial Results for the year ended 31 st March, 2020	20 th July, 2020*	20 th July, 2020

*Note: Due to Covid Pandemic SEBI has given relaxation to the Listed Entities for filling of Audited Financial Results with the Stock Exchange where the Shares of the Company is Listed and accordingly the last date for such filling has been extended till 31st July, 2020.

B) Publication of Financial Results:

The approved financial results of the Company are forthwith sent to the Stock Exchange and are published within 48 hours of the conclusion of the Board Meeting in which they are approved, in one English newspaper and one vernacular newspaper of the region where Registered Office of the Company is situated. The results were generally published in the *Business Standard* in English and *Arthik Lipi or Kalantar*, in Bengali (a regional daily newspaper) during the financial year 19-20.

C) Website:

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

VII. General Information to the Shareholder

A) Annual General Meeting (AGM) For The Financial Year 2019-20

Day, Date and Time	Wednesday, 30th September, 2020 at 5 P.M.
Venue	Due to COVID 19 Pandemic the AGM of the company shall be held through Video Conference (VC) / Other Audio Visual Means(OAVM) in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars) and other applicable provisions of the Companies Act, 2013 and circulars issued by Securities and Exchange Board of India (SEBI) without the physical presence of the Members at a common venue. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
Book Closure Date	N.A. as the company is not declaring any dividend for the Financial Year 19-20
Financial Year	2019-2020
Dividend Payment Date	NA

B) Tentative Calendar for Financial Year ending March 31, 2021 :

Financial Calendar [Current Financial Year 2020-21]	Tentative Dates
First Quarter Results ending on 30th June, 2020	Held on 22nd August, 2020
Second Quarter & Half yearly Results ending on 30 th September, 2020	On or before 14 th November, 2020
Third Quarter & Nine Months Results ending on 30 th September, 2020	On or before 14 th February, 2021

D) Press/News Release

the Current Financial Year

Dividend

The Board of Directors did not declare any dividend for the financial year 2019-20.

Listed on Stock Exchanges:

- National Stock Exchange of India Limited,**
Exchange Plaza , C-1, Block G, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
- BSE Limited**
P. J. Towers, Dalal Street, Mumbai 400 001
Annual listing fees for FY 20-21 has been paid

Stock Code/ Symbol:

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

The annual listing fees for the financial year 2019-20 have been paid to the above Stock Exchanges and the fees for the financial year 2020-21 are being paid within the due date(s) as extended by the Stock Exchanges due to the Covid-19 pandemic situation and lockdown measures across the Country.

Stock Market Performance:

The monthly high/low market price of the shares and the quantities traded during the year 2019-20 on BSE Limited and National Stock Exchange of India Limited are as under:

REGISTRARS & TRANSFER AGENT:

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

Address:

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

Ph. No.: (040) -6716 2222

Fax No.: (040)-2331-1153

E-mail: compliance.kfpl@karvy.com

Website: www.kfintech.com

Share Transfer System

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

i) Distribution of Shareholding as on 31st March, 2020

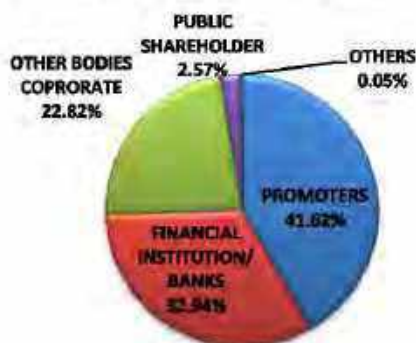
Sl. No.	Category	Cases	% of Cases	No. of Shares.	% Share holding
1	upto 1 - 5000	8220	79.90	1297314	0.34
2	5001 - 10000	914	8.88	788157	0.20
3	10001 - 20000	500	4.86	791766	0.21
4	20001 - 30000	180	1.75	465781	0.12
5	30001 - 40000	80	0.78	289880	0.08
6	40001 - 50000	79	0.77	373354	0.10
7	50001 - 100000	132	1.28	995037	0.26
8	100001 & ABOVE	183	1.78	380413711	98.70
Total:		10288	100	385415000	100



• Categories of Equity Shareholding for the year ended 31st March, 2020

Category	No. of Shares Held	Amount In Rs.	% of Holding
Promoters	160405525	1604055250	41.62
Financial Institution, Banks	126937740	1269377400	32.94
Central Government/ State Government	0	0	0

EQUITY SHAREHOLDING AS ON 31ST MARCH 2020



• Top Ten Shareholders for the year ended 31st March, 2020

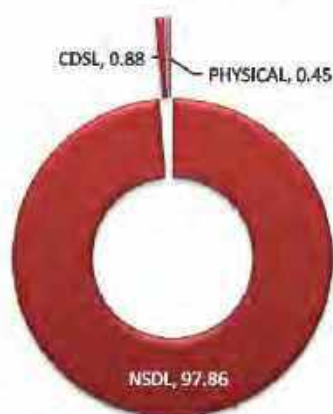
Sl.	Name of Share holders	Total Shareholding	Percent to Capital
1	STATE BANK OF INDIA	46334367	12.02
2	MOD COMMODEAL PVT. LTD.	31501014	8.17
3	SHRINGAR MERCANTILE PVT. LTD.	28211200	7.32
4	ALLAHABAD BANK	15401434	4.00
5	ORIENTAL BANK OF COMMERCE	13356409	3.47
6	UNION BANK OF INDIA	13056982	3.39
7	CORPORATION BANK	8482007	2.20
8	ICICI BANK LTD	7054764	1.83
9	INDIAN OVERSEAS BANK	6139611	1.59
10	UCO BANK	5599897	1.45
TOTAL		175137685	45.44

(j) Dematerialization of shares

The shares are regularly traded in dematerialized form to

into agreements with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories.

Name of Depository	No. of Shares	% of total issued Capital
Held in dematerialized form in NSDL	380,227,342	97.86
Held in dematerialized form in CDSL	3,424,454	0.88
Physical	17,63,204	0.45
Total	38,54,15,000	99.20



k) Reconciliation of Share Capital Audit report

As stipulated by SEBI, 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.

Credit Rating

During the Financial Year ended March 31, 2020, CARE Ratings Limited (formerly known as Credit Analysis and Research Ltd) and India Ratings & Research has reaffirmed

i.) CARE Ratings Limited (formerly known as Credit Analysis and Research Ltd) has reaffirmed the Credit Rating as '[CARE BBB+ Negative]' for Long Term Bank Facilities and '[CARE A4 +]' for Short term Bank facilities.

Facilities	Amount (Rs. Crore)	Rating
Long-Term Bank Facilities	538.14	CARE BBB+ Negative [Double B Plus; Outlook: Negative]
Short-Term Bank Facilities	0.711	CARE A4+ [A Four plus]
Total Facilities	655.14	

ii.) India Ratings & Research has reaffirmed the Credit Rating as '[IND BB+/Negative]' for long term loan, '[IND BB+/Negative]' for fund based working Capital limits and '[IND A4+]' for Non-Fund Based Working Capital Limits. The Rating Action on long term Loan and Fund Based Working Capital Limits is revised to Negative from Stable.

Instrument Type	Size of Issue (million)	Rating
Long-Term Loan	INR 2,992.4	IND BB+/Negative
Fund Based working Capital limits	INR 2,600	IND BB+/Negative
Non-fund based working capital limits	INR 1,170	IND A4+

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 Chhattisgarh-496001

n) Address for Correspondence:

REGISTERED OFFICE

1 Crooked Lane, Kolkata-700069

Phone no: 033-22483795

CORPORATE OFFICE

16/S Block-A, New Alipore, Kolkata-700053

Phone no: 033-40057777

INVESTOR QUERRY

the Credit Rating for

Long term debts, 'short term debts' Ms. Shreya Kar

shreya.kar@mspsteel.com

For more information, please visit our website at www.mspsteel.com

Phone no: 033-40057777

Other Disclosure

Particulars	Regulations	Details	Website Link for policy
Related Party Transactions	Regulation 23 of SEBI (LODR) Regulations	All the related party transactions as defined under Section 89 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations and entered during the financial year were in the ordinary course of business and on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the financial year under review with the any related party. There were no identified material transactions entered with the related parties which were in conflict with the interest of the Company. All related party transactions are reviewed and approved by the Audit Committee. The Board of the Directors has laid down a policy on dealing with the material related party transactions pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.	http://mspsteel.com/related-party-transaction-policy
Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India (SEBI) or any statutory authority on any matter related to capital markets during the last three financial years	Schedule V (C) 10(b) to the SEBI Listing Regulations	Nil	
Whistle Blower Mechanism/Policy	Regulation 22 of SEBI(LODR) 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.	www.mspsteel.com http://mspsteel.com/Vigil-policy
Subsidiary Companies	Regulation 24 of SEBI (LODR) Regulations	The audit committee reviews the consolidated financial statements of the unlisted subsidiary company. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on the website.	www.mspsteel.com
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy	http://mspsteel.com/arc.html
Details of Mandatory and Non-Mandatory Corporate Governance Requirements	-	The Company has complied with all mandatory requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 while the stipulated time frame and the same have been uploaded on the Company's website.	www.mspsteel.com
Code of Conduct	Regulation 17 of the SEBI (LODR) Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. A copy of the same is available on the Company's website. All the members of the Board and Senior Management Personnel have affirmed compliance to the Code of Conduct.	http://mspsteel.com/code-of-conduct
Code of Conduct for Prevention of Insider Trading	-	As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a code of practices and procedure for fair disclosure of unpublished price sensitive information to facilitate fair disclosure of events and occurrences that could impact price discovery in the market for its securities.	http://mspsteel.com/code-of-practices-and-procedures
Terms of Appointment of Independent Directors	Regulation 44 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website	http://mspsteel.com/independent-directors
Remuneration Programs	Regulations 15(7) and 46 of SEBI (LODR) Regulations	Details of remuneration program imparted to Independent Directors are available on the Company's website.	http://mspsteel.com/remuneration-program
Privacy Policy	-	Details regarding privacy have been mentioned in the website of the company.	http://mspsteel.com/privacy-policy

The Disclosures Of The Compliance With Corporate Governance Requirements Specified In Regulation 17 To 27 And Regulation 46(2)

Sr. No	Particulars	Regulations	Brief Description of the Regulations	Compliance Status(Yes/No/N.A)
1	Board of Directors	17(1)	Composition of board	Yes
		17(2)	Meeting of Board of directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
		17(11)	Recommendation of Board	Yes
17 A	Maximum Number of Directorships			Yes
2	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Committee at the Annual General meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of Information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual general Meeting	Yes
		19(2A)	Quorum for Nomination and Remuneration Committee	Yes
		19(3A)	Meeting of Nomination and Remuneration Committee	Yes
4	Stakeholder Relationship Committee	20(1),(2) & (3)	Composition of Stakeholder Relationship Committee	Yes
		20(3A)	Meeting of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) & (3)	Composition of Risk Management Committee	N.A
		21(4)	Role of the Committee	N.A
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(1A),(5),(6),(7) & (8)	Policy For Related Party Transaction	Yes
		23(2) & (3)	Approval including omnibus approval of Audit committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transaction	Yes
		23(9)	Disclosure of Related party Transactions on consolidated basis	Yes

8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	NA
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
9	Annual Secretarial Compliance Report	24A	Annual Secretarial Compliance Report	Yes
10	Obligation with Respect to Independent Director	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent director	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarization of Independent Director	Yes
		25(8) & (9)	Declaration from independent Director	Yes
		25 (10)	D & O Insurance for Independent Directors	NA
11	Obligations with respect to directors and Senior Management	26(1)	Memberships & Chairmanship in committees	Yes
		26(3)	Affirmation with compliance to Code of Conduct from members of Board of directors and Senior Management Personnel	Yes
		26(4)	Disclosures of Shareholding by Non-Executive Directors	Yes
		26(7) & (5)	Policy with respect to Obligations of directors and senior management	Yes
12	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of Various Committees of Board of Directors	Yes
		46(2)(d)	Code of conduct of Board of Directors and senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/Whistle Blower Policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on Related Party Transactions	Yes
		46(2)(h)	Policy of Determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Director	Yes
		46(2)(j) & 46(2)(k)	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
		46(2)(l)	Financial Information	Yes
		46(2)(m)	Shareholding pattern	Yes
		47(1)	Advertisements	Yes

● **Adoption and Compliance of Non-mandatory requirements:**

i) The Board:

The Company defrays expenses of the Non-Executive Chairman's office incurred in the performance of his duties.

ii) Shareholder Rights - furnishing of half-yearly results:

The Company provides the copy of the quarterly and half-yearly results on receipt of a specific request from the Shareholders.

iii) Audit Qualifications:

There is no qualification in the Independent Auditor's Report on the Standalone and Consolidated financial statements for FY 2019-20.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 a certificate confirming that none of the Director on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, has been received from Ms. Swati Bajaj of M/s. Bajaj Todi & Associates, Companies Secretaries and is annexed to this report.

Certificate on Corporate Governance

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

CEO/CFO Certification

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

Details of utilization of funds raised

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

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

In terms of the provision of sexual Harassment of Women at workplace(Prevention, Prohibition and Redressal)Act,2013

XV) Disclosure of Accounting Treatment

The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016.

CEO & CFO Certification

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

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

1. We have reviewed the financial statements and cash flow statements for the financial year ended on 31st March, 2020 and to the best of our knowledge and belief, state that:

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

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.

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

4. We have indicated to the auditors and the audit committee that:-

- There have been no significant changes in internal control over financial reporting during the year.
- The significant changes in accounting policies during the Financial Year ended 31st March, 2020 arising from the

adoption of the Indian Accounting Standards have been discussed and approved by the auditors and Audit Committee.

- There have been no instances of significant fraud of which we have become aware and consequently no involvement therein, of the management or any employee having a significant role in the Company's internal control system over the financial reporting.

For and behalf of the board
MSP STEEL & POWER LIMITED

Date : 20.07.2020

Place : Kolkata

Suresh Kumar Agrawal
Chairman

Kamal Kumar Jain
Chief Financial Officer

**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, 2020.

For and behalf of the board
MSP STEEL & POWER LIMITED

Date : 20.07.2020

Place : Kolkata

Manish Agrawal
Director

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

(The Companies Act, 2013)

(Section 110)

(Section 110)

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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, 2020 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 (the Listing Regulations) as amended.

Managements' Responsibility

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

Auditors' Responsibility

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

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

6. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

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, 2020.

Other Matters and Restrictions on use

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

10. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the –Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not

**INDEPENDENTS
AUDITOR'S
REPORT
AND
FINANCIAL
STATEMENTS**

Descriptions of Key Audit Matter	How we addressed the matter in our audit
Revenue Recognition (Refer Note No. 1 and 23 and of the standalone Financial Statement)	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the reporting date.

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of **MSP Steel & Power Limited** for the year ended March 31, 2020)

We report that:

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except freehold land gross value of INR 6.51 lakh (Net carrying amount INR. 6.51 lakh) titles for which is pending registration- as stated in Note 3 of the standalone financial statements.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us the Company has not granted any loan secured/unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) of the Order are not applicable to the Company. However, we have relied upon register maintained under section 189 and management's representation in this regards.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company.

not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

- b. According to the information and explanation given to us, the dues of Sales tax, Service tax, Income tax, Value added tax and duty of excise, which have not been deposited on account of any dispute and the forum where the dispute is pending as at March 31, 2020 are as under: -

Nature of Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the Dispute is Pending
Central Excise Act, 1944	Excise Duty	1027.03	2006-07 to 2010-11 & 2013-14	Supreme Court
	Excise Duty	607.54	2008-17	Chief Commissioner-Raipur
	Excise Duty	23.12	2009-10	Additional Deputy Commissioner
The Finance Act 1994	Service Tax	20.29	2015-16	CESTAT-Delhi
	Service Tax	182.62	2014-15	CESTAT-Delhi
Income Tax Act, 1961	Income Tax	0.05	Assessment year 2012-13	Commissioner of Income Tax (Appeals)
	Income Tax	24.60	Assessment year 2011-12	Commissioner of Income Tax (Appeals)
	Income Tax	289.83	Assessment year 2014-15	Dy. Commissioner of Income Tax (Appeals)

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. Please refer Note 47 of the Standalone Financial Statements.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and no term loan has been raised by the Company during the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or no material fraud on the Company by the officers or employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements.

Accounting standards.

Convertible debentures and hence reporting under

clause (xiv) of the Order is not applicable to the Company.

According to the information and explanations given to us and based on our examination of the records of the Company

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to financial statement of **MSP Steel & Power Limited** ("the Company")

Limitations of Internal Financial Controls with reference to financial statement

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2020, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Shrenik Mehta)
Partner
Membership Number: 063769
UDIN: 20063769AAAAAX5149

Place: Kolkata

 20. 2020

MSP Steel & Power Limited

Standalone Balance Sheet as at 31st March, 2020

		(₹ in Lakhs)		
Sl. No.	Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	90,532.57	95,856.34
	(b) Capital Work in Progress	3	59.10	112.50
	(c) Intangible Assets	3	52.24	65.66
	(d) Investment in Subsidiary, Associate & Joint Venture	4	2,990.12	3,081.97
	(e) Financial Assets			
	(i) Investments	4	323.08	221.49
	(ii) Loans	5	188.42	204.97
	(iii) Other Financial Assets	6	336.80	214.82
	(f) Deferred Tax Assets (Net)	7	3,129.17	4,221.05
	(g) Income Tax Assets (Net)	8	157.44	115.55
			97,768.94	1,04,094.35
2	Current Assets			
	(a) Inventories	9	52,622.73	37,188.75
	(b) Financial Assets			
	(i) Trade Receivables	10	7,213.43	11,041.49
	(ii) Cash and Cash Equivalents	11	1,125.47	1,372.92
	(iii) Bank Balances other than (ii) above	12	1,059.90	1,304.77
	(iv) Other Financial Assets	6	171.61	138.39
	(c) Other Current Assets	13	11,808.57	12,750.52
			74,001.71	63,796.84
	TOTAL ASSETS		1,71,770.65	1,67,891.19
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	14	38,541.50	38,541.50
	(b) Other Equity	15	19,253.85	25,057.04
			57,795.35	63,598.54

MSP Steel & Power Limited

Statement of Standalone Profit and Loss for the year ended 31st March, 2020

Particulars	Notes	₹ in Lakhs	
		As at 31 st March, 2020	As at 31 st March, 2019
INCOME			
Revenue from Operations	23	1,53,272.71	1,66,980.19
Other Income	24	236.10	200.17
Total (I)		1,53,508.81	1,67,180.36
EXPENSES			
Cost of Materials Consumed	25	1,16,353.56	1,26,174.90
Purchase of Stock In Trade	26	964.79	608.17
Changes in Inventories of Finished Goods, By-products and Work in Progress	27	1,210.14	(1,566.60)
Employee Benefits Expenses	28	4,529.66	3,877.64
Finance Costs	29	8,549.85	7,911.54
Depreciation and Amortization Expenses	30	5,378.65	5,466.39
Other Expenses	31	21,979.68	24,849.22

MSP Steel & Power Limited

Standalone Cash Flow Statement for the year ended 31st March, 2020

IN ₹ Lakhs



	2019-20	2018-19
Operating Activities	1,234.56	1,123.45
Investing Activities	(567.89)	(678.90)
Financing Activities	(123.45)	(234.56)
Net Change in Cash and Cash Equivalents	543.21	210.98
Cash and Cash Equivalents at the beginning of the year	321.09	109.87
Cash and Cash Equivalents at the end of the year	864.30	320.85

MSP Steel & Power Limited

Standalone Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lakhs)

Year ended

Year ended

31st March, 202031st March, 2019

MSP Steel & Power Limited

Standalone Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lakhs)

Head	31st March 2019	Cash Flow	Non Cash Changes		Interest Paid	31st March 2020
			Inter Head Movement	Interest Expenses		
Long Term Borrowings*	41,652.00	(2,812.99)	302.64	2,909.12	3,199.13	38,851.64
Other Financial Liabilities	486.25	(0.38)	(145.16)	486.64	486.64	340.71
Borrowings - Current	24,841.71	1,327.16	(157.48)	2,574.22	2,416.75	26,168.86
	66,979.96	(1,486.21)	-	5,969.98	6,102.52	66,361.21

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

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

Shrenik Mehta
 Partner
 Membership No.-063769

Kolkata, 20th July, 2020

For and behalf of Board of Directors

Manish Agrawal
 Director
 DIN - 00129240

Suresh Kumar Agrawal
 Chairman
 DIN - 00587623

Kamal Kumar Jain
 Chief Financial Officer

Shreya Kar
 Company Secretary

MSP Steel & Power Limited

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

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
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
	Securities Premium	Retained Earnings	6% Compulsorily Convertible Preference Shares	6% Redeemable Preference Shares	Equity Component of compound financial Instruments	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2018	15,055.59	(18,853.26)	3,112.99	-	28,506.44	194.02	28,015.78
Profit/ (Loss) for the year	-	(2,059.63)			-	-	(2,059.63)
Remeasurement benefits Gain/(Loss) (Net of tax)	-	(10.04)			-		(10.04)
Fair Value of Equity Instrument through FVOCI						10.93	10.93
Balance as at 31st March, 2019	15,055.59	(20,922.93)	3,112.99	-	28,506.44	204.95	25,957.04
Balance as at 1st April, 2019	15,055.59	(20,922.93)	3,112.99	-	28,506.44	204.95	25,957.04
Profit/ (Loss) for the year		(6,745.31)					(6,745.31)
Re-classification of CCPS into RPS			(3,112.99)	3,112.99			-
Remeasurement benefits Gain/(Loss) (Net of tax)		(59.47)					(59.47)
Fair Value of Equity Instrument through FVOCI						101.59	101.59
Balance as at 31st March, 2020	15,055.59	(27,727.71)	-	3,112.99	28,506.44	306.54	10,947.31

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

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 EVENTS

The Company has not reported any significant events during the year ended 31st March, 2020.

The Company has not reported any significant events during the year ended 31st March, 2020.

The Company has not reported any significant events during the year ended 31st March, 2020.

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The Company has not reported any significant events during the year ended 31st March, 2020.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

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.

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 equipment and has useful life more than 12 months.

MSP Steel & Power Limited**Notes to the Standalone Financial Statements for the year ended 31st March,2020**

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

Freehold land is not depreciated.

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

De-recognition:

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

B. Intangible assets**Measurement at recognition: -**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized to the

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

proceeds and the carrying amount of the Intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under Development

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

C. Impairment of non-financial assets

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

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

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

D. Revenue Recognition

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

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

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

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

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

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

E. Government Grants

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

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

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 first in first out (FIFO) cost method is used. In determining the cost of 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

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

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 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.

measured at FVOCI: A financial asset is measured at FVOCI if both of the following conditions are met:

- Financial assets measured at FVOCI if both of the following conditions are met:

1. The Company's business model objective for managing the financial asset is to collect the contractual cash flows.

2. The financial asset is a debt instrument.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

- 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. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

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

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

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

- **De-recognition:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:
 - The contractual rights to cash flows from the financial asset expires;
 - The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
 - The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
 - The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where the 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)

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

<p>For trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.</p> <p>If there has been a significant increase in credit risk of such assets since initial recognition, 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.</p>		<p>In case of other assets, the Company determine the amount of loss allowance based on the 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.</p>
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MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

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 credit

losses) to arrive at the amortized cost at each reporting date. The corresponding

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Notes to the Standalone Financial Statements for the year ended 31st March,2020

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



Particulars	2019-2020	2018-2019
Assets or liabilities (Level 1 inputs) and the lowest priority for unobservable inputs (Level 3)		
Quoted (unadjusted) market prices in active markets for identical assets or liabilities		
Inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability, either directly or indirectly		
Level 3 - Inputs that are unobservable for the asset or liability		
Financial assets		
Trade receivables	1,23,45,67,890	1,23,45,67,890
Other receivables	1,23,45,67,890	1,23,45,67,890
Financial liabilities		
Trade payables	1,23,45,67,890	1,23,45,67,890
Other payables	1,23,45,67,890	1,23,45,67,890
Equity		
Share capital	1,23,45,67,890	1,23,45,67,890
Reserves	1,23,45,67,890	1,23,45,67,890
Provisions	1,23,45,67,890	1,23,45,67,890
Other	1,23,45,67,890	1,23,45,67,890
Non-current assets		
Property, plant and equipment	1,23,45,67,890	1,23,45,67,890
Intangible assets	1,23,45,67,890	1,23,45,67,890
Financial assets	1,23,45,67,890	1,23,45,67,890
Other	1,23,45,67,890	1,23,45,67,890
Non-current liabilities		
Financial liabilities	1,23,45,67,890	1,23,45,67,890
Other	1,23,45,67,890	1,23,45,67,890

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

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

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

O. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques In hand, bank balances and demand deposits with banks where the original maturity is three months or less.

P. Employee Benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

economic benefits from the use of the asset through the period of the lease, and (ii) 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.

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 intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they are incurred.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

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

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When the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and its carrying amount is reduced to its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For assets that are not cash-generating units, only assets whose carrying amount exceeds their fair value less cost to sell. Non-current assets are not depreciated or amortized.

When the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and its carrying amount is reduced to its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For assets that are not cash-generating units, only assets whose carrying amount exceeds their fair value less cost to sell. Non-current assets are not depreciated or amortized.

Current assets are not depreciated or amortized.

X Rounding Off

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March,2020

different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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 product¹, transfer of significant risks and rewards of ownership, and the customer's ability to direct the use of the asset and to obtain substantially all of the remaining benefits from the asset.

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Notes to the Standalone Financial Statements for the year ended 31st March,2020

2.3. Employee retirement plans

The Company provides defined benefit employee retirement plans. Measurement of obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality etc.

2.4. Income taxes

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

5. Useful lives of depreciable

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MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

3. Property, Plant & Equipment*(₹ in Lakhs)*

Particulars	Land	Factory Building	Other Building	Plant & Machinery	Vehicle	Office Equipments	Furniture & Fixtures	Total
GROSS CARRYING VALUE								
Balance as at 31st March, 2018	926.80	11,790.60	7,681.07	98,261.99	174.86	30.57	41.80	1,18,907.69
Additions	-	-	-	-	8.74	24.83	29.62	63.19
Deductions	-	-	-	-	26.10	-	-	26.10
Balance as at 31st March, 2019	926.80	11,790.60	7,681.07	98,261.99	157.50	55.40	71.42	1,18,944.78
Additions	-	-	-	208.97	81.11	17.51	1.32	308.91
Deductions	-	-	-	384.95	-	-	-	384.95
Balance as at 31st March, 2020	926.80	11,790.60	7,681.07	98,086.01	238.61	72.91	72.74	1,18,868.74
ACCUMULATED DEPRECIATION								
Balance as at 31st March, 2018	-	1,289.36	852.84	15,358.92	105.94	20.55	20.67	17,648.28
Depreciation expense	-	429.79	284.27	4,721.04	20.25	2.66	6.95	5,464.96
Deductions	-	-	-	-	24.80	-	-	24.80
Balance as at 31st March, 2019	-	1,719.15	1,137.11	20,079.96	101.39	23.21	27.62	23,088.44
Depreciation expense	-	429.79	284.27	4,618.22	18.35	8.30	6.30	5,365.23
Deductions	-	-	-	117.50	-	-	-	117.50
Balance as at 31st March, 2020	-	2,148.94	1,421.38	24,580.68	119.74	31.51	33.92	28,336.17
NET CARRYING VALUE								
Balance as at 31st March, 2019	926.80	10,071.45	6,543.96	78,182.03	56.11	32.19	43.80	95,856.34
Balance as at 31st March, 2020	926.80	9,641.66	6,258.69	73,505.33	118.87	41.40	38.82	90,532.57

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

Capital Work In Progress	As at 31st March, 2020	As at 31st March, 2019
As at the beginning of the year	112.50	19.60
Movement during the year	(53.40)	92.90
As at the end of the year	59.10	112.50

Intangible Assets	As at 31st March, 2019	As at 31st March, 2018
As at the beginning of the year	65.66	-
Capitalized during the year	-	67.09
Amortized during the year	13.42	1.43
As at the end of the year	52.24	65.66

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Notes to the Standalone Financial Statements for the year ended 31st March, 2020

4. Non Current Investments	As at 31st March, 2020		As at 31st March, 2019	
	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	-	-
(Investment made on 18th November 2019)		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. 32)		(1,635.91)		(1,478.74)
		2,734.77		2,891.94
(iii) In Joint Venture (at cost)				
Madanpur South Coal Company Limited (₹ 10 each)	94,427	131.96	94,427	131.96
		131.96		131.96
Investment in Subsidiary, Associate & Joint Venture (i+ii+iii)		2,990.12		3,061.87
(iv) In Others (at fair value through OCI)				
MSP Metallos Limited (₹ 10 each)	4,20,000	-	4,20,000	-
MSP Properties (I) Limited (₹ 10 each)	7,500	5.56	7,500	5.36
MSP Sponge Iron Limited (₹ 10 each)	3,13,000	300.35	3,13,000	194.59
MSP Power Limited (₹ 10 each)	8,000	0.13	8,000	0.80
		306.04		200.75
(b) Quoted Investments in Equity Instruments (at fair value through OCI)				
Howrah Gases Ltd (₹ 10 each)	93,700	14.52	93,700	14.52
Ashirwad Steel and Industries Limited (₹ 10 each)	2,500	0.23	2,500	0.27

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Notes to the Standalone Financial Statements for the year ended 31st March, 2020

5. Loans	(₹ in Lakhs)			
	Non - Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Security Deposit	188.42	204.97	-	-
TOTAL	188.42	204.97	-	-

6. Other Financial Assets	(₹ in Lakhs)			
	Non - Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good Unless Otherwise Stated				
Deposits with Banks (Refer Note No. 12)	336.80	214.82	-	-
(A)	336.80	214.82	-	-
Interest Accrued on Fixed Deposits and Others	-	-	158.13	137.69
Loans and Advances to Employees	-	-	13.48	0.70
(B)	-	-	171.61	138.39
TOTAL (A+B)	336.80	214.82	171.61	138.39

7. Deferred Tax Assets (NET)	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Liabilities :		
Tax Impact on difference between book value of depreciable assets and written down value for tax purpose	(14,651.80)	(14,140.57)
Deferred Tax Assets :		
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax law deferred	1,554.12	1,122.89
Tax impact of unabsorbed loss / Allowances	13,578.14	14,590.02
MAT Credit Entitlement	2,648.71	2,648.71
	3,128.17	4,221.05

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Notes to the Standalone Financial Statements for the year ended 31st March, 2020

Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2019 and 31st March, 2020

Particulars	(₹ in Lakhs)			
	As at 1st April, 2018	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2019
Deferred Income Tax Liabilities				
Property, Plant & Equipment's	(13,369.75)	(770.82)	-	(14,140.57)
	(13,369.75)	(770.82)	-	(14,140.57)
Deferred Income Tax Assets				
Allowance for credit loss	325.03	602.93	-	927.96
Expense allowed under Income Tax on payment basis	164.89	25.48	4.56	194.93
Unabsorbed depreciation	14,610.59	(20.57)		14,590.02
Mat Credit Entitlement	4,097.62	(1,448.91)	-	2,648.71
	19,198.13	(841.06)	4.56	18,361.62
Deferred Tax Assets (Net)	5,828.38	(1,611.88)	4.56	4,221.05

Particulars	(₹ in Lakhs)			
	As at 1st April, 2019	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2020
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(14,140.57)	(511.23)	-	(14,651.80)

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
9. Inventories (Valued at Lower of Cost and Net Realizable Value)*		
Raw Materials and Components [includes in transit ₹ 4,006.20 lakhs (31st March 2019 : ₹ 2,525.53 lakhs)]	41,700.11	25,771.03
Work - In - Progress	2,396.12	3,200.19
Finished Goods	4,801.67	5,506.16
Stores and Spares	2,949.00	2,233.96
By Products (at Net Realisable Value)	775.83	477.41
	52,622.73	37,188.75

*refer note no. 40

10. Trade Receivables

(₹ in Lakhs)

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Notes to the Standalone Financial Statements for the year ended 31st March, 2020

Ageing of Trade Receivables and Credit Risk arising therefrom is as below :-*(₹ in Lakhs)*

As on 31st March 2020	Within 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
Gross credit risk	6,468.45	65.95	15.47	2,120.85	8,670.72
Less: Expected credit loss provision		(11.38)	(8.61)	(1,437.31)	(1,457.30)
Net Credit Risk	6,468.45	54.57	6.86	683.54	7,213.42

(₹ in Lakhs)

As on 31st March 2019	Within 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
Gross credit risk	9,449.85	53.18	34.49	2,660.54	12,198.06
Less : Expected credit loss provision		(11.50)	(46.49)	(1,098.58)	(1,156.57)
Net Credit Risk	9,449.85	41.68	(12.00)	1,561.96	11,041.49

Reconciliation of Expected credit loss Allowance provision*(₹ in Lakhs)*

Particulars	Amount
As at 31st March 2019	1,156.57
Changes in provision	300.73
As at 31st March 2020	1,457.30

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

11. Cash and Cash equivalents	(₹ in Lakhs)	
	Current	
	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents		
Cash on Hand	17.35	11.51
Balance with Banks:		
On Current Accounts	1,108.12	1,361.41
	1,125.47	1,372.92

12. Bank Balances other than Cash and Cash equivalents	(₹ in Lakhs)			
	Non - Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposits - Earmarked for LC & BG	336.80	214.82	1,057.38	1,302.25
	336.80	214.82	1,057.38	1,302.25
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 6)	(336.80)	(214.82)	-	-
Unpaid Dividend Accounts	-	-	2.52	2.52
	-	-	1,059.90	1,304.77

13. Other Current Assets	(₹ in Lakhs)	
	Current	
	As at 31st March, 2020	As at 31st March, 2019
Advances to Suppliers other than capital advances		
Considered Good	10,918.30	11,930.87
Considered Doubtful	2,845.20	1,938.19
	13,763.50	13,869.06
Less: Allowances for doubtful advances	2,845.20	1,938.19
(A)	10,918.30	11,930.87
Other Advances		
Prepaid Expenses	137.82	88.84
Advances to Related Parties	545.99	449.26
Balances with Statutory/Government Authorities	206.46	281.55
(B)	890.27	819.65
TOTAL (A+B)	11,808.57	12,750.52

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

14. Equity Share Capital*(₹ in Lakhs)*

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Authorised Share Capital		
800,000,000 (31.03.2019 - 800,000,000) equity shares of ₹ 10/- each	80,000.00	80,000.00
100,000,000 (31.03.2019 - 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 (31.03.2019 - 38,54,15,000) equity shares of ₹ 10/- each	38,541.50	38,541.50
Total	38,541.50	38,541.50

Notes:**(i) Reconciliation of number of Shares**

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Nos.	₹ In Lakhs	Nos.	₹ In Lakhs
Equity Shares:				
Balance at the beginning of the year	3854,15,000	38,541.50	3854,15,000	38,541.50
Balance at the end of the year	3854,15,000	38,541.50	3854,15,000	38,541.50

(ii) Rights, Preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shareholders holding more than 5% share in the company are as follows:

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No of shares	% of shares	No of shares	% of shares
State Bank of India	463,34,367	12.02%	463,34,367	12.02%
Mod Commodore Pvt. Limited	315,01,014	8.17%	315,01,014	8.17%
Adhunik Gases Limited	234,79,000	6.09%	234,79,000	6.09%
Sikhar Commtrade Pvt. Limited	289,84,056	7.52%	289,84,056	7.52%
Shringar Mercantile Pvt. Limited	282,11,200	7.32%	282,11,200	7.32%
MSP Sponge Iron Limited	247,36,500	6.42%	247,36,500	6.42%

Additional Disclosure in the respect of Equity Share

- (i) The Company does not have any Holding Company or Ultimate Holding Company.
- (ii) No ordinary shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- (iii) The Company has not bought back any shares during the period of five years preceding the date at which the Balance Sheet is prepared.
- (iv) The Company has allotted 297,315,000 equity shares of ₹ 10 each as per the approval accorded by the shareholders of the Company on March 12, 2018 pursuant to contract(s) without payment being received in cash.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

15. Other Equity		<i>(₹ In Lakhs)</i>
	Reserve	Items of Other
[Redacted content]		

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

Equity Component of compound financial instruments

This contains the equity portion of the Optionally convertible debentures issued in lieu of long term borrowings as per the terms of the restructuring scheme.

Equity Instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of quoted investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(₹ in Lakhs)

16. Long Term Borrowings	Non-Current Portion		Current Maturities	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Secured				
a. Term loans				
From Banks				
Indian rupee loan	22,079.54	24,374.78	3,167.75	3,521.00
Foreign currency loan	-	-	142.58	377.07
	22,079.54	24,374.78	3,310.33	3,898.07
b. Unsecured				
Inter-Corporate Deposits	93.22	20.67	-	-
Loans from related parties	510.75	500.68	-	-
Interest free loan	12,857.80	12,857.80	-	-
	13,461.77	13,379.15	-	-
c. Liability Component of Compound Financial Instruments				
Optionally Convertible Debenture	20,995.55	18,745.10	-	-
	20,995.55	18,745.10	-	-
Total (a+b+c)	55,536.86	56,499.03	3,310.33	3,898.07

MSP Steel & Power Limited**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

b) The Company has issued 451,970,554 nos. of OCDs amounting to ₹ 451,97.05 lakhs during the year 2017-18. The OCDs shall have moratorium period of 7 years and shall be repayable in 36 structured quarterly instalments starting from December, 2024 and maturing on September 2033. The OCDs shall carry a coupon rate of 0.01% pa, payable quarterly till maturity. The OCDs will be converted to Equity at the option of the Debenture holders. OCDs may be redeemed alongwith a redemption premium. The redemption premium will be calculated with YTM @ 2.00% p.a. compounded quarterly.

c) Pursuant to the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India, the Promoter / Promoters' group has transferred 12,85,78,044 equity shares, at ₹ 10/- per equity share of Rs. 12857.80 lakhs, to JLF lenders, as a part payment of unsustainable debt and the same is treated as unsecured loan and shall always be subordinated to the existing senior debt of the borrower.

d) Rate of Interest for the loan from the related parties is maximum being 10%.

(₹ in Lakhs)

Terms of Repayments	As at 31st March, 2020		As at 31st March, 2019	
	Non-Current	Current Maturities	Non-Current	Current Maturities
Rupee Term Loans From Banks (Secured) (Repayable in 30 Quarterly Instalments from December 2017. Last instalment due in September 2025.	22,079.54	3,167.75	24,374.78	3,521.00

Foreign Currency T

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

18. Short-Term Borrowings	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Secured		
Rupee Loan from Banks		
Cash Credit Facility	26,168.86	24,841.71
	26,168.86	24,841.71
The above amount includes		
Secured Borrowings	26,168.86	24,841.71
Unsecured Borrowings	-	-

Terms and conditions attached to Short term borrowings

Cash Credit facilities from banks are secured by first pari-passu charge on the entire current assets (both present & future) and Second pari-passu charge on the entire fixed assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Purnamal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Illex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The rate of interest on cash credit is 2% above 1 year MCLR.

19. Trade Payables	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Total outstanding dues of creditors		
to micro enterprises and small enterprises (refer Note no. 39)	199.55	100.87
to other than micro enterprises and small enterprises	17,869.71	15,644.13
	18,069.26	15,745.00

Trade payables are non-interest bearing and are generally on terms of 45 to 60 days.

Includes acceptances and arrangements where operational suppliers of goods and services are paid by banks while the company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 or 180 days amounting to ₹ 5,162.97 lakhs (previous year ₹ 6,754.72 lakhs)

20. Other Financial Liabilities	(₹ in Lakhs)	
	Current	
	As at 31st March, 2020	As at 31st March, 2019
Retention / Security Deposit	383.36	309.27
Current maturities of long-term borrowings (refer Note No. 16)	3,310.33	8,898.07

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
21. Other Current Liabilities		
Contract Liabilities	8,224.66	541.20
Others (including statutory dues payable)	330.89	508.31
	8,555.55	1,049.51

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
22 Current Tax Liabilities		
Income Tax Liability	-	152.86
	-	152.86

	(₹ in Lakhs)	
	2019-20	2018-19
23. Revenue from Operations		
Sale of Products		
Finished Goods	1,47,536.60	1,63,082.70
Power	1,780.75	1,919.65
Traded Goods	994.68	611.96
Other Operating Revenue		
Sale of scrap and By-products	2,833.36	1,365.88
Miscellaneous Income	127.32	-
Total	1,53,272.71	1,66,980.19

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)	
	2019-20	2018-19
Disaggregation of Revenue		
Revenue as per Geography		
Domestic	1,43,363.80	1,57,912.35
Exports	9,908.91	9,067.84
Total	1,53,272.71	1,66,980.19
Revenue as per Major Products		
Pellet	32,960.68	33,689.24
Sponge Iron	20,202.24	18,877.35
MS Billets	11,398.43	17,406.08
TMT Bars (Incl Structural Products)	82,975.25	93,110.03
Power	1,780.75	1,919.65
Others	3,955.36	1,977.84
Total	1,53,272.71	1,66,980.19
Timing of Revenue		
At a point in time	1,53,272.71	1,66,980.19
Over time	-	-
Total	1,53,272.71	1,66,980.19
Sales Channel		
Direct to Customers	38,833.71	56,533.99
Through Intermediaries	1,14,439.00	1,10,446.20
Total	1,53,272.71	1,66,980.19

MSP Steel & Power Limited**Notes to the Standalone Financial Statements for the year ended 31st March, 2020****Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers Receivables, which are included in 'Trade receivables'

Trade Receivables	7,213.43	11,041.49
Contract assets	-	-
Contract liabilities	8,224.66	541.20

Other Information

a) Transaction price allocated to the remaining performance obligations	107.83	Nil
b) The amount of revenue recognised in the current year that was included in the opening contract liability balance	Nil	Nil
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
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(₹ in Lakhs)

Reconciliation of Revenue from operations with contract price

2019-20 2018-19

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ in Lakhs)		
30. Depreciation and amortization expense	2019-20	2018-19
Depreciation of tangible assets	5,365.23	5,464.96
Amortization of intangible assets	13.42	1.43
Total	5,378.65	5,466.39

(₹ in Lakhs)		
31. Other Expenses	2019-20	2018-19
Consumption of Stores and Spares	8,032.20	8,066.16
Power and Fuel	1,184.35	1,095.01
Rent	75.75	84.63
Rates and Taxes	249.98	558.80
Insurance	121.29	108.97
Repairs and Maintenance		
Plant and Machinery	1,639.76	1,260.89
Buildings	206.21	323.12
Others	414.55	244.80
Material Handling Charges	3,646.78	3,626.41
Vehicle Running Expenses	713.24	710.64
Advertising and Sales Promotion	311.39	345.26
Freight Outward	362.45	860.79
Sales Commission	393.38	382.45
Legal and Professional Charges	684.64	715.38
Charity and Donations	103.29	63.72
Payment to Auditors (Refer details below (31.1))	16.05	13.70
Exchange Differences (Net)	157.15	128.87
Provision for Expected Credit Loss on Trade Receivable & Advances	1,207.74	2,190.44
Corporate Social Responsibility (refer note no. 45)	173.91	101.00
Miscellaneous Expenses (refer note no. 49)	2,285.57	3,968.18
Total	21,979.68	24,849.22

(₹ in Lakhs)		
31.1 Payment to Auditors	2019-20	2018-19
As Auditors:		
Statutory Audit fee	8.70	7.50
Limited Review	4.50	4.50
Certification fees and other services	2.75	1.59
Reimbursement of expenses	0.10	0.11
Total	16.05	13.70

(₹ in Lakhs)		
32. Exceptional Items	2019-20	2018-19
Impairment of Investment in Associate (refer note below)	157.17	53.99
Total	157.17	53.99

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

Note :

On the basis of physical verification of non-current assets and cash generation capacity of those assets, in the management perception and based on the impairment study report by certified valuer, there is no impairment of non current assets as on 31st March 2020. However, on the basis of certified valuation report, the management has recognised a impairment on the investment of the company in its associate AA ESS Tradelinks Pvt Ltd for the amount of ₹ 157.17 Lakhs (Previous year - ₹ 53.99 Lakhs) during the year 2019-20.

33: Income Tax (₹ in lakhs)

Particulars	2019-20	2018-19
A. The major components of income taxes expense for the year are as under:		
i Income tax expense recognised in the statement of profit and loss	-	-
Current Tax for the year		
Income tax for earlier year	11.78	252.86
Current Tax	-	-
Deferred Tax	1,118.84	1,611.88
Income tax expense recognised in the statement of profit and loss	1,130.62	1,864.74
ii Income tax expense recognised in OCI		
Deferred Tax :		
Deferred tax (expenses) on remeasurement benefit of defined benefit plans	26.96	(4.56)
Income tax (expense) recognised in OCI	26.96	(4.56)
Total Tax (i+ii)	1,157.58	1,860.18

	2019-20	2018-19
B. Reconciliation of tax expense and the accounting profit for the year is as under		
Profit before tax	(5,614.69)	(194.89)
Income tax expense	(1,751.78)	(60.81)
MAT Credit Reversal/ Deferred tax assets reversal on unabsorbed depreciation	2,171.43	1,448.91
Deferred tax assets not recognised because realisation is not probable	-	-
Effects of permanent disallowances	702.14	626.88
Utilisation other tax benefits	-	(432.73)
Other Items	24.01	25.07
Adjustment in respect of current income tax of earlier year	11.78	252.86
Tax expenses as per Statement of Profit and Loss & OCI	1,157.58	1,860.18

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.

	2019-20	2018-19
34. Other Comprehensive Income		
Remeasurements of the defined benefit plans	(86.41)	(14.60)
Equity Instruments through Other Comprehensive Income	101.59	10.93
Less : Income tax on the above	26.96	4.56
Total	42.14	0.89

	2019-20	2018-19
35. Earnings Per Share (EPS)		
Earnings Per Share has been computed as under:		
Profit/ (Loss) After Tax	(6,745.31)	(2,059.63)
Net Profit for Calculation of Basic and Diluted EPS	(6,745.31)	(2,059.63)

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

36. Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of 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, 2020 and March 31, 2019:

(₹ in Lakhs)

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity Instruments*	-	323.08	-	-	221.49	-
Trade receivables	-	-	7,213.43	-	-	11,041.49
Cash and cash equivalents	-	-	1,125.47	-	-	1,372.92
Other Bank Balances	-	-	1,059.90	-	-	1,304.77
Loans	-	-	188.42	-	-	204.97
Other Financial Assets	-	-	508.41	-	-	353.21
Total	-	323.08	10,085.63	-	221.49	14,277.36
Financial liabilities						
Borrowing	-	-	82,705.72	-	-	81,340.74
Trade Payable	-	-	18,069.25	-	-	15,745.00
Other financial Liabilities	-	-	4,306.82	-	-	4,966.00
Total	-	-	1,05,081.80	-	-	1,02,051.74

*Equity Investments exclude Investments made in subsidiaries, associates & joint venture (net of Impairment loss) of ₹ 2,990.12 Lakhs (previous year - ₹ 3,081.97 Lakhs) which have been measured at cost.

ii) Fair values hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(₹ in Lakhs)

31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity Instruments		17.04	-	-	17.04
Unquoted		-	-	306.04	306.04
Total financial assets		17.04	-	306.04	323.08
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, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity Instruments		20.74	-	-	20.74
Unquoted		-	-	200.75	200.75
Total financial assets		20.74	-	200.75	221.49
Financial liabilities					
Financial Instruments at FVTPL					
Derivative liability		-	-	-	-
Total financial liabilities		-	-	-	-
There were no movement between level 1 and level 2 during the period.					



Capital Management



Risk Management

Benefits for shareholders and benefits for other

Shareholders

Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust this shareholders' investment

one comparison with other companies



MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

i) Credit risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents, None of the financial instruments of the Company result in material concentration of credit risks.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the company operates, an impairment analysis is performed at each reporting date for trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10.

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by International and domestic rating agencies.

ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable prices. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

Contractual maturities of financial liabilities as at 31st March 2020	Less than 1 year				1-2 year	2-3 year	More than 3 years	Total
	Total							
(₹ in Lakhs)								
Non-derivatives								
Borrowings	26,168.88	4,575.00	4,575.00	4,712.22	4,839.00	4,712.22	82,705.72	
Trade payable	18,069.26	-	-	-	-	-	18,069.26	
Other payables	4,306.82	-	-	-	-	-	4,306.82	
Total	48,544.94	4,575.00	4,575.00	4,712.22	4,839.00	4,712.22	1,05,091.90	
Contractual maturities of financial liabilities as at 31st March 2019								
(₹ in Lakhs)								
Non-derivatives								
Borrowings	24,841.71	4,575.00	4,575.00	4,739.93	4,575.00	4,739.93	81,340.74	
Trade payable	15,745.00	-	-	-	-	-	15,745.00	
Other payables	4,966.01	-	-	-	-	-	4,966.01	
Total	45,552.72	4,575.00	4,575.00	4,739.93	4,575.00	4,739.93	1,02,091.75	

C) Market Risk**i) Foreign currency risk**

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and Singapore Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company's functional currency.

Foreign currency risk exposure - Unhedged

The company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

Currency	Liabilities	
	31st March 2020	31st March 2019
USD	711.96	5,640.65
Singapore Dollar	142.56	377.07
Sensitivity		

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31st March 2020		31st March 2019	
	INR/USD- increase by 10%*	INR/USD- decrease by 10%*	INR/USD- increase by 10%*	INR/USD- decrease by 10%*
USD sensitivity	(71.20)	71.20	(564.07)	564.07
Singapore Dollar sensitivity	(14.26)	14.26	(37.71)	37.71

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

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:

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Variable rate borrowing	72,554.28	71,859.66
Fixed rate borrowing	603.97	521.35
Total borrowings	73,158.25	72,381.01

Sensitivity

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

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Interest sensitivity		
Interest rates increases by 100 basis points	725.54	718.60
Interest rates decrease by 100 basis points	(725.54)	(718.60)

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

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Fair Value of Quoted Equity Investments	17.04	20.74
Total Equity Investments	17.04	20.74

Sensitivity

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Increase in market price by 5%	0.85	1.04
Decrease in market price by 5%	(0.85)	(1.04)

E) Other Risk

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Company plants and offices were under nationwide lockdown since March 24, 2020 and operations are being resumed in a phased manner taking into account directives from the Government. As a result of lockdown the volumes for the month of March 2020 have been impacted and consequently, the performance for the month of March 2020 has also been partially impacted. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lockdown. The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, Trade Receivables, Inventory, investments, other current and non-current assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the financial statements.

Management believes that it has taken into account all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the financial statements. The impact on our business will depend on future developments that cannot be reliably predicted. It is uncertain how long these conditions will last. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statements and the Company will closely monitor any material changes to future economic conditions. Management expects no significant impact on the continuity of operations of the business on a long term basis.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

38. Contingent Liabilities (Ind AS-37)

Contingent Liabilities and commitments to the extent not provided for in respect of:

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Excise & Service Tax Matters under dispute/ appeal	1,860.60	2,091.63
Sales Tax & VAT Matters under dispute/ appeal		52.50
Income Tax Matters under dispute/ appeal		

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

41. Short Term Leases

The Company's leasing arrangements are in respect of short term leases for office premises at Kolkata and Raigarh, depot at Raipur & guest houses at Raigarh, Gairkata, Kolkata and Nagpur. These leasing arrangements which are cancellable for period of 11 months and the Company has elected not to recognize ROU assets and lease liabilities for short term leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company has paid lease rentals of Rs. 75.75 Lakhs (Previous year - Rs. 84.63 Lakhs).

42. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'**Defined Contribution Plan:**

The amount recognized as an expense for the Defined Contribution Plans are as under :

Sl.No.	Particulars	₹ in lakhs)	
		31st March 2020	31st March 2019
a)	Provident Fund & ESI	223.99	198.55

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 value of the liability.

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

g) Remeasurements recognized in other comprehensive income

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions	0.15	-
Changes in financial assumptions	85.97	3.83
Experience adjustment	(5.75)	4.59
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	6.04	6.18
Total Defined Benefit Cost recognized in Other Comprehensive Income	86.41	14.60

h) Major Categories of Plan Assets

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Qualified Insurance Policies	100%	100%

The Gratuity Scheme is invested in policies offered by Life Insurance Corporation (LIC) of India. The allocation of the fund into major asset classes and expected return on each

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

The company expect to contribute ₹ 326.11 Lakhs (Previous Year - ₹ 130.69 Lakhs) during the next annual reporting period to gratuity fund.

	2019-2020	2018-2019
1. Gratuity		
1.1 Gratuity liability		
1.1.1 Gratuity liability - Current	326.11	130.69
1.1.2 Gratuity liability - Long term	0.00	0.00
1.1.3 Gratuity liability - Short term	0.00	0.00
1.1.4 Gratuity liability - Other	0.00	0.00
1.1.5 Gratuity liability - Total	326.11	130.69
1.2 Gratuity assets		
1.2.1 Gratuity assets - Current	0.00	0.00
1.2.2 Gratuity assets - Long term	0.00	0.00
1.2.3 Gratuity assets - Short term	0.00	0.00
1.2.4 Gratuity assets - Other	0.00	0.00
1.2.5 Gratuity assets - Total	0.00	0.00
1.3 Gratuity expense		
1.3.1 Gratuity expense - Current	0.00	0.00
1.3.2 Gratuity expense - Long term	0.00	0.00
1.3.3 Gratuity expense - Short term	0.00	0.00
1.3.4 Gratuity expense - Other	0.00	0.00
1.3.5 Gratuity expense - Total	0.00	0.00
1.4 Gratuity income		
1.4.1 Gratuity income - Current	0.00	0.00
1.4.2 Gratuity income - Long term	0.00	0.00
1.4.3 Gratuity income - Short term	0.00	0.00
1.4.4 Gratuity income - Other	0.00	0.00
1.4.5 Gratuity income - Total	0.00	0.00
1.5 Gratuity net expense		
1.5.1 Gratuity net expense - Current	0.00	0.00
1.5.2 Gratuity net expense - Long term	0.00	0.00
1.5.3 Gratuity net expense - Short term	0.00	0.00
1.5.4 Gratuity net expense - Other	0.00	0.00
1.5.5 Gratuity net expense - Total	0.00	0.00
1.6 Gratuity net liability		
1.6.1 Gratuity net liability - Current	326.11	130.69
1.6.2 Gratuity net liability - Long term	0.00	0.00
1.6.3 Gratuity net liability - Short term	0.00	0.00
1.6.4 Gratuity net liability - Other	0.00	0.00
1.6.5 Gratuity net liability - Total	326.11	130.69

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(*₹ in lakhs*)

Nature of Transactions (including taxes & duties where ever applicable)	Particulars	Total	
		2019-20	2018-19
Sales	Howrah Gases Limited	-	216.35
	Admirable Realtors Private Limited #	1.99	-
	Inertia Enterprise	1.49	-
	MSP Sponge Iron Limited	3,295.59	3,512.17
Purchase of Raw Material & Components Consumed	Howrah Gases Limited	24.30	72.49
	Chaman Metallics Limited *	-	131.82
	MSP Sponge Iron Limited	11,715.99	5,099.85
Directors' Remuneration	Dhananjay Uchit Singh	10.87	9.89
	Manish Agrawal	34.43	30.00
	Saket Agrawal	39.86	35.43
	Suresh Kumar Agrawal	35.00	29.40
Key Managerial Remuneration	Kamal Kumar Jain	27.89	25.41
	Shreya Kar	6.57	5.60
Professional Charges Paid	Kapil Deo Pandey	-	3.10
	MSP Mines & Minerals Limited	-	46.02
	MSP Power Limited	1.77	-
Expenses Reim			

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

Nature of Transactions

Page No.



MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Subsidiary Company		Associated Company		Jointly Controlled Entity		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and or		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sales	-	-	-	-	-	-	-	-	3,299.08	3,728.51	3,299.08	3,728.51
Purchase of Raw Material & Components Consumed	-	-	-	-	-	-	-	-	11,740.29	5,304.16	11,740.29	5,304.16
Directors' Remuneration	-	-	-	-	-	-	120.16	104.73	-	-	120.16	104.73
Key Managerial Remuneration	-	-	-	-	-	-	34.46	31.01	-	-	34.46	31.01
Professional Charges Paid	-	-	-	-	-	-	-	3.10	1.77	46.02	1.77	49.12
Expenses Reimbursed by party	-	-	-	-	-	-	-	8.74	1.30	6.22	1.30	14.96
Expenses Reimbursed by us	0.22	-	0.46	-	-	-	-	-	121.80	48.99	122.48	48.99
Rent paid	-	-	-	-	-	-	16.80	16.80	54.78	52.66	71.58	69.46
Vehicle Hire Charges Paid	-	-	-	-	-	-	-	-	73.13	35.65	73.13	35.65
Equipment Hire Charges Paid	-	-	-	-	-	-	-	-	436.44	256.99	436.44	256.99
Expense on Raw Materials	-	-	-	-	-	-	-	-	35.50	-	35.50	-
Loans & Advances Given	50.00	0.20	-	0.16	-	-	-	-	47.03	2.21	97.03	-

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

44. Segment Information

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

46. Assets pledged as security

The carrying amounts of assets pledged as security are:

Particulars	Refer Note No.	(₹ in lakhs)	
		As at 31st March, 2020	As at 31st March, 2019
For Term Loan			
First Charge			
Equitable Mortgage			
Land	3	926.80	926.80
Factory Building	3	9,641.66	10,071.45
Other Building	3	6,259.69	6,543.96
First Hypothecation			
Other Non Current Assets	3	73,704.42	78,314.13
Capital Work In Progress	3	59.10	112.50
Second Charge			
(a) Inventories	9	52,622.73	37,188.75
(b) Financial Assets			
(i) Trade Receivables	10	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,059.90	1,304.77
(iv) Other Financial Assets	6	171.61	138.39
(c) Other Current Assets	13	11,808.57	12,750.52
Total Assets Pledged against Term Loan		1,64,593.38	1,59,765.68
For Cash Credit			
First Charge			
(a) Inventories	9	52,622.73	37,188.75
(b) Financial Assets			
(i) Trade Receivables	10	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,059.90	1,304.77

MSP Steel & Power Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

47. The Joint lenders' forum (JLF) of the company adopted the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India on October 24, 2017 with reference date as July 31, 2017. Further, pursuant to instructions of RBI circular of February 12th 2018, one out of the eleven banks have not yet classified account of the company as 'Standard' on the balance sheet date.

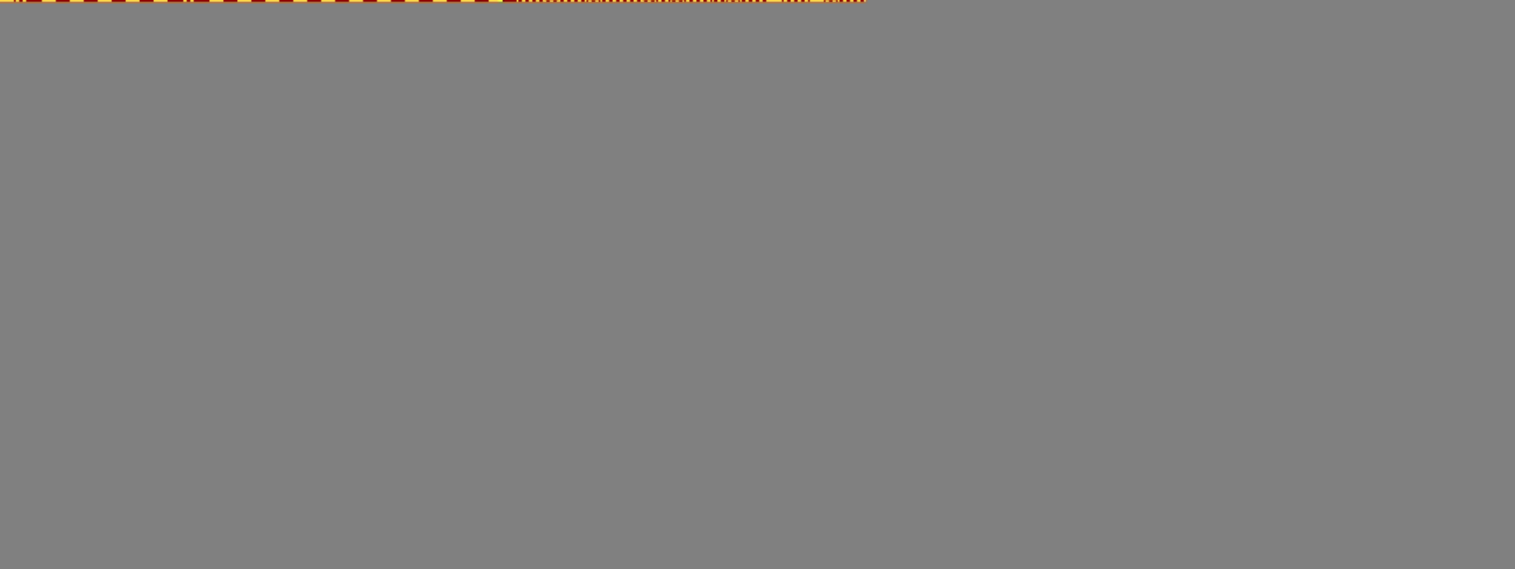
Further, some banks have not charged interest of Rs. 340.71 Lakhs for the year 2019-20 as per the deferment guidelines issued by the RBI on account of the Covid pandemic. However, the company has made adequate provision has been made in the books of accounts for the year.

INDEPENDENT AUDITOR'S REPORT

PST **Steel & Power Limited**
 Report on the Audit of the Consolidated Financial
 Statements

We have audited the accompanying Consolidated Financial Statements of **MSP Steel & Power Limited** (hereinafter referred to as "the Holding") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group"), which





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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and jointly venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements / financial information of the subsidiaries whose financial statements / financial information reflect total assets of Rs. Rs. 606.78 Lakh and net assets of Rs. 136.78 Lakhs as at March 31, 2020, total revenue of Rs. 19.45 Lakhs, total comprehensive income of Rs. (-) 22.27 Lakhs (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. (-) 535.12 Lakhs and Rs.(-) 4.17 Lakhs respectively. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and joint venture is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiaries, associate and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

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.

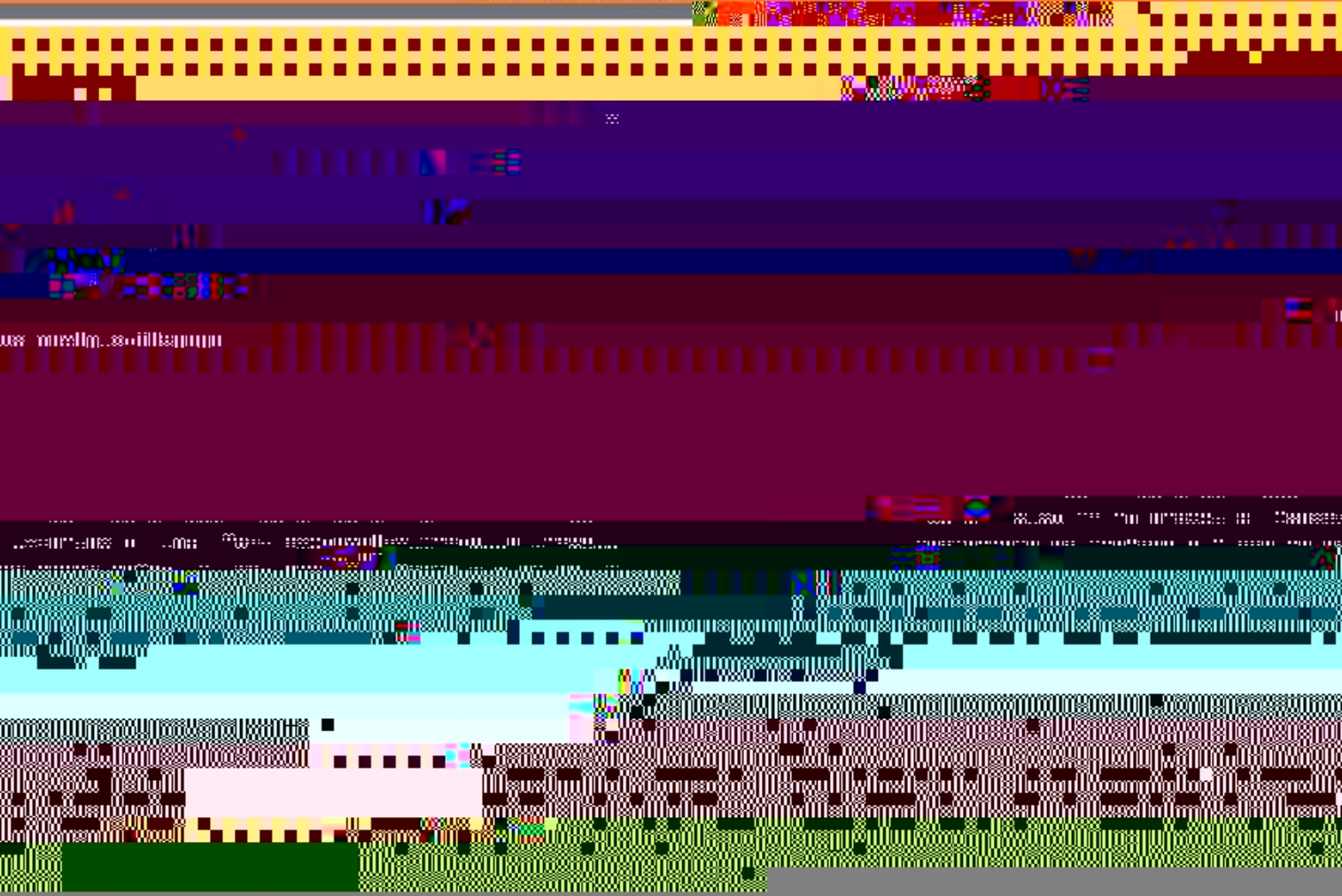
- a) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the

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

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate and joint venture- Note 38 to the Consolidated financial

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accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use,

2020

MSP Steel & Power Limited

Consolidated Balance Sheet as at 31st March, 2020

		(₹ in Lakhs)		
Sl. No.	Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	90,554.74	95,856.34
	(b) Capital Work in Progress	3	118.28	171.72
	(c) Intangible Assets	3	52.24	65.66
	(d) Goodwill on Consolidation	3	1.00	-
	(e) Investment in Associate & Joint Venture	4	4,371.53	5,067.99
	(f) Financial Assets			
	(i) Investments	4	323.08	221.49
	(ii) Loans	5	225.69	206.42
	(iii) Other Financial Assets	6	336.80	214.82
	(g) Deferred Tax Assets (Net)	7	3,133.03	4,221.05
	(h) Income Tax Assets (Net)	8	157.44	115.55
	(i) Other Non Current Asset	13	2.98	-
			99,276.81	1,06,141.04
2	Current Assets			
	(a) Inventories	9	52,622.73	37,188.75
	(b) Financial Assets			
	(i) Trade Receivables	10	7,353.76	11,041.49
	(ii) Cash and Cash equivalents	11	1,147.27	1,375.40
	(iii) Bank Balances other than (ii) above	12	1,370.37	1,304.77
	(iv) Other Financial Assets	6	175.51	138.39
	(c) Other Current Assets	13	11,762.99	12,750.52
			74,432.63	63,799.32
	TOTAL ASSETS		1,73,709.44	1,69,940.36
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	14	38,541.50	38,541.50
	(b) Other Equity	15	20,738.09	28,001.14
	(c) Non Controlling Interest	15	34.96	-
			59,314.55	66,542.64
2	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	16	56,613.08	56,499.03
	(ii) Other Financial Liabilities	20	3.00	4.25
	(b) Provisions	17	118.04	90.18
			56,734.12	56,593.46
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	26,168.86	24,841.71
	(ii) Trade Payables			
	(a) To micro and small enterprises	19	199.55	100.87
	(b) To other than micro and small enterprises	19	17,869.71	15,644.13
	(iii) Other Financial Liabilities	20	4,306.82	4,966.83
	(b) Other Current Liabilities	21	8,894.52	1,049.51
	(c) Provisions	17	221.31	48.35
	(d) Current Tax Liabilities	22	-	152.86
			57,690.77	46,804.26
	TOTAL EQUITY AND LIABILITIES		1,73,709.44	1,69,940.36
	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 Singh & Co

Firm Registration No.-302049E

Chartered Accountants

Shrenk Mehta

Partner

Membership No.-063769

Kolkata, 20th July, 2020

For and behalf of Board of Directors

Manish Agrawal

Director

DIN - 00129240

Kamal Kumar Jain

Chief Financial Officer

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Shreya Kar

Company Secretary

MSP Steel & Power Limited

Statement of Consolidated Profit and Loss for the year ended 31st March, 2020

Particulars	Notes	₹ in Lakhs	
		As at 31 st March, 2020	As at 31 st March, 2019
INCOME			
Revenue from Operations	23	1,53,272.71	1,66,980.19
Other Income	24	255.55	200.17
Total (I)		1,53,528.26	1,67,180.36
EXPENSES			
Cost of Materials Consumed	25	1,16,353.56	1,26,174.90
Purchase of Stock in Trade	26	964.79	608.17
Changes in Inventories of Finished Goods, By-products and Work in Progress	27	1,210.14	(1,566.60)
Employee Benefits Expenses	28	4,533.85	3,877.64
Finance Costs	29	8,561.09	7,911.54
Depreciation and Amortization Expenses	30	5,378.99	5,466.39
Other Expenses	31	22,005.37	24,848.22
Total (II)		1,58,007.79	1,67,321.28
Profit/(Loss) before Share of Profit/Loss of Associates and Joint Venture (Net of Tax), Exceptional Items and Tax (I-II)		(5,479.53)	(140.90)
Share of Profit/Loss of Associates and Joint Venture (Net of Tax)	48	(1.27)	(0.69)
Exceptional Items (Gain)/Loss	32	157.17	63.99
Profit Before Tax		(5,637.97)	(195.58)
Tax Expenses			
Current Tax	33	-	-
Income tax for Earlier Year		11.78	252.86

Date

MSP Steel & Power Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before taxes	(5,637.97)	(195.58)
Adjustments for:		
Depreciation	5,378.99	5,466.39
Interest on loans, deposits etc.	(188.28)	(137.98)
Interest and Other Finance Expenses	6,310.57	5,902.31
Debenture Liability Recognised	2,250.45	2,009.23
Provision for Doubtful debts/Advances/Deposits and Claims	1,564.48	2,190.44
Impairment of Investment in Associate	157.17	53.99
(Profit) / Loss on sale of property, plant & equipment (net)	(46.73)	(5.70)
(Profit)/Loss on Foreign Exchange Fluctuations	17.92	(24.77)
Share of Profit/Loss of / ^{Subsidiaries} Societies & Joint Venture	1.27	0.69

MSP Steel & Power Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2020

	<i>(₹ in Lakhs)</i>	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long Term Borrowings Received/ (paid) (Net)	(2,824.16)	(3,742.60)

MSP Steel & Power Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2020

(` in Lakhs)

Head	31st March 2019	Cash Flow	Non Cash Changes			Interest Paid	31st March 2020
			Addition on Acquisition of subsidiary	Inter-Head Movement	Interest Expenses		
Long Term Borrowings*	41,652.00	(2,824.18)	76.15	302.64	2,920.98	3,199.13	38,927.86
Other Financial Liabilities	486.25	(0.38)	-	(145.16)	486.64	486.64	340.71
Borrowings - Current	24,841.71	1,327.16	-	(157.48)	2,574.22	2,416.75	26,168.86
Total	66,979.96	(1,497.38)	76.15	-	5,961.22	6,102.52	65,437.43

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

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

Manish Agrawal
Director
DIN - 00129240

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Shrenik Mehta
Partner
Membership No.-063769

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Kolkata, 20th July, 2020

MSP Steel & Power Limited

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

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31 st	As at 31 st
	March, 2020	March, 2019
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	8% Compulsorily Convertible Preference Shares	8% Redeemable Preference Shares	Equity Component of compound financial Instruments	Equity Instruments through Other Comprehensive Income			
Balance as at 1st April, 2018	15,055.59	(18,110.20)	3,112.99		28,500.00				

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

COMPANY BACKGROUND

The Consolidated financial statements comprise financial statements of MSP Steel & Power Limited (‘the Holding Company’) and its subsidiaries (collectively the ‘Group’) and includes the Group’s share of profit in its associate and joint venture, for the year ended 31st March, 2020. The Holding Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at 1, Crooked Lane, Kolkata – 700069, India. The Group is principally engaged in manufacture and sale of iron and steel products and generation of power. Information on the Group’s structure is provided in Note 48.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of financial statements

1.1.1. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and includes the Group’s share of profit in its associate and joint venture as at 31 March 2020. 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

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

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 full

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

- Amendment to Ind AS 103, Business Combination and Ind AS 111 – Joint Arrangements
- Ind AS 109 – Prepayment Features with Negative Compensation.

The amendments listed above, did not have any impact on the amounts recognized in prior periods and do not have any significant impact in the current period.

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, 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.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

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 value at commencement of use, less the



except in the

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

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.

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

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

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 is satisfied at the point of sale of products.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

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).

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

of the financial asset;

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

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

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

- **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 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.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

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.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

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

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March 2020

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to the foreign currency amount, the spot exchange rate between the

These translations are recognized in the Statement of Profit and Loss.

M. Income Taxes

included in the tax expense is the aggregate amount

reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax base. Deferred tax is calculated on the basis of the expected manner in which the carrying amounts of assets and liabilities are realized or settled and the tax rates that will apply when the asset is realized or the liability is settled.

Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax credits, respectively, only if it is probable that the asset will be realized or the liability settled. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the asset or liability when it is realized or settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

	2019	2020
Deferred tax assets	1,000	1,000
Deferred tax liabilities	(1,000)	(1,000)
Net deferred tax	0	0

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

expected to be recovered or settled.

Presentation of current and deferred tax: Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

Post-Employment Benefits:

Provident Fund scheme: Retirement benefit in the form of Provident Fund

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by Impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an Incremental borrowing rate specific to the Group, term and currency of the contract. Generally, the Group uses its Incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers

increases or low-value assets.

Like Group has started not to recognise ROU assets and lease liabilities for short term

MSP Steel & Power Limited
Notes to the Consolidated

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March 2020

These financial statements were approved by the Board of Directors on 22nd April 2020.

1. Basis of Preparation

The consolidated financial statements have been prepared on an accrual basis and are based on the accounting policies set out in Note 2. The consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013, and are consistent with the Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013, and are consistent with the Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013.

2. Significant Accounting Policies

2.1 Revenue Recognition

Revenue is recognized when the performance obligation is satisfied, that is, when the control of the goods or services is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and other allowances. Revenue is recognized when the performance obligation is satisfied, that is, when the control of the goods or services is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and other allowances.

2.2 Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The useful life of the asset is determined based on the nature of the asset and the expected usage of the asset.

2.3 Intangible Assets

Intangible assets are measured at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the asset. The useful life of the asset is determined based on the nature of the asset and the expected usage of the asset.

2.4 Financial Instruments

Financial instruments are measured at fair value. Fair value is the price that would be received to settle the instrument in an orderly transaction between market participants at the measurement date. Fair value is determined based on the nature of the instrument and the market conditions at the measurement date.

2.5 Provisions and Contingent Liabilities

Provisions are recognized when the company has a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. The amount of the provision is measured at the best estimate of the amount required to settle the obligation.

2.6 Taxation

The consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013, and are consistent with the Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013, and are consistent with the Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March,2020

2.5. Useful lives of depreciable

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

2.6. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counterparties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counterparties, market information and other relevant factor.

Management's assessment of the recoverability of receivables and advances requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be realized. Such estimates may vary from the ultimate outcome as a result of differing facts and circumstances.

Standards / Amendments to existing standard issued but not yet effective upto the date of issuance of the Group's financial Statement are disclosed below:

Management has notified new standards or amendments to the existing standards which would have been applicable from April 1, 2020.

Management has notified new standards or amendments to the existing standards which would have been applicable from April 1, 2020.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

3. Property, Plant & Equipment*(₹ In Lakhs)*

Particulars	Land	Factory Building	Other Building	Plant & Machinery	Vehicle	Office Equipments	Furniture & Fixtures	Total
GROSS CARRYING VALUE								
Balance as at 31st March, 2018	926.80	11,790.60	7,681.07	98,261.99	174.86	30.57	41.80	1,18,907.69
Additions	-	-	-	-	8.74	24.83	29.62	63.19
Deductions	-	-	-	-	26.10	-	-	26.10
Balance as at 31st March, 2019	926.80	11,790.60	7,681.07	98,261.99	157.50	55.40	71.42	1,18,944.78
Additions	-	-	-	208.97	81.11	17.51	1.32	308.91
Adjustment on account of subsidiary acquisition	16.38	-	-	102.07	-	-	0.34	118.79
Deductions	-	-	-	384.95	-	-	-	384.95
Balance as at 31st March, 2020	943.18	11,790.60	7,681.07	98,188.08	238.61	72.91	73.08	1,18,987.53
ACCUMULATED DEPRECIATION								
Balance as at 31st March, 2018	-	1,289.36	852.84	15,358.92	105.94	20.55	20.67	17,648.28
Depreciation expense	-	429.79	284.27	4,721.04	20.25	2.66	6.95	5,464.96
Deductions	-	-	-	-	24.80	-	-	24.80
Balance as at 31st March, 2019	-	1,719.15	1,137.11	20,079.96	101.39	23.21	27.62	23,088.44
Depreciation expense	-	429.79	284.27	4,618.55	18.35	8.30	6.31	5,365.57
Adjustment on account of subsidiary acquisition	-	-	-	95.98	-	-	0.31	96.29
Deductions	-	-	-	117.50	-	-	-	117.50
Balance as at 31st March, 2020	-	2,148.94	1,421.38	24,676.99	119.74	31.51	34.24	28,432.80
NET CARRYING VALUE								
Balance as at 31st March, 2019	926.80	10,071.45	6,543.96	78,182.03	56.11	32.19	43.80	95,856.34
Balance as at 31st March, 2020	943.18	9,641.66	6,259.69	73,511.09	118.87	41.40	38.84	90,554.74

Note : Title deeds of Land of Rs. 6.51 Lakhs is pending for registration.

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020***(₹ in Lakhs)*

Capital Work in Progress	As at 31st March, 2020	As at 31st March, 2019
As at the beginning of the year	171.72	78.50
Movement during the year	(53.44)	93.22
As at the end of the year	118.28	171.72

(₹ in Lakhs)

Intangible Assets	As at 31st March, 2020	As at 31st March, 2019
As at the beginning of the year	65.66	-
Capitalized during the year	-	67.09
Amortized during the year	13.42	1.43
As at the end of the year	52.24	65.66

(₹ in Lakhs)

Goodwill	As at 31st March, 2020	As at 31st March, 2019
As at the beginning of the year	-	-
Movement during the year	1.00	-
As at the end of the year	1.00	-

Note

During the year, MSP Steel and Power Ltd (the holding company) acquired 83.69% ownership comprising of 57,000 shares of paid up equity shares of Rs. 10/- each of Prateek Mines and Minerals Private Limited. Prateek Mines and Minerals Private Limited became subsidiary with effect from November 18, 2019.

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

4. Non Current Investments	As at 31st March, 2020		As at 31st March, 2019	
	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)	46,50,175	4,370.88	46,50,175	4,370.68
Accumulated Group Share of Profit & OCI		1,517.46		2,052.58
Less: Impairment of investment in Associate (refer note no. 32)		(1,635.91)		(1,478.74)
		4,252.23		4,944.52
(ii) In Joint Venture (at cost)				
Madanpur South Coal Company Private Limited				

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

5. Loans	Non - Current		Current	
	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Unsecured, Considered Good Unless Otherwise Stated				
Loans to Bodies Corporate*	37.27	1.45	-	-
(A)	37.27	1.45	-	-
Security Deposit	188.42	204.97	-	-
(B)	188.42	204.97	-	-
TOTAL (A+B)	225.69	206.42	-	-

* For business purpose only.

6. Other Financial Assets	Non - Current		Current	
	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Unsecured, Considered Good Unless Otherwise Stated				
Deposits with Banks (Refer Note No. 12)	336.80	214.82	-	-
(A)	336.80	214.82	-	-
Interest Accrued on Fixed Deposits and Others	-	-	162.03	137.69
Loans and Advances to Employees	-	-	13.48	0.70
(B)	-	-	175.51	138.39
TOTAL (A+B)	336.80	214.82	175.51	138.39

7. Deferred Tax Assets (NET)	As at	As at
	31st March, 2020	31st March, 2019
Deferred Tax Liabilities :		
Tax impact on difference between book value of depreciable assets and written down value for tax purpose	(14,647.94)	(14,140.57)
Deferred Tax Assets :		
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax	1,554.12	1,122.89
Tax impact of unabsorbed loss / Allowances	13,578.14	14,590.02
MAT Credit Entitlement	2,648.71	2,648.71
	3,133.03	4,221.05

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2019 and 31st March, 2020

Particulars	(₹ in Lakhs)			
	As at 1st April, 2018	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2019
Deferred Income Tax Liabilities				
Property, Plant & Equipment's	(13,369.75)	(770.82)	-	(14,140.57)
	(13,369.75)	(770.82)	-	(14,140.57)
Deferred Income Tax Assets				
Allowance for credit loss	325.03	602.93	-	927.96
Expense allowed under Income Tax on payment basis	164.89	25.48	4.56	194.93
Unabsorbed depreciation	14,610.59	(20.57)	-	14,590.02
Mat Credit Entitlement	4,097.62	(1,448.91)	-	2,648.71
	19,198.13	(841.07)	4.56	18,361.62
Deferred Tax Assets (Net)	5,828.38	(1,811.89)	4.56	4,221.05

Particulars	(₹ in Lakhs)			
	As at 1st April, 2019	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2020
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(14,140.57)	(507.37)	-	(14,647.94)
	(14,140.57)	(507.37)	-	(14,647.94)
Deferred Income Tax Assets				
Allowance for credit loss	325.03	602.93	-	927.96

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Reconciliation of Expected credit loss Allowance provision		(₹ in Lakhs)
Particulars		Amount
As at 31st March 2019		1,156.57
Changes in provision		900.73
As at 31st March 2020		1,457.30

11. Cash and Cash equivalents	(₹ in Lakhs)	
	Current	
	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents		
Cash on Hand	24.52	13.80
Balance with Banks:		
On Current Accounts	1,122.75	1,361.60
	1,147.27	1,375.40

12. Bank Balances other than Cash and Cash equivalents	(₹ in Lakhs)			
	Non - Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposits - Earmarked for LC & BG	336.80	214.82	1,057.38	1,302.25
Fixed Deposits - Non - Earmarked	-	-	310.47	-
	336.80	214.82	1,367.85	1,302.25
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 6)	(336.80)	(214.82)	-	-
Unpaid Dividend Accounts	-	-	2.52	2.52
	-	-	1,370.37	1,304.77

13. Other Current Assets	(₹ in Lakhs)	
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MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

14. Equity Share Capital*(₹ in Lakhs)*

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Authorised Share Capital		
800,000,000 (31.03.2019 - 800,000,000) equity shares of ₹ 10/- each	80,000.00	80,000.00
100,000,000 (31.03.2019 - 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 (31.03.2019 - 38,54,15,000) equity shares of ₹ 10/- each	38,541.50	38,541.50
Total	38,541.50	38,541.50

Notes:**(i) Reconciliation of number of Shares**

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Nos.	₹ in lakhs	Nos.	₹ in Lakhs
Equity Shares:				
Balance at the beginning of the year	3854,15,000	38,541.50	3854,15,000	38,541.50
Balance at the end of the year	3854,15,000	38,541.50	3854,15,000	38,541.50

(ii) Rights, Preferences and restrictions attached to equity shares

The holding company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shareholders holding more than 5% share in the group are as follows:

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	No of shares	% of shares	No of shares	% of shares
State Bank of India	463,34,367	12.02%	463,34,367	12.02%
Mod Commodeal Pvt. Limited	315,01,014	8.17%	315,01,014	8.17%
Adhunik Gases Limited	234,79,000	6.09%	234,79,000	6.09%
Sikhar Commotrade Pvt. Limited	289,84,056	7.52%	289,84,056	7.52%
Shringar Mercantile Pvt. Limited	282,11,200	7.32%	282,11,200	7.32%
MSP Sponge Iron Limited	247,36,500	6.42%	247,36,500	6.42%



MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Financial Instruments

Financially convertible debentures issued in lieu of long term borrowings as per the

Equity Component of Composite

This contains the equity portion of the

Rs. 100 Crores

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

b) The holding company has issued 451,970,554 nos. of OCDs amounting to ₹ 451,97.05 lakhs during the year 2017-18. The OCDs

shall mature on 31st March 2033. The OCDs shall carry a coupon rate of 0.01% pa. payable quarterly till maturity. The OCDs will be converted to Equity on 31st March 2033. The OCDs may be redeemed alongwith a redemption premium. The redemption premium will be calculated with YTM @ 2.00% p.a. compounded quarterly.

Pursuant to the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India, the Promoter / Promoters' group has transferred 12,85,78,044 equity shares, at ₹ 10/- per equity share of Rs. 12857.80 lakhs, to JLF as a part payment of unsustainable debt and the same is treated as unsecured loan and shall always be subordinated to the senior debt of the Company.

The following table shows the details of the loans and advances as at 31st March 2020:

Particulars	31st March 2020	31st March 2019
Secured loans	1,27,00,00,000	1,27,00,00,000
Unsecured loans	1,28,57,80,440	1,28,57,80,440
Other financial liabilities	1,28,57,80,440	1,28,57,80,440
Total	2,55,57,80,440	2,55,57,80,440

The following table shows the details of the loans and advances as at 31st March 2019:

Particulars	31st March 2019
Secured loans	1,27,00,00,000
Unsecured loans	1,28,57,80,440
Other financial liabilities	1,28,57,80,440
Total	2,55,57,80,440

The following table shows the details of the loans and advances as at 31st March 2018:

Particulars	31st March 2018
Secured loans	1,27,00,00,000
Unsecured loans	1,28,57,80,440
Other financial liabilities	1,28,57,80,440
Total	2,55,57,80,440

The following table shows the details of the loans and advances as at 31st March 2017:

Particulars	31st March 2017
Secured loans	1,27,00,00,000
Unsecured loans	1,28,57,80,440
Other financial liabilities	1,28,57,80,440
Total	2,55,57,80,440

The following table shows the details of the loans and advances as at 31st March 2016:

Particulars	31st March 2016
Secured loans	1,27,00,00,000
Unsecured loans	1,28,57,80,440
Other financial liabilities	1,28,57,80,440
Total	2,55,57,80,440

The following table shows the details of the loans and advances as at 31st March 2015:

Particulars	31st March 2015
Secured loans	1,27,00,00,000
Unsecured loans	1,28,57,80,440
Other financial liabilities	1,28,57,80,440
Total	2,55,57,80,440

The following table shows the details of the loans and advances as at 31st March 2014:

Particulars	31st March 2014
Secured loans	1,27,00,00,000
Unsecured loans	1,28,57,80,440
Other financial liabilities	1,28,57,80,440
Total	2,55,57,80,440

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
18. Short-Term Borrowings		
Secured		
Rupee Loan from Banks		
Cash Credit Facility	26,168.86	24,841.71
	26,168.86	24,841.71
The above amount includes		
Secured Borrowings	26,168.86	24,841.71
Unsecured Borrowings	-	-

Terms and conditions attached to Short term borrowings

Cash Credit facilities from banks are secured by first pari-passu charge on the entire current assets (both present & future) and Second pari-passu charge on the entire fixed assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The rate of interest on cash credit is 2% above 1 year MCLR.

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
19. Trade Payables		
Total outstanding dues of creditors		
to micro enterprises and small enterprises (refer Note no. 39)	199.55	100.87
to other than micro enterprises and small enterprises	17,869.71	15,644.13
	18,069.26	15,745.00

Trade payables are non-interest bearing and are generally on terms of 45 to 60 days.

Includes acceptances and arrangements where operational suppliers of goods and services are paid by banks while the company continues to remain the legal debtor to the suppliers. The company's financial position was not materially affected with a period of 90 or 180 days account.

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
21. Other Current Liabilities		
Contract Liabilities	8,224.66	541.20
Others (including statutory dues payable)	669.86	508.31
	8,894.52	1,049.51

	As at 31st March, 2020	As at 31st March, 2019
22 Current Tax Liabilities		
Income Tax Liability	-	152.86
	-	152.86

	(₹ in Lakhs)	
	2019-20	2018-19
23. Revenue from Operations		
Sale of Products		
Finished Goods	1,47,536.60	1,63,082.70
Power	1,780.75	1,919.65
Traded Goods	994.68	611.96
Other Operating Revenue		
Sale of scrap and By-products	2,833.36	1,365.88
Miscellaneous Income	127.32	-
Total	1,53,272.71	1,66,980.19

The Group 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 Group.

	(₹ in Lakhs)	
	2019-20	2018-19
Disaggregation of Revenue		
Revenue as per Geography		
Domestic	1,43,363.80	1,57,912.35
Exports	9,908.91	9,067.84
Total	1,53,272.71	1,66,980.19
Revenue as per Major Products		
Pellet	32,960.68	33,689.24
Sponge Iron	20,202.24	18,877.35
MS Billets	11,398.43	17,406.08
TMT Bars (incl Structural Products)	82,975.25	93,110.03
Power	1,780.75	1,919.65
Others	3,955.36	1,977.84
Total	1,53,272.71	1,66,980.19
Timing of Revenue		
At a point in time	1,53,272.71	1,66,980.19
Over time	-	-
Total	1,53,272.71	1,66,980.19
Sales Channel		
Direct to Customers	38,833.71	56,533.99
Through Intermediaries	1,14,439.00	1,10,446.20
Total	1,53,272.71	1,66,980.19

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020****Contract balances**

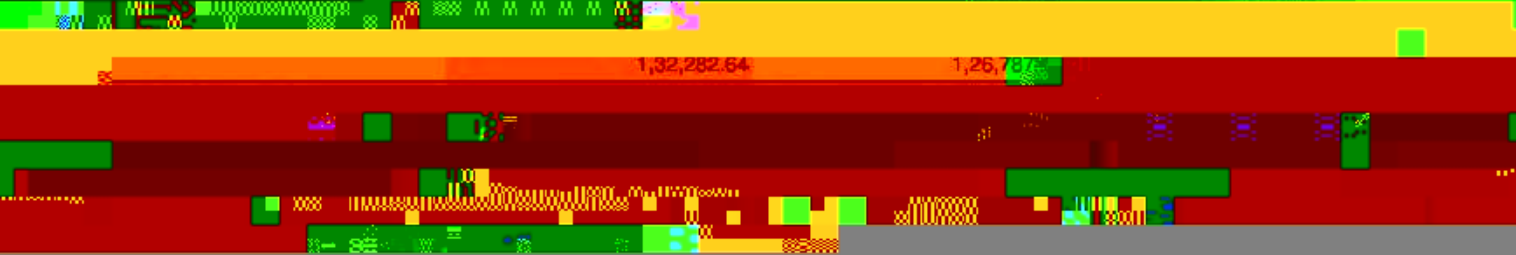
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers Receivables, which are included in 'Trade receivables'

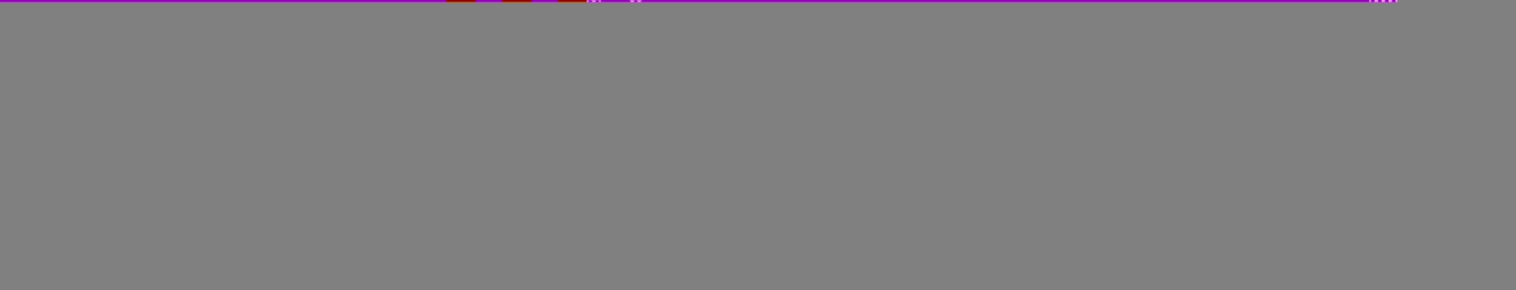
Trade Receivables	7,213.43	11,041.49
Contract assets		
Contract liabilities		

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MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

33 Income Tax

(₹ in Lakhs)

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

36. 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 (F) to the financial statements.

1) 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, 2020 and March 31, 2019:

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	-	323.08	-	-	221.49	-
Equity instruments*	-	-	7,953.76	-	-	11,041.49
Trade receivables	-	-	1,147.27	-	-	1,375.40
Cash and cash equivalents	-	-	1,370.37	-	-	1,304.77
Other Bank Balances	-	-	225.69	-	-	206.42
Loans	-	-	512.31	-	-	933.21
Other Financial Assets	-	323.08	10,509.40	-	221.49	14,281.29
Total	-	-	12,371.43	-	-	17,836.38
Financial liabilities						
Borrowing	-	-	82,781.94	-	-	91,340.74
Trade Payable	-	-	18,092.28	-	-	15,745.00
Other financial Liabilities	-	-	4,905.82	-	-	4,871.08
Total	-	-	1,05,161.02	-	-	1,02,056.82

*Equity investments exclude investments made in associate & joint venture of ₹ 4,371.53 Lakhs (previous year - ₹ 5067.99 Lakhs) which have been measured at cost.

ii) Fair values hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity Instruments		17.04	-	-	17.04
Unquoted		-	-	306.04	306.04
Total financial assets		17.04	-	-	323.08
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					
31st March, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Equity Instruments		20.74	-	-	20.74
Unquoted		-	-	200.75	200.75
Total financial assets		20.74	-	200.75	221.49
Financial liabilities					
Financial Instruments at FVTPL					
Derivative liability		-	-	-	-
Total financial liabilities		-	-	-	-
There were no movement between level 1 and level 2 during the period.					

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

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

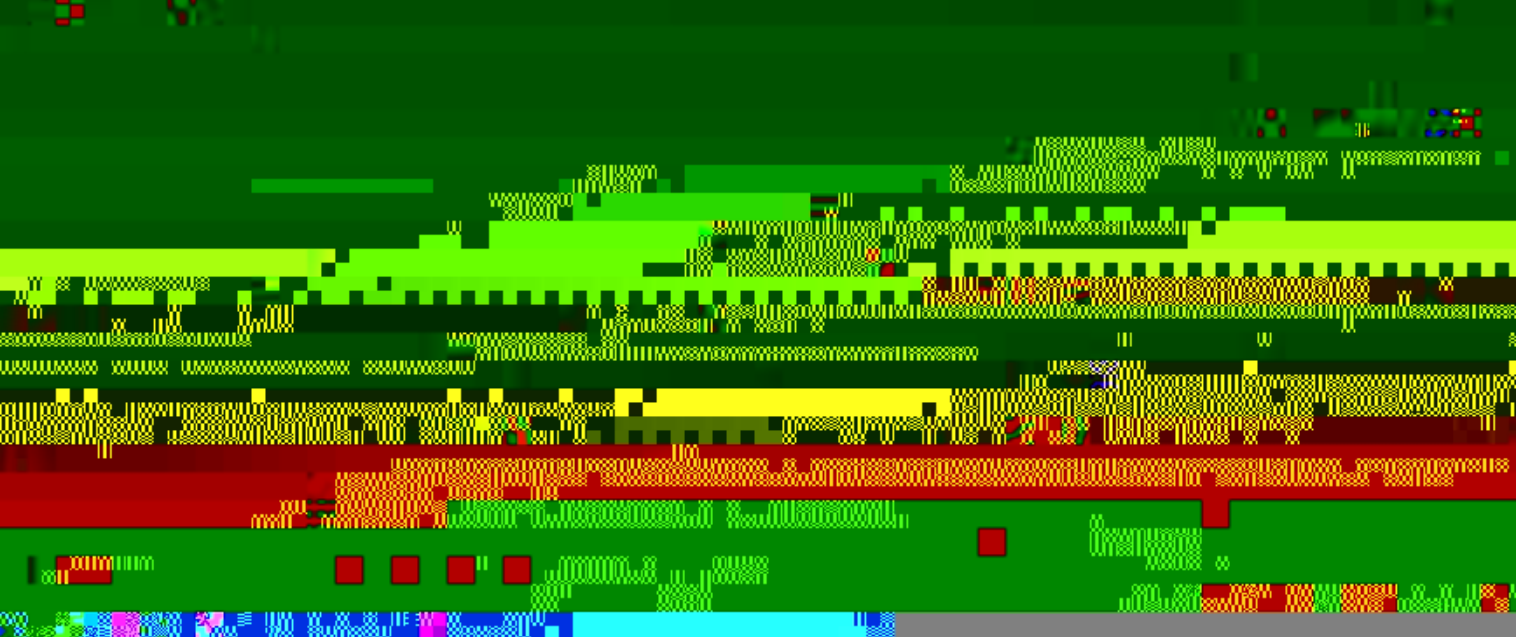
(b) "Unquoted investments" - As determined by independent valuer. The equity shares of < 300,000 (previous year - < 200,000 shares) are not listed. Fair value estimates of equity investments are included in level 3 and are based on information received from the investee. UCF methods.

(c) The carrying amount of financial assets and liabilities measured at fair value is not significantly different from their carrying amount as shown in the balance sheet.

(c) The carrying amount of financial assets and liabilities measured at fair value is not significantly different from their carrying amount as shown in the balance sheet.

IV) Valuation Inputs and relationships to fair value

Valuation Input	Unquoted Investment		Sensitivity of the Input to fair value	Sensitivity of the Investment to fair value
	31st March 2020	31st March 2019		
DCF	307.35	194.50	±0.5%	273.16
(-0.5%)	330.09			192.87



MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
USD sensitivity		
INR/USD- increase by 10% *	(71.20)	(564.06)
INR/USD- decrease by 10% *	71.20	564.06
Singapore Dollar sensitivity		
INR/SGD- increase by 10% *	(14.28)	(37.71)
INR/SGD- decrease by 10% *	14.28	37.71

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:

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Variable rate borrowing	72,554.28	71,859.66
Fixed rate borrowing	660.19	521.35
Total borrowings	73,214.47	72,381.01

Sensitivity

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

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Interest sensitivity		
Interest rates increases by 100 basis points	725.54	718.60
Interest rates decrease by 100 basis points	(725.54)	(718.60)

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.

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Fair Value of Quoted Equity Investments	17.04	20.74
Total Equity Investments	17.04	20.74

Sensitivity

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Increase in market price by 5%	0.85	1.04
Decrease in market price by 5%	(0.85)	(1.04)

E) Other Risk

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Group plants and offices were under nationwide lockdown since March 24, 2020 and operations were severely impacted. Demand for steel and power has declined significantly from the Government. As a result of lockdown, the volumes for the month of March 2020 has also been partially impacted. Management is expecting that demand

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

38. Contingent Liabilities (Ind As-37)

Contingent Liabilities and commitments to the extent not provided for in respect of:

Particulars	(₹ in Lakhs)	
	31st March 2020	31st March 2019
Excise & Service Tax Matters under dispute/ appeal	1,860.80	2,091.63
Sales Tax & VAT Matters under dispute/ appeal	-	52.50
Income Tax Matters under dispute/ appeal	194.05	212.34
Right to Redeem shares available with the lenders*		

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020****41. Short Term Leases**

The group's leasing arrangements are in respect of short term leases for office premises at Kolkata and Raigarh, depot at Raipur & guest houses at Raigarh, Gaikata, 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 ₹ 75.75 Lakhs (Previous year - ₹ 84.63 Lakhs).

42. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'**Defined Contribution Plan:**

The amount recognized as an expense for the Defined Contribution Plans are as under :

Sl.No.	Particulars	₹ in lakhs)	
		31st March 2020	31st March 2019
a)	Provident Fund & ESI	223.99	198.55

Defined Benefit Plan:**a) Gratuity Plan**

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

b) Risk Exposure

Defined benefit plans expose the group to the following types of actuarial risks:

Interest rate risk: The Plan exposes the group to the risk of fall in interest rates . A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements.)

Liquidity Risk: This is the risk that the group is not able to meet the short term gratuity payouts .This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of liquid assets not being sold in time

Salary Escalation Risk: The Present value of Defined benefit 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

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

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:

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Balance at the beginning of the year	539.45	451.44
Current Service Cost	83.60	71.29
Interest Cost on Defined Benefit Obligation	41.89	35.19
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions	0.15	-
Changes in financial assumptions	85.97	3.82
Experience adjustment	(5.75)	49.40
Benefits paid from the plan assets	(25.95)	(71.69)
Balance at the end of the year	719.36	539.45

d) Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Balance at the beginning of the year	493.13	421.63
Interest Income on Plan Assets	38.29	32.86
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(6.04)	(6.17)
Employer Contributions to the Plan	-	71.69
Benefits Paid from the Plan Assets	(25.95)	(26.88)
Balance at the end of the year	499.43	493.13

e) The amount recognised in the Balance Sheet

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Present value of Defined Benefit Obligation	719.36	539.45
Fair Value of Plan Assets	(499.43)	(493.13)
Net Asset/(Liability) in the Balance Sheet	219.93	46.32

f) Expenses recognized in profit or loss

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Current Service Cost	83.60	71.29
Interest Cost	41.89	35.18
Interest Income on Plan Assets	(38.29)	(32.86)
Total Defined Benefit Cost recognized in Profit & Loss	87.20	73.61

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

g) Remeasurements recognized in other comprehensive income

Particulars	(₹ in lakhs)	
	2019-20	2018-19

Actuarial gains/losses arising from:

Changes in demographic assumptions

0.15

Gratuity (Funded)

2018-19

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(*₹ in lakhs*)

Nature of Transactions (including taxes & duties where ever applicable)	Particulars	Total	
		2019-20	2018-19
Sales	Howrah Gases Limited	-	216.35
	Admirable Realtors Private Limited #	1.99	-
	Inertia Enterprise	1.49	-
	MSP Sponge Iron Limited	3,295.59	3,512.17
Purchase of Raw Material & Components Consumed	Howrah Gases Limited	24.30	72.49
	Chaman Metallics Limited *	-	131.82
	MSP Sponge Iron Limited	11,715.99	5,099.85
Directors' Remuneration	Dhananjay Uchit Singh	10.87	9.89
	Manish Agrawal	34.43	30.00
	Saket Agrawal	39.86	35.43
	Suresh Kumar Agrawal	35.00	29.40
Key Managerial Remuneration	Kamal Kumar Jain	27.89	25.41
	Shreya Kar	6.57	5.80

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MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ in lakhs)

Nature of Transactions (Including taxes & duties where ever applicable)	Particulars	Total	
		2019-20	2018-19
Loans & Advances Taken	Howrah Gases Limited	-	2.93
	Gajgami Viniyay Private Limited #	7.20	-
	Orbit Dealcom Private Limited	4.00	4.00
Guarantee Obtained ₹	Manish Agrawal	359.35	334.27
	Puranmal Agrawal	222.49	232.18
	Saket Agrawal	385.45	371.38
	Suresh Kumar Agrawal	222.02	289.25
Loans & Advances (Closing Balance)	AA ESS Tradelinks Private Limited	446.19	445.73
	MSP Metalics Limited	47.03	-
	MSP Properties India Limited	2.36	3.33

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MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Associated Company		Jointly Controlled Entity		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel and or		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sales	-	-	-	-	-	-	3,299.08	3,728.51	3,299.08	3,728.51

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020****44. Segment information**

The Group is engaged in manufacturing of "Iron and Steel". Consequent to the adoption of IND-AS, the group has identified one operating segment viz, "Iron and Steel", which is consistent with the internal reporting provided to the managing director who is the chief operating decision maker of the group.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

	(₹ in Lakhs)	
Revenue from external customers	2019-20	2018-19
India	1,43,363.80	1,57,912.35
Outside India	9,908.91	9,067.84
	1,53,272.71	1,66,980.19

	(₹ in Lakhs)	
Non-Current Assets*	2019-20	2018-19
India	90,729.24	96,093.72
Outside India	-	-
	90,729.24	96,093.72

* excludes financial assets, deferred tax assets, post-employment benefit assets and Investment in 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 ₹ 19,187.59 Lakhs) reported under Iron & Steel segment.

45. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a group meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR).

MSP Steel & Power Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

46. Assets pledged as security

The carrying amounts of assets pledged as security are:

Particulars	Refer Note No.	(₹ in lakhs)	
		As at 31st March, 2020	As at 31st March, 2019
For Term Loan			
First Charge			
Equitable Mortgage			
Land	3	926.80	926.80
Factory Building	3	9,641.66	10,071.45
Other Building	3	6,259.69	6,543.96
First Hypothecation			
Other Non Current Assets	3	73,704.42	78,314.13
Capital Work In Progress	3	59.10	112.50
Second Charge			
(a) Inventories	9	52,622.73	37,188.75
(b) Financial Assets			
(i) Trade Receivables	10	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,059.90	1,304.77
(iv) Other Financial Assets	6	171.61	138.39
(c) Other Current Assets	13	11,808.57	12,750.52
Total Assets Pledged against Term Loan		1,64,593.38	1,59,765.68
For Cash Credit			
First Charge			
(a) Inventories	9	52,622.73	37,188.75
(b) Financial Assets			
(i) Trade Receivables	10	7,213.43	11,041.49
(ii) Cash and Cash equivalents	11	1,125.47	1,372.92
(iii) Bank Balances other than (ii) above	12	1,059.90	1,304.77
(iv) Other Financial Assets	6	171.61	138.39
(c) Other Current Assets	13	11,808.57	12,750.52
Second Charge			
(a) Property, Plant and Equipment	3	90,532.57	95,856.34
(b) Capital Work In Progress	3	59.10	112.50
Total Assets Pledged against Cash Credit		1,64,593.38	1,59,765.68

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

47. The Joint lenders' forum (JLF) of the group adopted the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India on October 24, 2017 with reference date as July 31, 2017. Further, pursuant to Instructions of RBI circular of February 12th 2018, one out of the eleven banks have not yet classified account of the holding company as 'Standard' on the balance sheet date.

Further, some banks have not charged interest of Rs. 340.71 Lakhs for the year 2019-20 as per the deferment guidelines issued by the RBI on account of the Covid pandemic. However, the holding company has made adequate provision has been made in the books of accounts for the year.

48. 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 2019-20	Proportion of Interest 2018-19
Indian Subsidiaries				
MSP Cement Ltd	India	Subsidiary	100%	100%
Prateek Mines & Minerals Private Limited	India	Subsidiary	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%)

49. **Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Associate and Joint Venture in respect of Net Assets:**

Entity Name	2019-20		2018-19	
	% of Consolidated Assets	Amount	% of Consolidated Assets	Amount
Holding Company				
MSP Steel & power Limited	92.42	54,784.67	92.30	61,416.58
Indian Subsidiaries				
MSP Cement Ltd	0.10	58.07	0.09	58.07
Prateek Mines & Minerals Private Limited	0.11	65.32		-
Joint Venture				
Madanpur South Coal Company Ltd	0.20	119.30	0.19	123.47
Associate				
AA ESS Tradelinks Pvt Ltd	7.17	4,252.23	7.42	4,944.52
Total		59,279.59		66,542.64

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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):

Entity Name	Share of Profit		OCI		TCI	
	As on 31st March 2020	As on 31st March 2019	As on 31st March 2020	As on 31st March 2019	As on 31st March 2020	As on 31st March 2019
Holding Company						
MSP Steel & power Limited	(6,745.31)	(2,059.63)	42.14	0.89	(6,703.17)	(2,058.74)
Indian Subsidiaries						
MSP Cement Ltd	(17.56)	-	-	-	(17.56)	-
Prateek Mines & Minerals Private Limited	(3.00)	-	-	-	(3.00)	-
Joint Venture						
Madanpur South Coal Company Ltd.	(1.79)	(0.58)	(2.38)	3.52	(4.17)	2.94
Associate						
AA ESS Tradelinks Pvt Ltd	0.52	(0.11)	(535.64)	324.17	(535.12)	324.06
Total	(6,767.14)	(2,060.32)	(495.86)	328.58	(7,263.02)	(1,731.74)

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020****51 Investment in Joint Venture**

Investment in Madanpur South Coal Company Ltd (Previous year - 14.54%). The joint venture is incorporated in India.

Company has a 14.54% interest in the joint venture. The joint venture is incorporated in India.

Company	Incorporation	31 March	31 March
		2020	2019
Madanpur South Coal Company Ltd.		14.54%	

Discloses the aggregate financial information relating to joint ventures as required by Ind AS

Company	Country	Proportion of Interest	
		31 March 2020	31 March 2019
Madanpur South Coal Company Ltd.	India	42.75%	42.75%

Company	Country	Proportion of Interest	
		31 March 2020	31 March 2019
Madanpur South Coal Company Ltd.	India	42.75%	42.75%

MSP Steel & Power Limited**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

- 54 Miscellaneous Expenses include de-recognition of financial asset (Trade Receivables/Advances/Loan) on account of irrecoverability, the contractual right to receive cash flow from the financial asset of Rs. 102.66 Lakhs(Previous Year - Rs. 2,123.75 Lakhs)
- 55 The previous year's figures have been regrouped, rearranged and reclassified to conform to the classification of the current year, wherever necessary.
- 56 The financial statements have been approved in Audit Committee meeting held on 20.07.2020 and approved by the Board of Directors on the same day.

For Singhi & Co

Firm Registration No.-302049E
Chartered Accountants

Shrenik Mehta

Partner

Membership No.-063769

Kolkata, 20th July, 2020

For and behalf of Board of Directors**Manish Agrawal**

Director

DIN - 00129240

Suresh Kumar Agrawal

Chairman

DIN - 00587623

Kamal Kumar Jain

Chief Financial Officer

Shreya Kar

Company Secretary



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