27th Annual Report

2016 - 17

MONNET

Monnet Ispat & Energy Limited

what's inside

MONNET

Corporate Information

BOARD OF DIRECTORS

Chairman, Managing Director & CEO
Sandeep Jajodia

Non-Executive Independent Directors
Suman Jyoti Khaitan
Kunal Sharma
Ankita Wadhawan

Nominee Director-IDBI Bank
Shantanu Prasad

Other Non-Executive Director
Jagdamba Prasad Lath

Chief Financial Officer
Sanjay Kumar Garodia

Company Secretary
Hardeep Singh

BOARD COMMITTEES

Audit Committee

Suman Jyoti Khaitan	Chairman
J.P. Lath	Member
Kunal Sharma	Member
Ankita Wadhawan	Member
Hardeep Singh	Secretary

Stakeholders Relationship Committee

J.P. Lath	Chairman
Sandeep Jajodia	Member
Hardeep Singh	Member

Nomination and Remuneration Committee

Suman Jyoti Khaitan	Chairman
J.P. Lath	Member
Kunal Sharma	Member
Hardeep Singh	Secretary

Corporate Social Responsibility Committee

Sandeep Jajodia	Chairman
J.P. Lath	Member
Suman Jyoti Khaitan	Member

Finance Committee
J.P. Lath
Sandeep Jajodia

Executive Committee
J.P. Lath
SandeepJajodia

BANKERS
IDBI Bank Limited
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of India
State Bank of Patiala
State Bank of Mysore

AUDITORS
O.P. Bagla & Company
Chartered Accountants, New Delhi

REGISTERED OFFICE & RAIPUR WORKS
Monnet Marg, Mandir Hasaud, Raipur,
Chattisgarh-492101

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

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

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

CORPORATE WEBSITE
www.monnetgroup.com

DIRECTORS' REPORT

To the Members,

Your Directors hereby submits the 27th (Twenty-Seventh) Annual Report on the business and operations of your Company, along with the Audited Financial Statements, for the financial year ended 31st March, 2017 (year under review).

1. FINANCIAL SUMMARY

The Financial summary and performance Highlights of your Company, for the year under review are as follows:

(Rs. in Crores)

FINANCIAL YEAR	STANDALONE		CONSOLIDATE	
	2016 -2017	2015 -2016	2016 -2017	2015 -2016
Gross Sales and other Income	1,408.62	2,103.12	1,412.37	2,107.91
Profit before Interest, Depreciation, Tax & Exceptional Item	(52.09)	(290.51)	(370.79)	(402.50)
Depreciation and amortization	356.36	358.72	359.66	364.19
Interest	1,110.45	965.90	1,133.83	1,067.35
Profit/(Loss) from Operations	(1,518.90)	(1,615.13)	(1,864.28)	(1,834.04)
Exceptional Items	209.90	89.75	262.98	84.01
Provision for Tax	5.06	-	5.06	-
Profit/(Loss) after Tax	(1,733.86)	(1,704.74)	(2,132.32)	(1,917.36)
Share of Loss Transferred to Minority	-	-	2.74	10.35
Owners of the Company	(1,733.86)	(1,704.74)	(2,129.58)	(1,907.01)
Profit/(Loss) after Tax	(1,733.86)	(1,704.74)	(2,132.32)	(1,917.36)
Other Comprehensive Income	(4.09)	(0.94)	(3.67)	(0.78)
Total Comprehensive Income(Net of Tax)	(1,737.95)	(1,705.68)	(2,135.99)	(1,918.14)
Balance of Profit(Loss) brought Forward	(1,024.08)	655.10	(1,331.54)	516.75
Amount Available for appropriation	-	-	-	-
Balance of Profit carried forward to next year	(2,757.94)	(1,050.58)	(3,339.41)	(1,401.39)
Other Equity (Reserves & Surplus)	(1,346.68)	391.27	(1,802.46)	212.75

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

2. FINANCIAL AND OPERATIONAL PERFORMANCE

Standalone Financials

During the year under review, your Company's revenue from operations was Rs. 1375.08/- Crores . Further, in the Financial Year ended 31st March, 2017, the profit before tax (PBT) was negative and stands at Rs. (-)1728.80/-crore as against Rs. (-)1704.88/-crore in the previous year and profit after tax (PAT) was Rs. (-) 1733.86/-crore against Rs. (-) 1704.74/-crore in the previous financial year.

Consolidated Financials

During the year under review, your Company's revenue from operations was Rs. 1375.08/- Crores . Further, in the Financial Year ended 31st March, 2017, the profit before tax (PBT) was negative and stands at Rs. (-)2127.26/- crore as against Rs. (-)1918.05/- crore in the previous year and profit after tax (PAT) was Rs. (-) 2132.32/- crore against Rs. (-) 1917.36/- crore in the previous financial year.

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

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

The Strategic Debt Restructuring (SDR) in terms of the RBI Circular reference no. DBR.BP.BC.No.101/21.04.132 /2014-15 dated June 08, 2015, commenced on August 22, 2015 and expired on February 21, 2017 after completion of the 18 months as per the provisions of the aforesaid circular.

During this period, the lenders initiated two rounds of bidding and one bid was received in each of the two rounds with the bid received in the second round being superior in all respects. Though the second round of bidding got over in February, 2017, the lenders could not decide on the same and kept it pending.

In the meantime, SBI as the leader of the consortium of lenders, has filed a petition with National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code (IBC) for a resolution of the financial difficulties faced by the Company. This was done after the meeting of the company's lenders held on June 21, 2017.

We find this to be a positive development as it is expected to not only address recoverability of the lenders' loans but also make available the necessary financial resources for future growth prospects of the company.

There has been no further material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2017 and the date of this report affecting financial position of the Company, apart from the above.

4. SHARE CAPITAL

There was no change in the Company's share capital during year under review.

The authorized share capital of the Company as at 31stMarch, 2017 was Rs. 3,86,00,00,000/-(Rupees Three Hundred Eighty Six Crore Only). The Company's Issued, Subscribed and Paid-up share capital as on 31st March, 2017 was Rs. 3,75,78,54,834/- (Rupees Three Hundred Seventy Five Crore Seventy Eight Lacs Fifty Four Thousand Eight Hundred Thirty Four Only), divided into 20,07,68,242 (Twenty Crore Seven Lacs Sixty Eight Thousand Two Hundred Forty Two Only) equity shares of Rs. 10/- Rupees Ten Only) Each and preference share at 1,75,00,000 (One Crore Seventy Five Lacs Only), 6.5% Cumulative Non-Convertible redeemable preference shares of Rs. 100/- (Rupees Hundred Only) each.

5. NON-CONVERTIBLE DEBENTURES

The company has 9200 Secured Redeemable Non-Convertible Debentures (NCDs) of Rs. 10,00,000/- each aggregating to Rs. 920.00 Crores, the details of NCDs are given in the Note No 16(b) of the Standalone Financial Statement.

6. CREDIT RATING

Your Company's credit rating was rated as "CARE D" for the long-term debt/facilities/NCDs rated by Credit Analysis & Research Ltd. (CARE). However the same was suspended by them during the year.

7. DIVIDEND AND RESERVES

In view of the losses incurred by the Company, Board has not recommended any Dividend for the year under review. Accordingly, the Company has not transferred any amount to reserve.

8. PUBLIC DEPOSITS

Your Company has neither accepted nor renewed any deposits falling within the perview of section 73 of the Act read with the Companies (Acceptance of Deposits) Rule 2014 during the year

There is no unclaimed or unpaid deposit lying with the Company.

9. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on March 31, 2017, your Company has (10)tensubsidiary Companies (including 4 step-down subsidiaries), 4 joint ventures and 1 associate Company. The consolidated financial statements presented by the Company include financial information of its Subsidiaries, Joint Ventures and Associate Companies except one Joint Venture, Mandakini Coal Company Ltd. and one associate company, Orissa Sponge Iron and Steel Ltd. and prepared in compliance with applicable Ind AS. During the year, the Company started the process of liquidation of Monnet Overseas Limited, which completed on 14th May, 2017. A gist of financial performance of these companies is contained in form AOC-1 and forms the part of this report and annexed as **Annexure 1.**

The Annual Accounts of the subsidiary Companies are open for inspection by any Shareholder at the Company's Registered Office situated at Monnet Marg, Mandir Hasaud, Raipur-492101, Chhattisgarh and the Company will make available these documents and the related detailed information upon request by any Shareholder of the Company or any Shareholder of its Subsidiaries, Joint ventures and Associate Companies who may be interested in obtaining the same.

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

The Policy for determining material subsidiaries as approved may be accessed on the Company's Website in investor section:
http://www.monnetgroup.com/pdfs/others/miel/Policy_on_Material_Subsidiary-MIEL.pdf

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

State Bank of India (SBI) as the leader of the consortium of lenders, has filed a petition with National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code (IBC) for a resolution of the financial difficulties faced by the Company. This was done after the meeting of the company's lenders held on June 21, 2017.

11. INTERNAL FINANCIAL CONTROLS

Internal Control systems are the integral part of Company's corporate governance. Your Company has effective internal control environment. Control systems have documented policies, checks and balances, guidelines and procedures that are supplemented by robust internal audit processes and monitored continuously by periodical reviews by management which provides reasonable assurance that all assets are safeguarded; transactions are authorized, recorded and reported properly. Your Company has an independent MIS and Audit Department to oversee the day-to-day functioning of the Company. The Company has proper budgeting system and the actual performance is continuously evaluated and the corrective measures are taken from time to time. The internal control system is designed to ensure that all Financial and other records are reliable for preparing Financial Statements, other data and for maintaining accountability of assets.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Resignations of Directors During the year

During the year under review IDBI Bank Ltd. withdrew it's Nominee Director Mr. Suresh Kishanchand Khatnahar and accordingly Mr. Suresh Kishanchand Khatnahar resigned w.e.f. 27th November, 2016. Ms. Bhawna Thakur and Mr. Amit Dixit, Directors in the capacity of Independent Director resigned w.e.f. 09th December, 2016, and 06th December, 2016, respectively. Further, Mr. C.P. Baid, Whole-time Director, resigned w.e.f. 31st March, 2017.

Appointments of Directors During the year

During the year under review, Mr. Shantanu Prasad was appointed as Nominee Director of IDBI Bank Limited w.e.f. 09th December, 2017. Ms. Ankita Wadhawan was appointed as Additional Director in the capacity of Independent Director w.e.f. 31st March, 2017 and Mr. Kunal Sharma was appointed as Additional Director in Independent Category w.e.f. 14th February, 2017.Further, Mr. Sandeep Jajodia was reappointed as Chairman and Managing Director of the Company w.e.f. 31st March, 2017.

Directors Seeking Appointment/Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. J.P. Lath (holding DIN-00380076), Director, retires by rotation and being eligible has offered himself for re-appointment.

Further, your Directors recommends regularization of Mr. Shantanu Prasad, Nominee Director, as Director of the Company, Ms. Ankita Wadhawan and Mr. Kunal Sharma as Director of the Company in the capacity of Independent Directors and reappoint Mr. Sandeep Jajodia as Chairman and Managing Director of the Company. The brief resume of Directors seeking appointment/re-appointment and other details as required under SEBI Regulations 2015 are provided in the Notice of Annual General Meeting of the Company.

Key Managerial Personnel

Pursuant to the provisions of Section 2(51) &203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are :-

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

Mr. Raj Kumar Ralhan, Chief Financial Officer was appointed on 30th May, 2016. Further, he resigned on 09th December, 2016. Mr. Sanjay Kumar Garodia, Chief Financial Officer of the Company was appointed on 14th February, 2017.

During the period under review, Mr C.P. Baid was appointed as Director w.e.f. 07th November, 2016. Further, his designation was changed to Whole-time Director w.e.f. 09th December, 2016.Mr. C.P. Baid resigned w.e.f. 31st March, 2017.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year 2016-17 and of the profit and loss of the Company for that period;
c. The Directors have 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. The Directors have prepared the annual accounts on a going concern basis;
e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial control are adequate and were operating effectively; and
f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

14. PERORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

Schedule IV to the Companies Act, 2013 also provides for the performance evaluation of Independent

Directors by the entire Board of Directors, excluding the Directors being evaluated.

After performance evaluation of the Independent Directors, 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.

The manner in which the evaluation of the Board, its Committees and individual Directors has been carried out is explained in the Corporate Governance Report which forms part of this Annual Report.

15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, 6(Six) Board Meetings were duly convened and held, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

16. COMMITTEES OF THE BOARD

As on March 31, 2017, the Board has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee.
5. Executive Committee
6. Finance Committee
7. Allotment Committee

During the year, the Board approved the merger of Share Transfer Committee into Stakeholders Relationship Committee.

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

17. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received the necessary declaration from each Independent Director that he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made thereunder and Regulation 25 of SEBI Listing Regulations, 2015.

18. NOMINATION AND REMUNERATION POLICY

Pursuant to applicable provisions of section 134(3)(e) and Section 178(3) of the Companies Act, 2013 & SEBI Listing Regulations, 2015, the Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members including the criteria for determining qualification, positive attributes, independence of directors and other matters. The details of this policy are explained in the Corporate Governance Report which forms the part of this Annual Report.

The Nomination and Remuneration Policy, as approved by the Board of Directors, has also been uploaded on the website of the Company VIZ:- http://www.monnetgroup.com/pdfs/others/miel/Policy_on_Nomination%20_Remuneration_and_Board-MIEL.pdf

19. VIGIL MECHANISM CUM WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism Cum Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report. The same has also been displayed on the website of the Company V I Z: http://www.monnetgroup.com/pdfs/others/miel/Policy_on_Vigil_Mechanism-MIEL.pdf

20. RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year ended March 31, 2017 were on arm's length basis and in the ordinary course of business and, therefore, do not attract the provisions of Section 188 of the Companies Act, 2013.Further, there were no materially significant transactions between the Company and related parties during the year under review and suitable disclosures as required by the Ind AS has been made in the notes to the accompanying Financial Statements. In this regard, disclosure in Form AOC-2 in terms of Section 134(3)(h) of the Companies Act, 2013 is attached herewith as **Annexure - 2** and form part of the report.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz:
http://www.monnetgroup.com/pdfs/others/miel/Policy_on_Related_Party_Transactions.pdf

21. CORPORATE SOCIAL RESPONSIBILITY

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

Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, it is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. The average net profits for three financial years was Rs. (-)849.77crore. As the average net profit of the company during previous three financial years is negative, the company is not required to spend any amount for the purpose of CSR during the year under review.

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, have been annexed as **Annexure-3** and forms integral part of this Report

22. AUDITORS

a) Statutory Auditor

At the Annual General Meeting held on September 27, 2014, M/s. O.P. Bagla& Co., Chartered Accountants (Firm Registration No. 000018N) were appointed as the Statutory Auditors of the Company to hold the office till the conclusion of Annual General Meeting to be held in the calendar year 2017, subject to the ratification of shareholders at every Annual General Meeting.

In terms of section139, no listed company shall appoint or re-appoint an audit firm in the same company for more than two terms of five consecutive years. Every company, which was following under the provision of this Act was required to company the same within three years of commencment of the companies Act,2013. Therefore, the existing Statutory Auditor of the company. M/s O.P. Bagla & company, Statutory Auditors can only be appointed for maximum tenure of there years. As such, they are not eligible for being re-appointed as Statutory Auditor. Pursuant to recommendation of Audit Committee of the Board of Directors, M/s APAS & Co., Chartered Accountants (Registration No.000340C), be and hereby appointed as Auditors of the Company, to hold such office from conclusion of ensuing Annual General Meeting until conclusion of 32nd Annual General Meeting, (subject to ratification of the appointment by the members at every AGM held after this AGM) to conduct audit at a remuneration that may be fixed by the Board of Directors who are duly authorized to finalize the same plus service tax as applicable and reimbursement of out-of- pocket expenses incurred.

Comments/Qualifications of the Statutory Auditors in their report and the notes forming part of the Accounts are self-explanatory. Management representations to these qualifications/comments are as follows:

A. Matter of Emphasis in the Audit Report on Standalone Financial Statement and Comments of Management thereon :-

Emphasis of Matter

1. We draw attention to the following matters in the Notes to the financial statements:

   (a) Cancellation of coal blocks of the Company: The Company had invested directly or through Joint Ventures, an aggregate amount of Rs.109.04 crores in five coal blocks which have been cancelled pursuant to court order. No adjustment has been made against impairment of assets since the final compensation amount is not yet ascertained / under litigation.

Management Response: The Coal Block was cancelled pursuant to the decision of the Hon'ble Supreme Court to de-allocate all coal block in the Country. The impact on the financial wealth of the Company is due to loss of advantage of concessional coal coming from the coal block. The Company is now exposed to market rates of Coal.

(b) The Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. The lenders have implemented SDR, whereby they have taken 51% stake in the Company through part conversion of the existing debt. As per terms of the scheme, the lenders will take steps to identify a new investor to take over management control of the company. The single largest bid generated in the second round of bidding held in February, 2017, is reportedly pending with the lenders for their consideration. Besides this, other steps are also, being taken to augment the financial resources to ramp up the operations. In view of the same, these financial statements have been prepared on going concern basis.

Management response: Due to adverse condition in Steel industry on account of drastic fall in prices of steel the company has suffered losses in the last three years which is impacting the net worth of the Company. However, this may not constitute as a doubt on the continuity of the Company as going concern as the lenders have initiated the process of Strategic Debt Restructuring (SDR) for revival of the company and further State Bank of India (SBI) as leader of consortium of lenders has held a petition with National Company Law Tribunal (NCCT) under in solvency and Bankruptcy Code (IBC) for a resolution for the financial difficulties face by the company .

B. Basis for Qualified Opinion in the Audit Report on Consolidated Financial Statement and Comments of Management thereon –

(a) In one of the Subsidiary Companies, Monnet Power Company Limited, Long term and short term borrowings are continued to be classified as non-performing by most of the lenders and actual liability towards interest etc. is pending to be crystalized. In view of uncertainty the company has not provided interest including penal interest and other dues upto 31.03.2017 on such borrowings, to the extent the same has remained unpaid. Had the interest been provided, loss for the year and previous year would have been higher by Rs. 578.45 crores and Rs. 432.15 crores respectively (based on prevailing terms & conditions of lending) with an increase in liability/borrowings and corresponding decrease in other equity of Rs.1010.60 crores for the year ended 31st March, 2017.

Management response: As reported in the last Consolidated Balance Sheet the project of Monnet Power Company Limited, one of the subsidiary of the Company continued to be stalled. The lenders are running the process of auctioning the power plant which is under process. Since the project does not have any cash flows, the serviceability of the debt is also not met. It is expected that the bidding process of the banks, based on the current status may conclude by first half of current financial year, subject to the agreement on the terms and conditions between the lenders and the potential buyer. As the interest is not being served, therefore, the management decided to provide for interest due as and when the project is revived and treatment of debt and interest is decided by the lenders.

(b) Financial statements of one joint venture company, Mandakini Coal Company Ltd have not been received for the year ended 31st March, 2017. The last available financial statements of the company have been considered in the consolidated financial statements.

Management response: The Company is pursuing with both the companies for the Balance Sheet for F.Y.-2017. However, both the companies were unable to provide the same.

b) Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries (Firm Registration No- P2001DE052900), New Delhi as its Secretarial Auditor to conduct the Secretarial Audit of the Company for FY 2016-2017.The Report of Secretarial Auditor in Form MR-3 for the financial Year 2016-2017 is annexed to the report as **Annexure-4.**

The Secretarial Audit Report for the financial year ended March 31, 2017 contains certain observations and remarks which are given along with the management reply for the same.

- *The Company has given loan to its Subsidiary Company namely Monnet Power Company Limited, however, no interest was charged on such loan;*

  Monnet Ispat & Energy Limited is the sponsor Company of Monnet Power Company Limited and the entire promoters' equity has been subscribed by Monnet Ispat & Energy Limited apart from minor stake to Blackstone, a private equity fund. Further, Monnet Power Company Limited is still in project implementation stage and does not have revenue of its own. Therefore, any requirements of cash have to be met by sponsor. The amount paid is entitled to be converted into equity but is shown as unsecured loan pending the decision of conversion into equity.

- *Promoters of the Company namely Monnet International Limited & Udhyam Merchandise Private Limited pledged 73,284 shares & 50,00,000 shares respectively on 13.12.2016 and the same was not intimated to stock exchanges;*

  The promoters of the Company made all the compliance in terms of Regulation 31(1) and 31(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, about pledge created in favor of State Bank of Patiala and the same was displayed on the website of Stock Exchange. However, due to ambiguity in the provisions of regulation 7(2)(a) of Prohibition of Insider trading regulations, 2015 the same was not submitted under the said regulation. However, due compliance have been made and the fact has been displayed on the website of Stock Exchange.

- *The Company has paid excess remuneration to Mr. CP Baid, Whole-time Director of the Company, in the financial year 2014-2015 and such remuneration has not been recovered from him till now which is not in compliance with MCA order no. C74897683/ 2016-CL-VII dated September 01, 2016;*

  Ministry of Corporate Affairs (MCA) vide order dated 06th January, 2016 directed the Company to recover the entire amount of Rs. 1,26,95,039 from Mr. C.P. Baid , paid during the financial year 2014-15. The Company has taken the requisite step and asked him for recovery of salary paid for financial year 2014-15. However, Mr. C.P. Baid informed the Company that his services to the Company was in the capacity of full time employee and designated as Dy. Managing Director. He further retreated that he is not a beneficial owner/ promoter of the company and holds no shares of the Company either and as such cannot be denied the right of compensation as salary in lieu of the services rendered by him as full time employee of the company. The salary income is his major source of earning to provide bread and butter to him and his family and provide for various amenities of life. Further, he resigned from the post of Dy. Managing Director w.e.f. 31st March, 2017. The Company is exploring the option either for recovery of the said amount from Mr. C.P. Baid or approaching the MCA for waiver of the same.

- *Board of Directors of the Company does not have sufficient number of independent directors as per Regulation 17 of SEBI Listing Regulations during the audit period,* however, the same is complied with on March 31, 2017;

  During the year, the Company was under the process of appointing the requisite number of Independent Directors, which was complied with on 31st March, 2017.

- *Cost audit report has not been placed before the board within 180 days of the closure of financial year as required under Rule 6(5)of Companies (Cost Records and Audit) Rules, 2014;*

- *CARE has suspended the ratings assigned to the bank facilities/ Instruments of the Company w.e.f. December 30, 2016, and the same was not intimated to stock exchanges as required under Regulation 30 of the SEBI Listing Regulations;*

  The Company has not received any communication from CARE regarding suspension of rating.

c) Cost Auditor

Your Board, on the recommendation of Audit Committee, has appointed M/s. N. K. Jain and Associates(Firm Registration Number 101952), Cost Accountants as the Cost Auditor of the Company for the financial year 2017-18 in accordance with the provisions under Section 148 of the Companies Act, 2013 read with rules made there under.

23. OTHER INFORMATION

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

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

b) Stock Options Scheme

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

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

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

d) Risk Management Policy

Your Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures framed at management level and strictly adhered to and monitored at all levels. The framework also defines the risk management approach across the enterprise at various levels. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

The internal audit team periodically visits the divisions and carries out audit. The findings are periodically reviewed by the Board and Audit Committee with emphasis on maintaining its effectiveness in dynamic business environment.

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

In accordance with Section 134(3)(m) of the Companies Act, 2013,read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as **Annexure - 5** hereto and forms an integral part of this Report.

f) Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this report as **Annexure -6.**

A Statement showing the names and other particulars of employees in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, as amended, are also annexed to this report as Annexure -6 .

g) Extract of Annual Return

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT – 9 is annexed **(Annexure-7)** hereto and forms a part of this report.

h) Management Discussion & Analysis Report

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of this Annual Report as **Annexure-8**

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

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act, Details of Loans, Guarantees and Investments covered are given in the note no 5, 6 & 12 to the Standalone Financial Statements.

j) Corporate Governance Report

Your Company has complied with requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on the Corporate Governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming compliance are given as an **Annexure 9** to this report.

k) Disclosure under the Sexual harassment of women at work place (prevention, prohibition and redressal) Act, 2013.

Your Company has laid down policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, apprenticeship) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year under review-

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

l) Listing Of Shares

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fees for the financial year 2017-18 has been paid.

24. CAUTIONARY NOTE

Certain Statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking Statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company's Financial Statements and notes on accounts.

25. ACKNOWLEDGMENT

Your Directors wish to place on record their gratitude to the Authorities, Banks, Business Associates and Shareholders for their unstinted support, assistance and co-operation. Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry.

By order of the Bord
For Monnet Ispat and Energy limited
Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

PLACE : NEW DELHI
DATED : 11-July-2017

Annexure 1

FORM NO.-AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

Sl. No.	1	2	3	4	5		6	
Name of subsidiary	Monnet Power Company Limited	Monnet Cement Limited	Monnet Sport Foundation	Chomal Exports Private Limited	Monnet Global Limited (Consolidated)		Monnet Enterprises PTE Limited	
Date since when subsidiary was acquired	29/01/2007	29/11/2007	12/12/2011	31/12/2010	17/09/2005		16/03/2011	
Reporting period for the subsidiary concerned	Same	Same	Same	Same	Same		Same	
Reporting Currency and exchange rate as on last date of the financial year in case of foreign subsidiaries	Rs.	Rs.	Rs.	Rs.	US$ (Rs . 64.84)	Rs.	US$ (Rs. 64.84)	Rs.
Share capital	7,874,759,310.00	2,19,00,000.00	1,00,000.00	954,000.00	5,007,797.00	324,698,546.56	1.00	64.84
Reserves and surplus	299,086,440.05	(19,559,294.00)	(115,209.00)	2,061,000.00	(28,363,644.00)	(1,839,058,967.86)	2,696,105.00	174,811,673.65
Total asset	55,699,671,214.55	2,355,015.00	42,129.00	3,641,000.00	33,304,248.00	2,159,400,814.37	2,709,287.00	175,666,376.08
Total liabilities	55,699,671,214.55	2,355,015.00	42,129.00	3,641,000.00	33,304,248.00	2,159,400,814.37	2,709,287.00	175,666,376.08
Investments	186,000.00	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-	-
Profit before taxation	(261,158,031.28)	(27,106.00)	14,850.00	67,000.00	103,848.00	6,733,358.93	(5,794.00)	(375,674.85)
Provision for taxation	-	-	-	-	-	-	-	-
Profit after taxation	(261,158,031.28)	(27,106.00)	14,850.00	67,000.00	103,486.00	6,709,887.36	(5,794.00)	(375,674.85)
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	88.31%	99.97%	94.15%	51.00%	100%		100%	

Additional Disclosure	Name of Subsidiaries
Subsidiaries Yet to commence Operations	Monnet Power Company Limited Monnet Cement Limited Monnet Sport Foundation

	Chomal Exports Private Limited Monnet Global Limited Monnet Enterprises PTE Limited
Subsidiaries Liquidated or Sold during the Year	The Company has started the process of liquidation of Monnet Overseas Limited.

Part "B": Associates/Joint ventures

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

Name of Associates/Joint Ventures	MP Monnet Mining Company Ltd.	Mandakini Coal Company Ltd.	Urtan North Mining Company Ltd.	Monnet Ecomaister Enviro Pvt. Ltd.	Orissa Sponge Iron & Steel Ltd.
1. Latest audited Balance Sheet Date	31.03.2017	31.03.2016	31.03.2017	31.03.2017	31.03.2016
2. Date on which the Associate or Joint Venture was associated or acquired	**20/06/2009**	**14/03/2008**	**04/03/2010**	**29/03/2011**	**30/11/2010**
3. Shares of Associate/Joint Ventures held by the company on the year end					
No.	9,80,000	39,300,000	5,751,347	14,211,363	94,94,633
Amount of Investment in Associates/Joint Venture	9,800,000.00	393,000,000.00	57,513,470	142,113,630.00	94,946,330
Extend of Holding %	49.00%	33.33%	33.33%	50.00%	35.17%
4. Description of how there is significant influence	%age of Shareholding	%age of Shareholding	%age of Shareholding	%age of Shareholding	%age of Shareholding
5. Reason why the associate/joint venture is not Consolidated	NA	The Company is Pursuing with the company for the Balance sheet for FY 2017. However, the company was unable to provide the same.	NA	NA	The Company is Pursuing with the company for the Balance sheet for FY 2017. However, the company was unable to provide the same.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	16,270,072.00	3,55,122.00	172,549,760.00	214,797,283.00	-
7. Profit / Loss for the year					
i. Considered in Consolidation	(250,441.94)	(85,314,304.72)	1,124,067.92	(24,527,190.50)	-
ii. Not Considered in Consolidation	(260,664.06)	(170,654,206.28)	2,248,473.08	(24,527,190.50)	-
Total	(511,106.00)	(255,968,511.00)	3,372,541.00	(49,054,381.00)	-

Additional Disclosure	Name of Associates/Joint ventures
Associates/Joint ventures Yet to commence Operations	MP Monnet Mining Company Ltd. Mandakini Coal Company Ltd Urtan North Mining Company Ltd.
Associates/Joint ventures Liquidated or Sold during the Year	None

By Order of the Board
For Monnet Ispat & Energy Limited

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

Place: New Delhi
Date: 11-July-2017

Annexure-2

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:-

1. Details of contracts or arrangements or transactions not at arm's length basis:

S. No.	Particulars	
a	Name(s) of the related party and nature of relationship	Nil (All contracts or arrangements or transactions with related parties are at arm's length basis).
b	Nature of contracts/ arrangements/ transactions	
c	Duration of the contracts / arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions	
f	Date(s) of approval by the Board	
g	Amount paid as advances, if any	
h	Date on which the Special Resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis:

S. No.	Particulars	
a	Name(s) of the related party and nature of relationship	Nil
b	Nature of contracts/ arrangements/ transactions	
c	Duration of the contracts/ arrangements/ transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Date(s) of approval by the Board, if any	

By order of the Board
For Monnet Ispat & Energy Limited

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

Date:11-July-2017
Place: New Delhi

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

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs-**
   The Company is committed to the cause of empowering communities and bringing a radical transformation through its CSR initiatives in **Education, Health and Sustainable Livelihood.** CSR activities are a reflection of our desire for holistic and responsible growth as well as of our pioneering spirit and leadership. Improving the lives of the communities in which we operate through integration of economic prosperity, social development and environmental protection is vital to our overall success. Monnet has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is http://www.monnetgroup.com/pdfs/csr/CSR_Policy.pdf.

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

Name of Members	DIN	Composition of the CSR Committee
Mr. Sandeep Jajodia	00082869	Chairman
Mr. Jagdamba Prasad Lath	00380076	Member
Mr. Suman Jyoti Khaitan	00023370	Member

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

Rs. In crs.

	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16
Net Profit as per section 198 of the companies act, 2013	**97.62**	**(988.04)**	**(1658.88)**
Average Net Profit	**(849.77)**		

4. **Prescribed CSR Expenditure (two per cent off the amount as in item 3 above)** - N.A.
5. **Details of CSR spent during the financial year**
   a. Total amount to be spent for the financial year - Nil
   b. Amount unspent, if any: - Nil
   c. Manner in which the amount spent during the financial year is detailed below.–

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

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.**:- N.A.
7. **The responsibility statement of the CSR Committee of the Board**:
   The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

By order of the Board
For Monnet Ispat & Energy Limited

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

Place: New Delhi
Date:11-July-2017

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Monnet Ispat and Energy Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that-

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

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

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

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

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

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

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

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

   (d) *The Securities and Exchange Board of India

(Share Based Employee Benefits) Regulations, 2014;

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

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

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

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

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

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

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

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

- *the Company has given loan to its Subsidiary Company namely Monnet Power Company Limited, however, no interest was charged on such loan;*

- *promoters of the Company namely Monnet International Limited & Udhyam Merchandise Private Limited pledged 73,284 shares & 50,00,000 shares respectively on 13.12.2016 and the same was not intimated to stock exchanges;*

- *the Company has paid excess remuneration to Mr. CP Baid, Whole-time Director of the Company, in the financial year 2014-2015 and such remuneration has not been recovered from him till now which is not in compliance with MCA order no. C74897683/ 2016-CL-VII dated September 01, 2016;*

- *board of directors of the Company does not have sufficient number of independent directors as per Regulation 17 of SEBI Listing Regulations during the audit period, however, the same is complied with on March 31, 2017;*

- *cost audit report has not been placed before the board within 180 days of the closure of financial year as required under Rule 6(5)of Companies (Cost Records and Audit) Rules, 2014;*

- *CARE has suspended the ratings assigned to the bank facilities/ Instruments of the Company w.e.f. December 30, 2016, and the same was not intimated to stock exchanges as required under Regulation 30 of the SEBI Listing Regulations;*

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

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and

Independent Directors except mentioned above. The changes in the composition of the Board of Directors took place during the audit period were carried out in compliance with the provisions of the Act.

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

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

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines, which can be further strengthened.

We further report that:

a) Pursuant to the invocation of Strategic Debt Restructuring (SDR) on August 22, 2015, lenders of the Company have been holding 51% equity shares in the Company since December 31, 2015. Further, as per the SDR Scheme, the lenders have been taking requisite steps for supporting the Company, including but not limited to identification of new investor.

b) State Bank of India was filed a company petition during C.P. No 1139/I & BP/NCLT/MAH/2017 before the H'onble National company law Tribunal, Mumbai Bench against the company for invitation of corporate Insolvency resolution process Under Section 7 of the Insolvency and Bankruptcy Code, 2016 in respect of deault made in the repayments of the loan availed by the company.

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

Sanjay Grover
Managing Partner
CP No. 3850

New Delhi
17-July-2017

Annexure. 5

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

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017 is given below and forms part of the Directors' Report.

A. CONSERVATION OF ENERGY

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

Capital investment on energy conservation equipments- The Company is incurring loss for the last three financial year which has effected the cash how of the company. Due to mismatch in cash flow of the company the Company has not made any capital investment on energy conservation equipments during the year.

B. TECHNOLOGY ABSORPTION

Efforts are being made in technology absorption.	The Raigarh Plant is using 85% efficient TPH CFBC Boiler Technology in place of conventional 80% efficient AFBC Boiler Technology.
Benefits derived as a result of the above efforts	The efficient Boiler Technology has resulted in saving of coal which is a scarce mineral.
Information relating to imported Technology **-The details of technology imported** **-The year of import** **-whether the technology been fully absorbed** **-if not fully absorbed, areas where absoption has not taken place, the reasons thereof**	NA
Expenditure incurred on Research and Development.	NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows, during Financial Year 2016-17 are as follow : -

Total Foreign Exchange used and earned	2016-17	2015-16
- Used	75.48 Cr.	262.63 Cr.
- Earned	69.25 Cr.	68.59 Cr.

By Order of the Board
For Monnet Ispat & Energy Limited

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

Place : New Delhi
Date : 11- July -2017

Annexure-6

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

Required Disclosures are as under:-

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each director, chief executive officer, chief financial officer, Company Secretary in the financial year 2016-17 and percentage increase in the median remuneration of employees in the financial year 2016-17:**

(Amount in Rs.)

Sr. No.	Name & Designation of Director/KMP	Remuneration of Director/KMP for financial year 2016-17	Ratio of remuneration of each Director /KMP to median remuneration of employees	% increase in Remuneration of each Director, chief executive officer, chief financial officer, company secretary	% increase in the median remuneration of employees in the financial year 2016-17:
1	Sandeep Jajodia ***(Chairman & Managing Director)***	Nil	NA	NA	**40.53%**
	Suman Jyoti Khaitan ***(Independent Director)***	Nil	NA	NA	
	Jagdamba Prasad Lath ***(Director)***	Nil	NA	NA	
	Shantanu Prasad ***(Nominee Director)****	Nil	NA	NA	
	Ankita Wadhawan ***(Additional Independent Director)*****	Nil	NA	NA	
	Kunal Sharma ***(Additional Independent Director)******	Nil	NA	NA	
	Hardeep Singh ***(Company Secretary)***	2,701,224	9:1	NA	
	C.P. Baid ***(Whole Time Director)***#	Nil	NA	NA	
	Amit Dixit ## ***(Independent Director)***	Nil	NA	NA	
	Suresh Kishinchand Khatanhar ***(Nominee Director)***###	Nil	NA	NA	
	Bhavna Thakur#### ***(Independent Director)***	Nil	NA	NA	
	Sanjay Kumar Garodia^ **(Chief Financial Officer)**	NA	NA	NA	
	Raj Kumar Ralhan^^ **(Chief Financial Officer)**	NA	NA	NA	

**Mr. Shantanu Prasad was appointed as Nominee Director w.e.f. 09th December, 2016*

***Ms. Ankita Wadhwan was appointed as Additional Director in the capacity of Independent Director w.e.f. 31st March, 2017.*

****Mr. Kunal Sharma was appointed as Additional Director in the Capacity of Independent Director w.e.f. 14th February, 2017.*

#Mr. C.P. Baid resigned from the designation w.e.f. 31 st March, 2017

##Mr. Amit Dixit resigned from the designation w.e.f. 06th December 2016.

###Mr. Suresh Kishanchand Khatnahar resigned w.e.f. 27th November, 2016.
####Ms. Bhavn Thakur resigned from the designation w.e.f. 09th December, 2016
^Mr. Sanjay Kumar Garodia was appointed w.e.f. 14th February, 2017.
^^Mr. Raj Kumra Ralhan was appointed w.e.f. 30th May, 2016. Further, he resigned from the designation on 12th February 2016.

1. The median remuneration of employees of the Company was Rs. 3,13,554/- p.a.

i. For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.
ii. Figures have been rounded off wherever necessary.

The number of permanent employees on the rolls of Companyas on March 31, 2017	2195
Average Increase in the salaries of employees other than the managerial personnel in FY 2016-17- **Whereas the increase in the managerial remuneration for the same financial year was-**	14.20% NIL
The key parameters for any variable component of remuneration availed by the directors.	Not Applicable
Affirmation that Remuneration paid by the company is as per the Remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors. Key Managerial Personnel and other Employees.

By Order of the Board
For Monnet Ispat & Energy Limited

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

PLACE : New Delhi
DATED :11-July-2017

PARTICULARS OF EMPLOYEES DRAWING REMUNERATION IN EXCESS OF THE LIMITS SET OUT IN RULE 5 (2) & (3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON MARCH 31, 2017

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

Name of the employee	P. Alagurajan	Aniruddha Singh	Amitabh S. Mudgal	Prashant S. Pathak	B. Mohapatra	Sunil Gupta	Naresh Kr. Maheshwari	Guru Prasad Choudhary	Bhabesh Kumar Mohanty	Sanjay Kr. Garodia*
designation of the employee;	ED	President	President	Head Commercial	CEO	Sr. Vice President	CAO	Vice President	Vice President (E&I)	CFO
Remuneration received;(P.M.)	12,397,171	8,528,733	6,765,720	5,423,307	5,247,909	4,866,336	4,584,386	4,468,260	4,276,780	1,465,395
qualifications and experience of the employee;	B.E (Mechanical), 32 years	MBA (HRM & IR), LLB, 20.5 years	DIP. (PROD. ENGG.) DIP IN S&M, 32 years	B.E (Mechanical) Material Management, 25years	B.E (Mechanical) 27 years	CA, ICWA 13 years	CA, B.COM, 35 years	B.TECH (Mining) Pgdim (Mngt), 30 years	B.E.(Electrical) 24.9 years	CA,CS, ICWA B.COM, 27 years
date of commencement of employment;	20-May-15	1-Sep-16	5-Sep-94	15-Jun-15	11-Jul-16	1-Sep-14	1-Apr-14	14-Jul-12	27-Feb-13	26-Dec-16
the age of such employee;	60 years	43 years	53 years	46 years	50 years	56 years	59 years	52 years	47 years	49 years
the last employment held by such employee before joining the company;	Essar Steel Ltd., Hazira	PolygentaTecnologies Ltd	Prakash Industries Ltd.	Vedanta Group	Jindal India Thermal Power Ltd.	Usha Martin Ltd., Jamshedpur	Falcon Tyres Ltd.	Era Infra Engg. Ltd	Balasore Alloys Ltd. Balasore	Essar Steel

Notes:

1) *Mr Sanjay Kr. Garodia was appointed w.e.f. 26th December, 2016.
2) The nature of employment in all cases is on Company roll.
3) Employee s do not hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
4) None of the above employee is a relative of any director or manager of the Company.

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

Name of the employee	Mr P. Allagurajan
designation of the employee;	Executive Director
remuneration received;	Rs. 12,397,171
nature of employment, whether contractual or otherwise;	On Company roll
qualifications and experience of the employee;	B.E. (Mechanical) Exp: 32 Years
date of commencement of employment;	20.05.2015
the age of such employee;	60 years
the last employment held by such employee before joining the company;	Chief Project-Essar Steel india
the percentage of equity shares held by the employee in the company	NIL

Note :

1. Other than above, no employee of the Company was in receipt of remuneration in excess of Rs. 1,02,00,000 during the financial year 2016-17.
2. Remuneration includes basic salary, allowances, leave travel allowances, company's contribution to provident fund and other allowances, reimbursements & perquisites given to employees.
3. Employee does not hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
4. Such employee is not a relative of any Director or manager of the Company.

C. Employed for a part of the year and were in receipt of remuneration of not less than Rs.8,50,000 Per Month

Name of the employee	Ajay Bhat
designation of the employee;	Group CFO
remuneration received;	40,219,692.00
nature of employment, whether contractual or otherwise;	On Company roll
qualifications and experience of the employee;	CA 30 YRS +
date of commencement of employment;	01.06.98
the age of such employee;	55 years
the last employment held by such employee before joining the company;	Cepham Group Of Companies
the percentage of equity shares held by the employee in the company	NIL

Note :

1. Other than above, no employee of the Company was in receipt of remuneration in excess of Rs. 8,50,000 per month during the financial year 2016-17.
2. Remuneration includes basic salary, allowances, leave travel allowances, company's contribution to provident fund and other allowances, reimbursements & perquisites given to employees.
3. Employee does not hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.
4. Such employee is not a relative of any Director or manager of the Company.

D. Employed throughout the financial year ended on march 31, 2017 or part thereof was in receipt of Remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the Managing Director or WTD or Manager and holds by himself or along with his spouse and dependent children, not less 2% of the equity shares of the company:- NIL

By Order of the Board
Monnet Ispat& Energy Limited For

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

Place : New Delhi
Date : 11-July-2017

Annexure-7

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	L02710CT1990PLC009826
2.	**Registration Date**	01/02/1990
3.	**Name of the Company**	Monnet Ispat & Energy Limited
4.	**Category/Sub-category of the Company**	Public Company Limited by shares/Indian Non-Government Company
5.	**Address of the Registered office & contact details**	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101 Ph.: 0771-2471334 to 339 Fax: 0771-2471250 Email: isc_miel@monnetgroup.com Website: www.monnetgroup.com
6.	**Whether listed company**	Yes
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	MCS SHARE TRANSFER AGENT LTD F-65, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi: 110020. Ph.: 011-41406149 Fax: 011-41709881 Email: admin_mcsdel.com Website: www.mcsregistrar.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Steel	241	86.72
2	Power	35102	13.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

S.No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Sections
1.	Monnet Cement Ltd. Monnet House, 11, Masjid Moth, Greater Kailash, Part-II, New Delhi-110048	U26941DL2007PLC170880	Subsidiary	99.97%	Section 2(87)
2.	Monnet Power Company Ltd. Monnet Marg, Mandir Hasaud, Raipur Chhattisgarh 492101	U01403CT2007PLC020179	Subsidiary	88.31%	Section 2(87)
3.	Monnet Sports Foundation 11, Masjid Moth, Greater Kailash-II New Delhi-110048	U74900DL2011NPL228633	Subsidiary	94.15%	Section 2(87)
4.	Chomal Exports Pvt. Ltd. 4065, Sec-C, Pocket-IV, Vasant Kunj, New Delhi-110070.	U74899DL1990PTC042166	Subsidiary	51.00%	Section 2(87)
5.	Monnet Global Ltd. LOB 15-117, PO Box-17870, Jebel Ali Freezone Authority, Dubai,United Arab Emirates	Foreign Company	Subsidiary	100%	Section 2(87)
6.	Monnet Enterprises PTE Ltd. 6 Temasek Boulevard #09-05, Suntec Tower Four Singapore (038986)	Foreign Company	Subsidiary	100%	Section 2(87)
7.	Pt Monnet Global Grand ITC, Permata Hijau, Sapphire 15, Jl. Arteri Permata Hijau, Jakarta Selatan 12210, Indonesia	Foreign Company	Step Down Subsidiary	-	Section 2(87)
8.	Monnet Enterprises DMCC Jebel Ali Freezone Authority, Dubai, United Arab Emirates	Foreign Company	Step Down Subsidiary	-	Section 2(87)
9.	Pt Sarwa Sembada Karya Bumi Grand ITC Permata Hijau, Jl. Letjen Soepeno (Arteri Permata Hijau), Block Diamond No. 21, South Jakarta-12210, Indonesia	Foreign Company	Step Down Subsidiary	-	Section 2(87)
10.	LLC Black Sea Natural Resources Republic of Abkhazia, city Tkuarchal, Avenue Svobody, 79	Foreign Company	Step Down Subsidiary	-	Section 2(87)
11.	Orissa Sponge Iron & Steel Limited Osil House Gangadhar, Meher Marg, Kiiti Bhubaneswar Or 751024	L27102OR1979PLC000819	Associate	31.87%	Section: 2(6)

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	6300616	0	6300616	3.14	6300616	0	6300616	3.14	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	44432225	0	44432225	22.13	44432225	0	44432225	22.13	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)	50732841		50732841	25.27	50732841	0	50732841	25.27	0.00
(2) **Foreign**									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	50732841	0	50732841	25.27	50732841	0	50732841	25.27	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	36210	1900	38110	0.02	94599	1900	96499	0.05	0.03
b) Banks / FI	100630183	0	100630183	50.12	100696454	0	100696454	50.16	0.03
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	12882741	0	12882741	6.42	6503577	0	6503577	3.24	(3.18)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	113549134	1900	113551034	56.56	107294630	1900	107296530	53.44	(3.12)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	23449046	6393	23455439	11.68	26872657	6393	26879050	13.39	1.71
ii) Overseas	461962	0	461962	0.23	0	16000	16000	0.01	(0.22)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	9572377	390789	9963166	4.96	11139903	387089	11526992	5.74	0.78
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2318821	0	2318821	1.15	3968537	0	3968537	1.98	0.82
c) Others (specify)									
i) Non Resident Indians	259283	23696	282979	0.14	338396	7696	346092	0.17	0.03
ii) Co-operative Societies	300	0	300	0.00	300	0	300	0.00	0.00
iii) NBFC registered with RBI	1700	0	1700	0.00	1900	0	1900	0.00	0.00
Sub-total (B)(2):-	36063489	420878	36484367	18.17	42321693	417178	42738871	21.29	3.12
Total Public Shareholding (B)=(B)(1)+ (B)(2)	149612623	422778	150035401	74.73	149616323	419078	150035401	74.73	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00		0	0	0	0.00
Grand Total (A+B+C)	200345464	422778	200768242	100.00	200349164	419078	200768242	100	0.00

*Previous year's figures are reclassified in lines with the current year figures as per the format of SEBI Listing Regulations and Companies Act, 2013 .

B. Shareholding of Promoter

S.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mahendra Kumar Jajodia (HUF)	250000	0.12	0	250000	0.12	0	(0.00)
2	Sandeep Jajodia (HUF)	4448	0.00	0	4448	0.00	0	(0.00)
3	Monnet Properties Private Limited	4640	0.00	0	4640	0.00	0	(0.00)
4	Paras Traders Private Limited	12432	0.01	0	12432	0.01	0	(0.00)
5	Harshwardhan Leasing Ltd.	332	0.00	0	332	0.00	0	(0.00)
6	Monnet International Limited	381096	0.19	0	381096	0.19	0.04	(0.00)
7	Udhyam Merchandise Pvt. Ltd.	25123675	12.51	0	25123675	12.51	2.49	(0.00)
8	Monnet Industries Ltd.	50	0.00	0	50	0.00	0	(0.00)
9	Apeksha Securities Ltd.	160000	0.08	0	160000	0.08	0	(0.00)
10	Sandeep Kumar Jajodia	1110289	0.55	0	1110289	0.55	0	(0.00)
11	Seema Jajodia	8801	0.00	0	8801	0.00	0	(0.00)
12	Nikunj Jajodia	2684558	1.34	0	2684558	1.34	0	(0.00)
13	Nikita Jajodia	46880	0.02	0	46880	0.02	0	(0.00)
14	Mahendra Kumar Jajodia	947490	0.47	0	947490	0.47	0	(0.00)
15	Sudha Jajodia	1243150	0.62	0	1243150	0.62	0	(0.00)
16	Sabina Rungta	5000	0.00	0	5000	0.00	0	(0.00)
17	Umra Securities Limited	18750000	9.34	0	18750000	9.34	0	(0.00)
	Total	**50732841**	**25.27**	**0**	**50732841**	**25.27**	**0**	**(0.00)**

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		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	**50732841**	**25.27**	**50732841**	**25.27**
	Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease	0	0	0	0
	At the end of the year	**50732841**	**25.27**	**50732841**	**25.27**

D. **Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**OSWAL GREENTECH LIMITED**				
	At the beginning of the year	13800758	6.87	13800758	6.87
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**13800758**	**6.87**	**13800758**	**6.87**
2.	**STATE BANK OF PATIALA**				
	At the beginning of the year	13488304	6.72	13488304	6.72
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**13488304**	**6.72**	**13488304**	**6.72**
3.	**IDBI BANK LTD.**				
	At the beginning of the year	9239766	4.60	9239766	4.60
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**9239766**	**4.60**	**9239766**	**4.60**
4.	**STATE BANK OF INDIA**				
	At the beginning of the year	**7052631**	**3.51**	**7052631**	**3.51**
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**7052631**	**3.51**	**7052631**	**3.51**
5.	**STATE BANK OF BIKANER AND JAIPUR**				
	At the beginning of the year	**5956140**	**2.97**	**5956140**	**2.97**
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**5956140**	**2.97**	**5956140**	**2.97**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	**ICICI BANK LTD**				
	At the beginning of the year	5479532	2.73	5479532	2.73
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**5479532**	**2.73**	**5479532**	**2.73**
7.	**PUNJAB NATIONAL BANK**				
	At the beginning of the year	5222222	2.60	5222222	2.60
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**5222222**	**2.60**	**5222222**	**2.6**
8.	**INDIAN OVERSEAS BANK**				
	At the beginning of the year	5087719	2.53	5087719	2.53
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**5087719**	**2.53**	**5087719**	**2.53**
9.	**BLACKSTONE GPV CAPITAL PARTNERS MAURITIUS V ALTD**				
	At the beginning of the year	4567647	2.28	4567647	2.28
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**4567647**	**2.28**	**4567647**	**2.28**
10.	**ORIENTAL BANK OF COMMERCE**				
	At the beginning of the year	4511695	2.25	4511695	2.25
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year	**4511695**	**2.25**	**4511695**	**2.25**

E. **Shareholding of Directors and Key Managerial Personnel:**

S. No.	Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%of total shares of the Company	No. of Shares	%of total shares of the Company
1.	**Jagdamba Prasad Lath** At the beginning of the year	1696	0.00	**1696**	**0.00**
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease	NIL	NIL	NIL	NIL
	At the end of the year	1696	0.00	1696	0.00
2.	**Sandeep Jajodia** At the beginning of the year	1110289	0.55	**1110289**	**0.55**
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease	NIL	NIL	NIL	NIL
	At the end of the year	1110289	0.55	1110289	0.55
	Total	**1111985**	**0.55**	**1111985**	**0.55**

F. **INDEBTEDNESS-** Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(In Crores)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	72,63,38,65,040	3,27,81,94,966	-	75,91,20,60,006
ii) Interest due but not paid	2,92,75,46,926	3,11,51,302	-	2,95,86,98,228
iii) Interest accrued but not due	63,59,27,533	9,50,89,458	-	73,10,16,991
Total (i+ii+iii)	**76,19,73,39,498**	**3,40,44,35,726**	**-**	**79,60,17,75,225**
Change in Indebtedness during the financial year				
*** Addition**	43,14,66,36,181	2,12,96,67,409	-	45,27,63,03,591
*** Reduction**	33,87,53,32,127	2,35,59,04,438	-	36,23,12,36,565
Net Change	9,27,13,04,054	(22,62,37,028)	**-**	9,04,50,67,026
Indebtedness at the end of the financial year				
i) Principal Amount	81,90,51,69,094	3,05,19,57,938	-	84,95,71,27,031
ii) Interest due but not paid	12,22,76,48,044	9,20,29,080	-	12,31,96,77,124
iii) Interest accrued but not due	48,18,85,464	32,45,26,250	-	80,64,11,713
Total (i+ii+iii)	**94,61,47,02,601**	**3,46,85,13,267**	**-**	**98,08,32,15,868**

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		*Sandeep Jajodia	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Gratuity	-	-
5	Commission - as % of profit - others, specify...	-	-
6	Others Leave Salary	-	-
	Total (A)	-	-
	Ceiling as per the Act	As per schedule V of the Act	

*During the year under review, Company has settled the account of Mr. Sandeep Jajodia and paid Rs. 5,78,76,923 as payment of dues including gratuity & leave encashment as on 31st March, 2015. Further, in terms of MCA letter dated 01st September, 2016 the Company was required to recover an amount of Rs. 5,44,37,308 paid as excess remuneration for the Financial Year 2014-2015 from Mr. Sandeep Jajodia. In the FY 2016-17, the Company has settled the account of Mr. Sandeep Jajodia by payment of dues including gratuity & leave encashment and has also recovered the salary paid to him for the FY 2014-15, the balance amount of Rs 34,39,615 was paid to him.

B. REMUNERATION TO OTHER DIRECTORS

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Bhavna Thakur*	Amit Dixit*	Suman Jyoti Khaitan	Ankita Wadhawan*	Kunal Sharma*	
	Fee for attending board & committee meetings	225,000.00	Nil	500,000.00	75,000.00	160,000.00	960,000.00
	Commission	0	0	0	0	0	**0**
	Others, please specify	0	0	0	0	0	**0**
	Total (1)	**225,000.00**		**500,000.00**	**75,000.00**	**160,000.00**	**960,000.00**
2	Other Non-Executive Directors	IDBI Nominee Director*			Jagdamba Prasad Lath		
	Fee for attending board & committee meetings	80,000.00			170,000.00		250,000.00
	Commission	0			0		0
	Others, please specify	0			0		0
	Total (2)	**80,000.00**			**170,000.00**		**250,000.00**
	Total (B)=(1+2)						**1,210,000.00**
	Total Managerial Remuneration(A+B)	Nil					**1,210,000.00**
	Overall Ceiling as per the Act	As per the Companies Act, 2013					

** Mr. Kunal Sharma was appointed as Independent Director on February 14, 2017 and Ms. Ankita Wadhawan was appointed as Independent Director on March 31,2017. Mr. Amit Dixit resigned from the directorship of the Company w.e.f. December 06, 2016, Ms. Bhavna Thakur resigned from the directorship of the Company w.e.f. December 09, 2016 & Mr. C. P. Baid resigned from the directorship of the Company w.e.f. March 31, 2017.*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
	Gross salary	Hardeep Singh Company Secretary	R. K. Ralhan* Chief Financial Officer	Sanjay Garodia* Chief Financial Officer	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,61,151	47,68,302	6,67,982	73,97,435
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,87,596	1,30,685	5,400	3,23,681
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify…	Nil	Nil	Nil	Nil
5	Others -Provident Fund	1,49,832	11,845	50,040	2,11,717
	Total (A)	22,98,579	49,10,832	7,23,422	79,32,833

* Mr. Sanjay Garodia was appointed as CFO of the Company w.e.f. 14.02.2017.

* Mr. R. K. Ralhan was CFO of the Company from 03.05.2016 till 16.12.2017.

XII. Penalties / Punishment/ Compounding of Offences under the Companies Act, 1956 and Companies Act, 2013 – NIL

By Order of the Board
For Monnet Ispat & Energy Limited

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

Place: New Delhi
Date: 11-July-2017

"MANAGEMENT DISCUSSION AND ANALYSIS"

I. Economic Growth

a) Global Economy

The global economic growth showed signs of recovery in the calendar year 2016 as the developed countries namely, US, Japan and European Union started registering incremental growth. China contrary to the widely held belief of deceleration, maintained steady growth, thus contributing to the overall optimism in the world economy. The emerging markets including India, continued to grow at reasonably healthy rate of growth.

The US expectedly, continued to grow at more than moderate pace and the European Union (EU) also showed modest recovery in 2016-17. The developed regions thus, are projected to build up on this initial recovery, in the backdrop of low energy prices, a modest fiscal expansion and supportive monetary policies.

The emerging markets and developing economies started showing encouraging signs on the back of better performance by the bigger players namely, Developed Countries and China. The commodity exports of Brazil and Russia made a smart recovery as also other emerging markets contributed reasonably well.

Though the US Fed started on its journey of incremental increase in interest rates in 2016, capital inflows continued to remain strong for the emerging countries, thus boosting their infrastructure development and job creation.

However, geopolitical risks intensified in the wake of insular policies followed by different countries to assuage their aggrieved people and protect local jobs.

b) Outlook on the World Economy

Global economy is poised to grow at relatively faster pace as the developed economies namely, US, EU & Japan are seeing incremental growth. However, the risks to global growth and trade continue to remain as China is slowing down and there is a growing trend of protectionism, particularly in the developed countries.

The emerging economies, the largest growth engine of the word, also remain vulnerable to commodity prices, currency devaluation and geopolitical risks. As the prior excesses in China's economy are unwinding, it is continuing to transit to a lower level of growth and managing the economy steadily to secure a less damaging equilibrium. However, its huge steel capacities continue to create supply overhang, thereby hampering a meaningful recovery in steel prices worldwide.

c) Indian Economy

Though Indian economy did reasonably well in FY 2016-17, albeit the growth decelerated temporarily due to demonetization. The growth rate decelerated to 6.1% temporarily in the last quarter, thus bringing down annual growth rate to 7.1%, below the expected rate of 7.6%. Despite the deceleration, India continues to remain the world's fastest growing major economy. The policy initiatives of the government namely, low interest rates, declining fiscal deficit and moderating inflation and aided by good monsoon, have helped the Indian economy stay on a sustainable growth path. The growth rate is expected to reach closer to 8% in FY 2017-18 on the back of a favourable monsoon as also implementation of Goods and Service Tax (GST). The Government of India has ushered in various reforms in agriculture, manufacturing and services sectors to help the economy realise its full potential. The Central Government has allocated Rs.4 lac crores for infrastructure and rural development in the last Budget, to give a major push to the economy.

This was despite the Indian economy facing major headwinds during the year in the form of a) demonetization, b) disappointing manufacturing output owing to weak demand, c) sharp contraction in exports due to weak global demand and higher exchange rate and d) evergrowing NPAs and stressed assets, impeding the private sector to start new projects.

d) Outlook on Indian Economy

India's long-term growth potential continues to be strong with focus on faster infrastructure creation and rural development, improving manufacturing and farm output, expanding services sector, increasing urbanisation and stronger regulatory framework for banking and financial services and not in the least the ambitious smart city development initiative undertaken by the Government of India (GOI).

In addition, the GOI's 'Make in India' initiative has encouraged domestic entrepreneurship and attracted more FDI into the country. FDI into the country has been increasing with the passage of time in tandem with the progressive policies being pursued by the GOI.

The landmark economic reform in the form of GST (Goods & Service Tax) has just been rolled out with effect from July 1, 2017. The GST is expected to create one large market with one tax regime, replacing multiple small markets as also unlimited number of taxes & levies. It is hence, expected to boost the GDP significantly in the future.

With the prediction of a normal monsoon, low inflation, lower interest rates and other Macros being in place, the economic environment is congenial for a faster growth rate in the current fiscal year as also in the subsequent year.

The GOI is facilitating the resolution process of the stressed corporates by creating the necessary framework in the form of National Company Law Tribunal (NCLT) under the aegis of the Insolvency & Bankruptcy Code (IBC). This is expected to resolve the balance sheets of the stressed companies as also the Banks expeditiously, thus paving the path for the private sector to join the public sector in a meaningful way to recommence the investments cycle.

Insofar as the steel industry is concerned, India is expected to become the world's second largest producer of crude steel in the next few years, moving up from the third position. The country's steel industry has a significant scope for growth. The consumption of steel per capita in India is around 65 kg per year, much lower compared to the global average (235 kg), leaving significant head room for growth. Growing investments for infrastructure, rapid growth in the industrial sector, increase in urban population, and strengthening of rural markets, have the potential of increasing the country's per capita steel consumption significantly.

II. STEEL INDUSTRY

a) Global steel industry

Global crude steel production and demand remained almost flat throughout 2016, declining in the initial half and making up the same in the latter half, showing an overall increase of 0.2%. It was helped significantly by better than forecast performance by China, resilient Asian emerging countries as also stabilization in commodity prices.

The global steel industry has been going through tough times with all the major international steel makers working very hard to stay afloat in the face of major headwinds. It is expected to do better from hereon, due to increase in global consumption and better management of excess supply.

Global steel industry continued to be impacted by large overcapacity especially in China, Japan, Korea and CIS. Exports from the steel surplus countries continued albeit at a lower pace, aided by the local policy measures as also higher consumption in China coupled with certain supply regulation measures undertaken by Chinese authorities.

The international prices have been showing modest recoveries since 2016 and expected to maintain these prices as the infrastructure needs of the developed countries are expected to be addressed over the next few years.

In this scenario, steel companies would continue to strive hard for improved efficacy through cost reduction and continuous operational improvements to offset the negative impacts of supply overhang. However, steel will never lose its relevance; and will remain the cornerstone for industrial and infrastructure growth.

b) Indian steel industry

During 2016-17, India strengthened its position as the world's third-largestproducer of crude steel, up from eighth position in 2003. The industry growth is driven by an availability of raw materials such as iron ore, coal and cost-effective labour. India produced 92 MT crude steel in FY 2016-17. Aided by the GOI's policy measures as also other factors, the inflow of cheap chinese steel imports was reduced significantly, thereby helping the steel prices make modest recovery in FY2016-17.

Steel demand in India is showing signs of a rebound, after the slowdown of the recent past, due to supportive policy framework for creation of domestic demand by boosting housing significantly as also infrastructure. The GOI has ramped up public expenditure considerably in the fields of roads, railways, defence, housing, power and other infrastructure sectors.

We envisage the domestic demand to continue to grow in the foreseeable future.

c) Risk Opportunities And Threats

Since the Indian economy is poised for a sustained period of higher GDP, our company is positioned to reap the benefits of the same.

Your company has been referred to National Company Law Tribunal (NCLT) by the lenders in their Joint Lenders' Meeting held on June 21, 2017 to pursue a resolution process for outstanding loans to the company. In the first hearing held on July 5, 2017, the date of the next hearing has been decided to be July 12, 2017.

Resolution Process governed by NCLT under Insolvency & Bankruptcy Code (IBC) is seen as a positive development as it seeks to resolve the financial difficulties within a defined time frame.

III. HUMAN RESOURCE MANAGEMENT

In the ever changing business environment where people are key differentiator, Monnet Ispat & Energy Limited believes it is essential to have credible, transparent and uniform people management practices. Driven by this belief and to keep ourselves abreast of the changing external scenario, our People Management Practices get continually updated to make us more competitive and employee- friendly. In the highly competitive industry scenario, the company keeps reviewing its requirements of human resources continuously and recruits accordingly. Total number of employees as on 31st March, 2017 was 2192.

We are proud of our people who continue to make meaningful contributions to sustain and grow the business operations.

Our Leadership Team continues to guide us through the current challenging times. They are ably supported by the young workforce in these endeavours.

By Order of the Board
For Monnet Ispat & Energy Limited

Sandeep Jajodia
Chairman, Managing Director & CEO
DIN: 00082869

Place: New Delhi
Date: 11- July- 2017

"CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17"

Annexure - 9

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Monnet believes that Corporate Governance is a set of guidelines to help fulfill its responsibilities to all its stakeholders. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. The Company further exercises its fiduciary responsibilities in the widest sense of the term. In the same spirit, timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the company is an important part of the Company's Corporate Governance.

The Board of Directors, guided by above philosophy, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large. Your Company's Corporate Governance framework ensures that we share correct information regarding financials and performance as well as business of the Company.

2) BOARD OF DIRECTORS

A. Composition & Category of Directors

The Company well recognized that an effective Board of Directors is a pre-requisite for strong and effective corporate governance. Our Board and Committees thereof are formed as per requirement of Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which oversees how the Management serves and protects the interests of all the stakeholders.

The Company has a strong and a broad-based Composition of Directors on its Board which consists of Six Directors with adequate blend of Professionals, Executive, Non-Executive Independent and a Woman Director which brings diversity on the Board. The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies as at March 31, 2017 are as follows:-

Name of directors	Category	Designation	No. of Directorships in other public companies	No. of Committee Memberships and Chairmanship in other Companies	
				Chairman	Member
Sandeep Jajodia DIN-00082869	Promoter- Non Independent Executive	Chairman & Managing Director	4	0	0
Suman Jyoti Khaitan DIN-00023370	Independent, Non-Executive	Director	4	2	6
Jagdamba Prasad Lath DIN-00380076	Non Independent Non-Executive	Director	5	2	5
Shantanu Prasad* DIN: 06972253	Non Independent Non-Executive Nominee Director	Nominee Director	1	0	0
Kunal Sharma* DIN: 07731660	Independent Non-Executive	Additional Director	0	0	0
Ankita Wadhawan* DIN: 06971383	Independent Non-Executive Women Director	Additional Director	7	2	3

Notes:

- *Mr. Shantanu Prasad was appointed as Nominee Director of IDBI Bank Ltd on December 09, 2016, Mr. Kunal Sharma was appointed as Independent Director on February 14, 2017 and Ms. Ankita Wadhawan was appointed as Independent Director on March 31, 2017.
- The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI LODR Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Monnet Ispat & Energy Limited).
- Directorships in other public Companies and Committee Memberships details are based on the disclosures received from the directors, as on March 31, 2017.
  Directorship in other Companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.

B. Attendance of Directors

The details of attendance of Directors at the Board Meetings and Annual General Meeting held during the year ended March 31, 2017 are given below :—

Name of Director(s)	30.05.2016	17.08.2016	14.09.2016	09.12.2016	14.02.2017	31.03.2017	Whether attended AGM held on 30.09.2016
Sandeep Jajodia DIN-00082869	P	P	P	P	P	P	A
Suman Jyoti Khaitan DIN-00023370	P	P	P	P	P	P	A
Jagdamba Prasad Lath DIN-00380076	P	P	P	P	P	P	P
Shantanu Prasad* DIN: 06972253	-	-	-	P	P	P	-
Kunal Sharma* DIN: 07731660	-	-	-	-	P	P	-
AnkitaWadhawan* DIN: 06971383	-	-	-	-	-	P	-
Amit Dixit** DIN: 01798942	P	Through VC	Through VC	-	-	-	A
Bhavna Thakur ** DIN:07068339	P	Through VC	P	-	-	-	A
Suresh Kishinchand Khatanhar** DIN:03022106	P	A	P	-	-	-	A
C. P. Baid** DIN: 00466414	A	P	P	P	P	-	A

**** Mr. Shantanu Prasad was appointed as Nominee Director of IDBI Bank Ltd on December 09, 2016, Mr. Kunal Sharma was appointed as Independent Director on February 14, 2017 and Ms. Ankita Wadhawan was appointed as Independent Director on March 31, 2017.***

***** Mr. Suresh Kishinchand Khatanhar resigned from the directorship of the Company w.e.f. November 27, 2016, Mr. Amit Dixit resigned from the directorship of the Company w.e.f. December 06, 2016, Ms. Bhavna Thakur resigned from the directorship of the Company w.e.f. December 09, 2016 & Mr. C. P. Baid resigned from the directorship of the Company w.e.f. March 31, 2017.***

Note:

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

C. The Board of Directors meets at least once in a quarter to review the Company's performance and more often, if considered necessary, to transact any other business.

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

E. During the year, a meeting of Independent Directors was held on February 14, 2017. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

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

G. The Company has also formulated familiarization programs to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. The details of such familiarization programs are also available on the website of the Company i.e http://www.monnetgroup.com/pdfs/others/miel/Familiarization_Programme_for_Independent_Directors.pdf.

H. None of the directors is a member of more than ten committees or acts as the chairman of more than five committees in all Public Companies in which they are Director. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2017 have been made by the Director. Also, none of the Independent Directors serve as Independent Director in more than seven listed companies.

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

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

K. None of the Non-Executive Directors of the Company hold any shares and convertible instruments in the Company except Mr. Jagdamba Prasad Lath, who holds 1696 equity shares.

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

M. <u>Annual Performance Evaluation & its criteria :-</u>

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations and Guidance Note issued by SEBI Circular dated January 05, 2017, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including independent directors as well as the evaluation of the working of its Audit, Nomination and Remuneration and Other Committees created as per Companies Act, 2013. A set of evaluation factors were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

3) BOARD COMMITTEES

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

A) Audit Committee

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

i. <u>Brief Description of Charter/terms of reference of Audit Committee-</u>

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

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditor, the statutory auditor, the cost auditor and the secretarial auditor and notes the processes and safeguards employed by each of them.

The terms of reference of the audit committee are as per the guidelines set out in Part C of Schedule II of the SEBI Listing Regulations:-

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

ii. <u>Composition of Audit Committee</u>

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. As at March 31, 2017, the Composition of Audit Committee consists of Mr. Suman Jyoti Khaitan as its Chairman with Mr. J. P. Lath, Mr. Kunal Sharma and Ms. Ankita Wadhawan as its co-members. The Company Secretary of the Company acts as Secretary to the Committee.

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

iii. <u>Audit Committee Meetings and Attendance :</u>

The Audit Committee met four times during the Financial Year 2016-17. The maximum gap between two meetings was not more than 120 days. The necessary quorum was present in the meeting. The Table below provides the Attendance of the Audit Committee members:

Name of Members	30.05.2016	14.09.2016	09.12.2016	14.02.2017
Suman Jyoti Khaitan	P	P	P	P
Amit Dixit*	P	VC	-	-
Jagdamba Prasad Lath	P	P	P	P
Kunal Sharma**	-	-	-	P
Ankita Wadhawan**	-	-	-	-

Mr. Amit Dixit resigned from the directorship w.e.f. December 06, 2016.
***Mr. Kunal Sharma was appointed as member of Audit Committee w.e.f. February 14, 2017 and Ms. AnkitaWadhawan was appointed as member of Audit Committee w.e.f. March 31, 2017.*

iv. Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and Governance processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings.

v. Risk Management

The Company is not mandatorily required to constitute Risk Management Committee. Further, the Audit Committee and the Board of Directors review the risks involved in the Company and appropriate measures to minimize the same from time to time. The Board of the Company has also adopted a Risk management policy for the Company.

B) Nomination And Remuneration Committee

i. Composition of Nomination And Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, the Board has constituted its Nomination and Remuneration Committee. As at March 31, 2017 The Nomination and Remuneration Committee consists of three member's i.e. Mr. Suman Jyoti Khaitan as its Chairman with Mr. Kunal Sharma and Mr. Jagdamba Prasad Lath as its co-members.

The brief terms of reference of the Nomination and Remuneration Committee, *inter alia*, includes the following:
- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The details of the Members participation at the Meetings of the Committee are as under:

Name of Members	30.05.2016	17.08.2016	09.12.2016	14.02.2017	31.03.2017
Suman Jyoti Khaitan	P	P	P	P	P
Amit Dixit*	P	VC	-	-	-
Jagdamba Prasad Lath	P	P	P	P	P
Kunal Sharma**	-	-	-	-	P

**Mr. Amit Dixit resigned from the directorship w.e.f. December 06, 2016.*
***Mr. Kunal Sharma was appointed as member of Nomination & Remuneration Committee w.e.f. February 14, 2017.*

ii. Nomination and Remuneration Policy :

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

The Objective and Purpose of this policy is as follows:

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

iii. Details of Remuneration Paid to Directors for the Year ended March 31, 2017

- **Non-Executive Directors**

The Non-Executive Directors are paid remuneration by way of Sitting Fees for each of the meeting of the Board or Committees of Directors attended by them. The Details of Sitting fees paid to them during the Financial year 2016-17 are as under:-

Name of Directors	Sitting Fees paid for Board Meetings (Rs.)	Sitting Fees paid for Committee Meetings (Rs.)	ESOP granted (No. of Shares)
Amit Dixit*	NIL	NIL	NIL
Jagdamba Prasad Lath	1,20,000	50,000	NIL
Suman Jyoti Khaitan	4,50,000	50,000	NIL
Bhavna Thakur*	2,25,000	-	NIL
Representative of IDBI Bank - Suresh Kishinchand Khatanhar* - Shantanu Prasad*	80,000	-	NIL
Kunal Sharma*	1,50,000	10,000	NIL
Ankita Wadhawan*	75,000	-	NIL

****Note:***
The meeting fees is paid to IDBI Bank Limited as Mr. Suresh Kishinchand Khatanhar is nominee of the said Bank till November 27, 2016 and Mr. Shantanu Prasad is nominee of the said Bank w.e.f. December 09, 2016. Mr. Suresh Kishinchand Khatanahar, Mr. Amit Dixit and Ms Bhavna Thakur resigned from the directorship of the Company w.e.f. November 27, 2016, December 06, 2016 and December 09, 2016 respectively. Mr. Kunal Sharma and Ms. Ankita Wadhawan were appointed as Director of the company w.e.f. February 14, 2017 and March 31, 2017 respectively.

- **Executive Directors**

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Nomination & Remuneration Committee, through resolutions passed by the Board of Directors and shareholders of the Company. During the year under review, Company has settled the account of Mr. Sandeep Jajodia and paid Rs. 5.78,76,923 as payment of dues including gratuity & leave encashment as on March 31, 2015. Further, in terms of MCA letter dated September 01, 2016 the Company was required to recover an amount of Rs. 5,44,37,308 paid as excess remuneration for the Financial Year 2014-2015 from Mr. Sandeep Jajodia. In the FY 2016-17, the Company has settled the account of Mr. Sandeep Jajodia by payment of dues including gratuity & leave encashment and has also recovered the salary paid to him for the FY 2014-15, the balance amount was paid to him.

The Details of Remuneration paid to Executive Director during the Financial year 2016-17 are as under:-

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

*Mr. C. P. Baid resigned from the directorship of the Company w.e.f. 31.03.2017.

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

During the financial year 2016-17, none of non-executive directors hold any shares in the Company except Mr. Jagdamba Prasad Lath, who holds 1696 equity shares in the Company.

Further, there has been no pecuniary relationship or transactions of the non-executive directors' vis-à-vis the Company during the financial year 2016-17 except the sitting fees paid for meetings of the Board & Committee(s) of Directors attended by them.

v. Stock Option Scheme :

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

C) Corporate Social Responsibility (CSR) Committee

CSR Committee of the Company is constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition of the Corporate Social Responsibility Committee as on March 31, 2017 consists of Mr. Sandeep Jajodia as its chairman with Mr. Suman Jyoti Khaitan and Mr. Jagdamba Prasad Lath as its co-members.The terms of reference of the Corporate Social Responsibility (CSR) Committee, inter alia, includes the following:

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

One meeting of the CSR Committee was held on February 14, 2017. The details of the Members participation in the same was as under:

Name of Director	Category	14.02.2017
Sandeep Jajodia	Chairman	P
Jagdamba Prasad Lath	Member	P
SumanJyotiKhaitan	Member	P

D) Stakeholders' Relationship Committee

i. Terms of Reference :

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178(5) of the Companies Act, 2013. The Board has clearly defined the terms of reference for this Committee, which generally meets once in a quarter. The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:

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

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

The Board of directors of the Company has constituted two committees named as Share Transfer Committee and Stakeholders Relationship Committee having similar nature of Roles and Members and in this regard the Share Transfer Committee is merged with Stakeholders Relationship Committee. During the FY 2016-17 only two meetings of Share Transfer Committee was held i.e. on 10.06.2016 and 10.08.2016 wherein Mr. J.P Lath and Mr. C. P. Baid were in attendance in both the meetings.

Composition and Attendance : As at March 31, 2017, the Composition of Stakeholders Relationship Committee consists of Mr. Jagdamba Prasad Lath as its Chairman with Mr. Sandeep Jajodia and Mr. Hardeep Singh as its co-members.

Details of the Members participation at the Meetings of the Committee during the last financial year are as under:

Meetings Date	Jagdamba Prasad Lath(Chairman)	Sandeep Jajodia (Member)	Chandra PrakashBaid	Hardeep Singh (Member)
30.05.2016	P	-	P	A
10.06.2016	P	-	P	A
10.08.2016	P	-	P	A
14.02.2017	P	-	P	A

*Mr. C. P. Baid resigned from the directorship of the Company w.e.f. 31.03.2017.

ii. Name and Designation of Compliance officer :

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

iii. Details of the Shareholder's complaints received, redressed/pending during the financial year 2016-17 :

The details of total number of complaints received; resolved/pending during the financial year 2016-17 is as follow:-

Particulars	No. of Complaints
Number of complaints received from the investors (including the opening Balance as on April 01st, 2016) comprising of Non-receipt of Dividend Warrants where reconciliation is completed after end of the quarter, securities sent for transfer and transmission, annual report & complaints received from Regulatory/Statutory Bodies	96
Number of complaints resolved	96
Complaints Pending as at March 31, 2017	0

The above table includes Complaints received from S EBI SCORES by the Company

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

E) Other Board Committees

i. <u>Executive Committee Meeting:</u>

The Executive Committee was formed to deal with urgent matters requiring immediate action of the Board of Directors before a meeting of the Board could be convened. The Minutes of the Executive Committee are placed in front of Board for their review and noting. As on March 31, 2017, the Composition of Executive Committee of Directors comprises of Mr. Jagdamba Prasad Lath as Chairman and Mr. Sandeep Jajodia as member. The details of the Members participation at the Meetings of the Committee are as under:

Meetings Date	Sandeep Jajodia	Chandra Prakash Baid*	Jagdamba Prasad Lath
02.04.2016	A	P	P
08.06.2016	A	P	P
06.07.2016	A	P	P
19.08.2016	A	P	P
01.10.2016	A	P	P
21.10.2016	A	P	P
15.11.2016	A	P	P
12.12.2016	A	P	P
12.01.2017	A	P	P
27.01.2017	A	P	P
20.02.2017	A	P	P

*** Mr. Chandra Prakash Baid resigned from the directorship of the Company w.e.f. 31.03.2017.**

ii. <u>Finance Committee Meeting:</u>

The Finance Committee of the Board was constituted to consider and approve all types of loans and banking facilities upto the maximum limit of Rs. 10,000 Cr. outstanding at the given point of time and to meet the financing requirements of the Company requiring immediate action of the Board of Directors before a meeting of the Board could be convened. As on March 31, 2017, the Composition of Finance Committee of Directors comprises of Mr. Jagdamba Prasad Lath as Chairman and Mr. Sandeep Jajodia as member. The details of the Members participation at the Meetings of the Committee are as under:

Meetings Date	Sandeep Jajodia	Chandra Prakash Baid*	Jagdamba Prasad Lath
05.10.2016	A	P	P
02.01.2017	A	P	P
31.03.2017	P	-	P

*** Mr. Chandra Prakash Baid resigned from the directorship of the Company w.e.f. 31.03.2017.**

4) GENERAL BODY MEETINGS

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

<table>
<tr><th>AGM</th><th>Date & Time</th><th>Place of Meeting</th><th>Details of Special Resolution Passed</th></tr>
<tr><td>26^{th}</td><td>September 30, 2016, 2:30 P.M</td><td rowspan="3">Monnet Marg, Mandir Hasaud, Raipur-492101, Chhattisgarh</td><td>a. Adoption of new set of Memorandum of Association
b. Adoption of new set of Articles of Association</td></tr>
<tr><td>25^{th}</td><td>September 30, 2015, 2:30 P.M</td><td>a. To obtain waiver of the excess remuneration paid to Mr. Sandeep Jajodia (holding DIN: 00082869), Chairman and Managing Director, during the period of April 1, 2014 to March 31, 2015
b. To reappoint and fix the remuneration of Mr. Sandeep Jajodia (holding DIN: 00082869) as Chairman and Managing Director of the Company
c. To obtain waiver of the excess remuneration paid to Mr. Chandra Prakash Baid (holding DIN:00466414), Dy. Managing Director, during the period of April 1, 2014 to March 31, 2015
d. To reappoint Mr. Chandra Prakash Baid as Dy. Managing Director</td></tr>
<tr><td>24^{th}</td><td>September 27, 2014, 2:30 P.M</td><td>a. To approve the related party transactions under Section 188 of the Companies Act, 2013
b. To alter the Article of Association of the Company</td></tr>
</table>

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

B. Details of Special/Ordinary Resolutions Passed during the Financial Year 2016-17

Annual General Meeting

During the year, the Company has conducted Annual General Meeting on September 30, 2016. Details of the voting results of the above mentioned AGM is as follows:-

Date of AGM Notice: August 17, 2016
E-Voting Period: September 27, 2016 (09:00 A.M IST) to September 29, 2016 (05:00 P.M IST)
Date of AGM: September 30, 2016

Mr. Sanjay Grover of M/s Sanjay Grover & Associates, Practicing Company Secretaries (CP No. 3850) was appointed as scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner. The Company successfully completed the process of obtaining approval of shareholders for Special/Ordinary Resolutions on the items detailed below:-

Purpose of Resolution	Type of Resolution (Ordinary/ Special)	No. of Shares held	No. of Votes Polled	Votes Cast in Favor		Votes Cast Against	
				No of Votes	%age	No of Votes	%age
A. To receive, considers and adopt- a. the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors' and Auditor's thereon; b. the Consolidated Audited Financial Statements for the financial year ended 31st March, 2016 together with the Reports of the Auditor's thereon.	Ordinary	20,07,68,242	6,89,27,645	6,89,22,136	99.9920%	5,509	0.0080%
B. Ratification of appointment of M/s O.P. Bagla& Co. Chartered Accountants (Firm Registration. No. 000018N) as Statutory Auditors of the Company and to authorise Board of Directors of the Company to fix their remuneration in consultation with the Auditors.	Ordinary	20,07,68,242	6,89,28,218	6,89,27,818	99.9994%	400	0.00
C. Ratification of remuneration payable to M/s N. K. Jain and Associates, Cost Accountants (Firm Registration Number 101952) for conducting the Audit of the cost accounting records of the Company for the Financial Year ending 31st March, 2017.	Ordinary	20,07,68,242	6,89,28,218	6,89,27,445	99.9989%	773	0.0011
D. Regularization of appointment of Mr. Suresh Kishanchand Khatanhar (DIN: 03022106), Nominee Director of IDBI bank ltd., as Nominee Director of the Company.	Special	20,07,68,242	6,89,27,218	6,89,19,936	99.9894%	7,282	0.0106
E. Adoption of new set of Memorandum of Association of the Company.	Special	20,07,68,242	6,89,28,218	6,89,28,018	99.9997%	200	0.0003
F. Adoption of new set of Articles of Association of the Company.	Special	20,07,68,242	6,89,28,218	6,89,28,018	99.9997%	200	0.0003
G. Re-appointment of Mr. Sandeep Jajodia (DIN: 00082869), as a Director, who retires by rotation and being eligible, offers himself for re-appointment.	Special	20,07,68,242	6,89,28,218	6,89,26,245	99.9971%	1,973	0.0029

Extra Ordinary General Meeting

During the period under review, no Extra-ordinary General Meeting was held.

Postal Ballot

During the Financial year 2016-17, the Company has not passed any resolution through Postal Ballot.

5) MEANS OF COMMUNICATION

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

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

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

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

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

6) GENERAL SHAREHOLDERS INFORMATION

A. Annual General Meeting

Day and Date	:	Thursday, September 28, 2017
Time	:	02:30 PM
Venue	:	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101 (Registered Office of the Company)
Financial Year	:	2016-17
Book Closure / Record Date	:	21st September, 2017 to 28th September, 2017 (Both Days Inclusive)

B. Financial Year Calendar (Tentative) :

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

First Quarter Results	:	on or before August 14, 2017
Second Quarter & Half Yearly Results	:	on or before November 14, 2017
Third Quarter Results	:	on or before February 14, 2018
Fourth & Audited Annual Results	:	on or before May 30, 2018

C. Dividend Payment : No dividend has been recommended for the Financial Year 2016-17.

D. Registered Office

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

CIN : L02710CT1990PLC009826

E. Listing on Stock Exchanges

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

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

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

The Company is already in process of getting itself delisted from Calcutta Stock Exchange. The Annual listing fee for the listed equity Shares and non-convertible debentures for the year 2017-18 have been paid to Bombay Stock Exchange and National Stock Exchange.

F. Stock Codes/Symbol:

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

G. Non-Convertible Debentures :

The details of Non-convertible Debentures (NCD's) issued by the Company on private placement basis are given below:-

<table>
<tr><th>Number of Debentures</th><th>Value of Debenture (Rs. In Lacs)</th><th>Category</th><th>ISIN</th><th>Contacts details of Debenture Trustee</th></tr>
<tr><td>1500</td><td>15000</td><td rowspan="11">Secured Redeemable Non_ Convertible</td><td>INE743C07069</td><td rowspan="6">IL&FS Trustee Company Limited
IL&FS Financial Centre
Plot no. C-22, G Block
Bandra Kurla Complex, Bandra(E)
Mumbai – 400 051
Website :www.itclindia.com
E-mail : Shailesh.Kokate@ilfsindia.com</td></tr>
<tr><td>400</td><td>4000</td><td>INE743C07077</td></tr>
<tr><td>150</td><td>1500</td><td>INE743C07085</td></tr>
<tr><td>500</td><td>5000</td><td>INE743C07093</td></tr>
<tr><td>150</td><td>1500</td><td>INE743C07101</td></tr>
<tr><td>2500</td><td>25000</td><td>INE743C07119</td></tr>
<tr><td>1000</td><td>10000</td><td>INE743C07028</td><td rowspan="5">IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard
Estate, Mumbai – 400001
Website :http://www.idbitrustee.com
E-mail :srinivas@idbitrustee.com</td></tr>
<tr><td>1200</td><td>12000</td><td>INE743C07010</td></tr>
<tr><td>450</td><td>4500</td><td>INE743C07044</td></tr>
<tr><td>350</td><td>3500</td><td>INE743C07036</td></tr>
<tr><td>1000</td><td>10000</td><td>INE743C07051</td></tr>
</table>

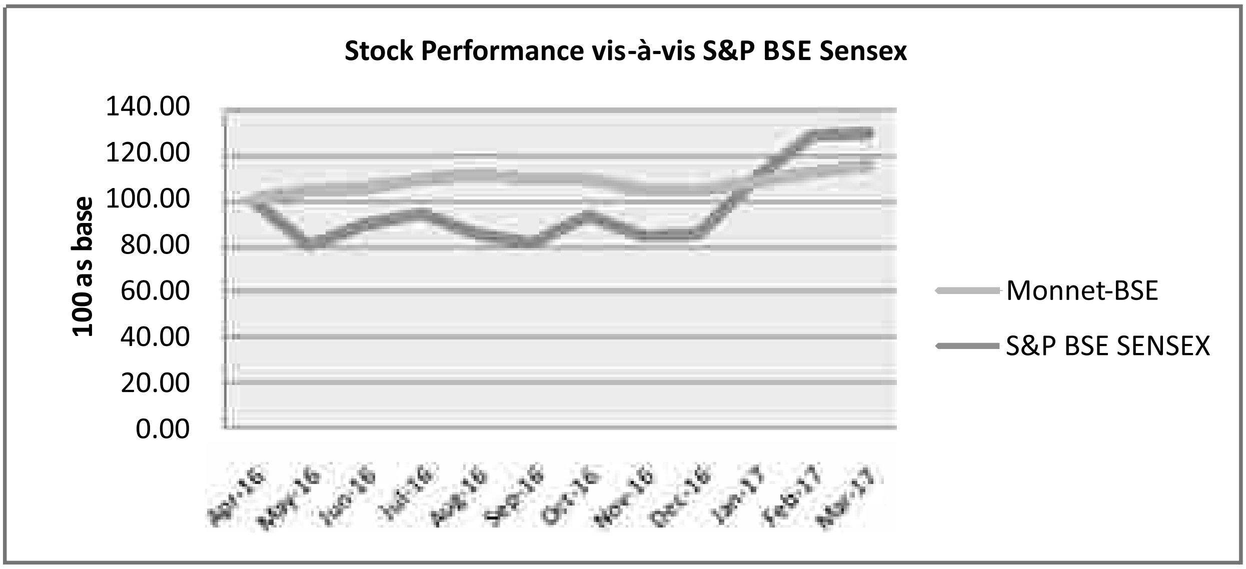
H. Market Price Data :

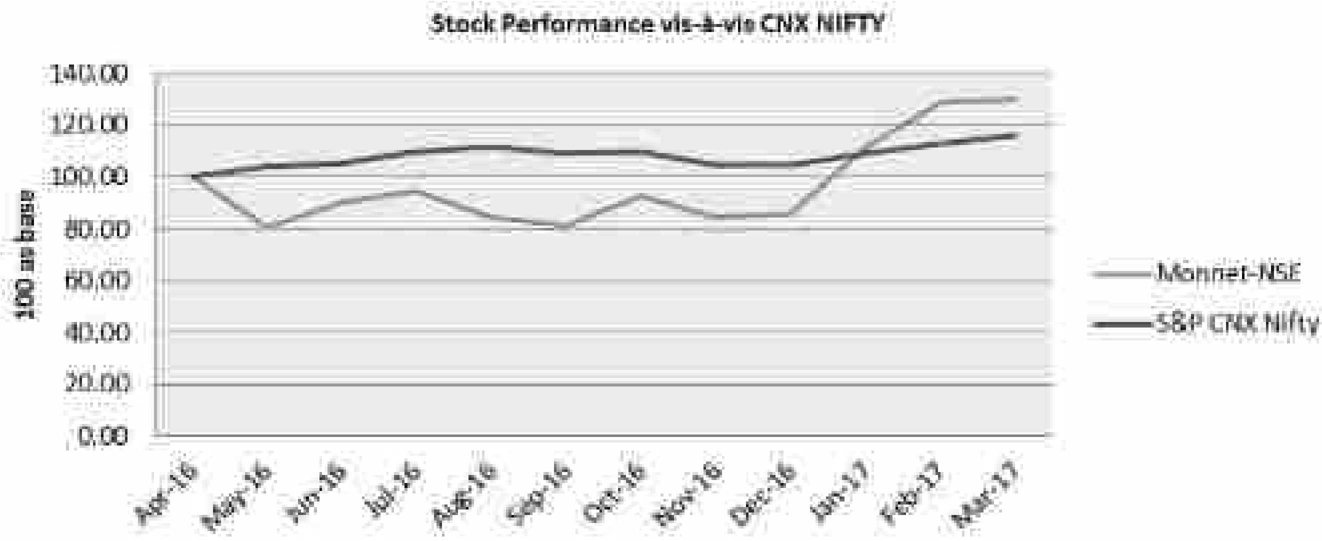
High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on NSE and BSE:

Month	BSE (Rs.)			NSE (Rs.)		
	High	Low	Volume	High	Low	Volume
April – 2016	28.50	21.70	9,29,974	28.50	22.00	32,96,136
May- 2016	27.20	21.60	4,19,798	27.50	21.80	12,94,373
June- 2016	25.80	21.40	8,10,377	25.90	21.50	27,03,087
July – 2016	29.00	24.00	15,10,239	28.95	23.80	41,54,386
August – 2016	25.75	22.55	5,43,573	25.80	22.45	20,79,504
September- 2016	25.40	21.70	4,66,282	25.55	21.50	16,25,047
October- 2016	28.60	22.30	16,01,359	28.25	22.20	54,36,494
November- 2016	28.80	20.15	10,37,439	28.70	19.55	35,00,504
December- 2016	24.55	19.25	9,51,126	24.70	20.55	39,71,985
January- 2017	31.25	22.85	44,50,605	31.25	22.70	1,62,58,361
February- 2017	39.80	27.25	74,58,070	39.90	27.25	3,22,49,586
March- 2017	38.80	31.95	40,02,730	38.90	31.30	1,85,25,613

I. Stock Performance

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





J. Registrar &Transfer Agent

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

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

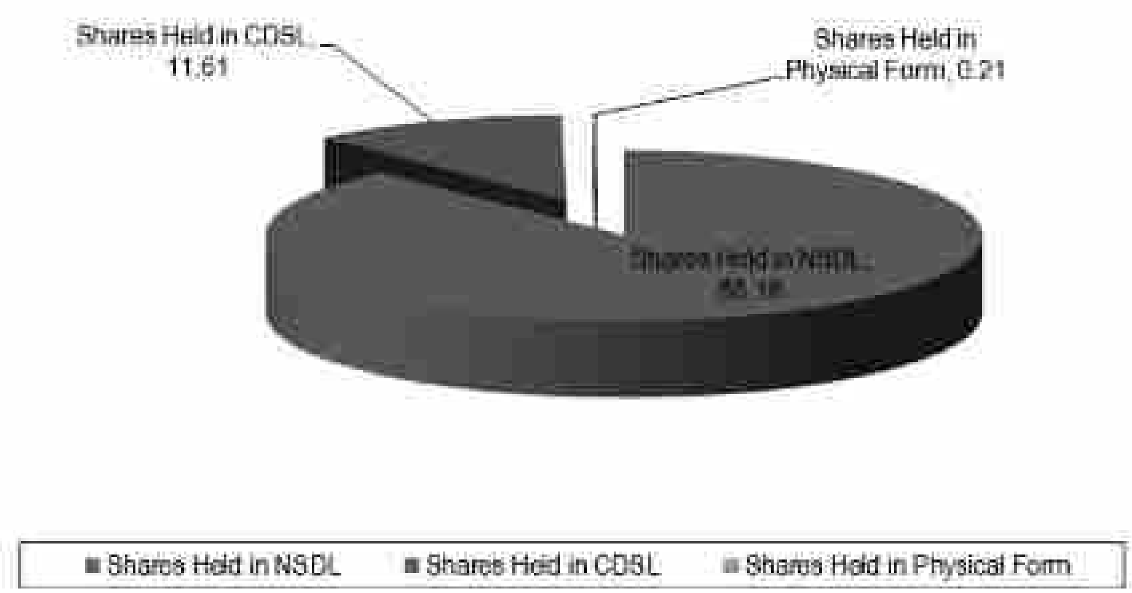
K. Share transfers system

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

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

L. Dematerializations of Shares and liquidity

As at March 31, 2017, 99.79 % of Equity capital was held in Electronic form with NSDL and CDSL. Normally, requests of dematerialization of shares are processed and confirmed within 15 days of receipt to NSDL and CDSL.



Further, 100 % of the Cumulative Non-Convertible redeemable preference shares of the Company are in electronic form held with NSDL.

- **Shares held in Electronic Form**
  Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the DP.
- **Shares held in Physical Form**
  Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company's RTA viz. MCS Share Transfer Agents Limited, Delhi.

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

As on March 31, 2017, the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.

N. Shareholding as on March 31, 2017

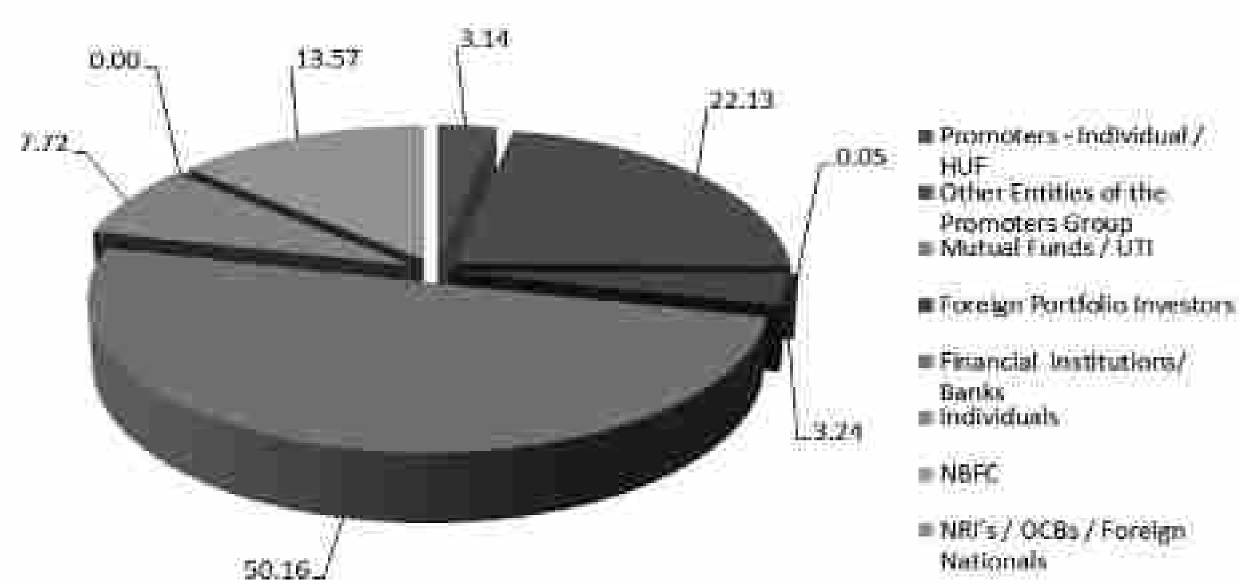
i. Distribution of Shareholding as at March 31, 2017:

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1-500	20576	79.86	3062112	1.53
501 - 1000	2260	8.77	1900991	0.95
1001 - 2000	1283	4.98	2033869	1.01
2001 - 3000	490	1.90	1288943	0.64
3001 - 4000	244	0.95	886538	0.44
4001 - 5000	243	0.94	1164886	0.58
5001 - 10000	341	1.32	2610151	1.30
10001-50000	231	0.90	4699018	2.34
50001-100000	32	0.12	2291424	1.14
Above 100000	66	0.26	180830310	90.07
TOTAL	**25766**	100.00	**200768242**	100.00

ii. Categories of equity shareholders as on March 31, 2017:

Shareholding pattern as on March 31, 2017 for the purpose of reporting in the Annual Report of the Company for the year 2016-17 is given as under:

Category	As On March 31, 2017	
	No. of Equity Shares	Percentage (%)
Promoters - Individual / HUF	6300616	3.14
Other Entities of the Promoters Group	44432225	22.13
Mutual Funds / UTI	96499	0.05
Foreign Portfolio Investors	6503577	3.24
Financial Institutions/ Banks	100696454	50.16
Individuals	15495529	7.72
NBFC	1900	0.00
NRI's / OCBs / Foreign Nationals	27241442	13.57



iii. Top Ten Shareholders as on March 31 , 2017:

List of Top Ten Shareholders as on March 31, 2017	Shares	% Age of Paid-Up Capital
Udhyam Merchandise Private Limited	25123675	12.51
Umra Securities Limited	18750000	9.34
Oswal Greentech Limited	13800758	6.87
State Bank Of Patiala	13488304	6.72
IDBI Bank Ltd.	9239766	4.60
State Bank Of India	7052631	3.51
State Bank Of Bikaner And Jaipur	5956140	2.97
ICICI Bank Ltd.	5479532	2.73
Punjab National Bank	5222222	2.60
Indian Overseas Bank	5087719	2.53

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.monnetgroup.com. Details of Unclaimed Dividend as on March 31, 2017 and due dates for transfer are as follows:

Details of Transfer of Unclaimed Dividend to Investor Education and Protection Fund(IEPF)						
Interim / Final Dividend	Financial Year	Date of declaration of Dividend	Transfer to Unpaid dividend A/c	Dividend (Rs. Per share*)	Last date of claiming from the Company	Transfer to IEPF
Final Dividend	2009-10	30/12/2010	05/02/2011	5.0	30/12/2017	05/02/2018
Final Dividend	2010-11	30/09/2011	06/11/2011	5.0	30/09/2018	06/11/2018
Final Dividend	2011-12	29/09/2012	05/11/2012	2.5	29/09/2019	05/11/2019
Final Dividend	2012-13	30/09/2013	06/11/2013	1.5	30/09/2020	06/11/2020
Final Dividend	2013-14	27/09/2014	03/11/2014	1.0	27/09/2021	03/11/2021

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

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

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

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

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

The company has not entered into any Commodity price risk or foreign exchange risk and hedging.

R. Plant Location

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

S. Address for Correspondence

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

DISCLOSURES:

A. Related party transactions

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No. 43 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2017. The disclosure of material Related Party Transactions is required to be made under Section 134(3) (h) read with Section 188(2) of the Companies Act, 2013 in Form AOC 2, is attached herewith as Annexure 2 to this Report.

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the year were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. The Company has not entered into any materially significant transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same can be accessed at *http://www.monnetgroup.com/pdfs/others/miel/Policy_on_Related_Party_Transactions.pdf*

B. Matters related to capital market

During the year 2014-15, the company had paid penalty for not submitting the financial results on time to NSE and BSE under Clause 41 of the Listing agreement and in Financial Year 2015-16 the Company had paid penalty for Not submitting the Annual Report on time under Clause 31 of Listing Agreement along with Form-A to the BSE.

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

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

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

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

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

E. Subsidiary Companies

All subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies in the following ways:

a) All minutes of Board Meetings of the unlisted subsidiary companies are placed before the Company's Board;

b) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company;

c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

Further, the Company has one material unlisted subsidiary company i.e. Monnet Power Company Limited and in this regard, the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at *http://www.monnetgroup.com/pdfs/others/miel/Policy_on_Material_Subsidiary-MIEL.pdf*

F. Code of Conduct

The Board has laid down a code of conduct for all Board members and Senior Management of the Company. All Board members and Senior Management Personnel have complied with the Code of Conduct. Declaration to this effect signed by the Chairman, Managing Director & CEO is enclosed with the Annual Report.

G. Code of Conduct for Prevention of Insider Trading

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

H. Certificate on Corporate Governance

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

I. CEO/CFO Certification

As required by Regulation 17 (8) read with Schedule II Part B of SEBI Listing Regulations, 2015 Managing Director and CFO have given appropriate certifications to the Board of Directors.

J. Disclosure of Accounting Treatment

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

K. Management Discussion and Analysis

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

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

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

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

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

Place: New Delhi
Date: 11-July-2017

(Hardeep Singh)
Company Secretary

Annexure - A

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO THE MEMBERS OF
MONNET ISPAT & ENERGY LIMITED,

We have examined the compliance of conditions of Corporate Governance by MONNET ISPAT & ENERGY LIMITED, for the year ended on March 31, 2017, as stipulated in Part - C of Schedule - V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2017.

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

Place: New Delhi
Date:11.07.2017

Rahul Aggarwal
Company Secretary

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

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

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Sandeep Jajodia, Chairman & Managing Director of the Company, hereby declare that all board members and senior management personnel have affirmed compliance with the code of conduct for the year ended March 31, 2017.

For Monnet Ispat & Energy Limited

Place: New Delhi
Date: 30.05.2017

(Sandeep Jajodia)
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To The Members Of
MONNET ISPAT AND ENERGY LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **MONNET ISPAT AND ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, whose audit report for the year ended 31 March 2016 & 31 March 2015 dated 28 April 2016 & 29 April 2015 respectively expressed an unmodified opinion on those Standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

Emphasis of Matter

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

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

(b) Note no. 48 in the financial statements which indicates that the Company has accumulated losses resulting in erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. These conditions may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   (f) On the basis of the written representations received from the directors as on 31st March, 2017taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

iv. The Company has provided requisite disclosures in Note no.11 of its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts and records maintained by the Company.

For **O. P. BAGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn No. 000018N

PLACE : NEW DELHI
DATED : 30/05/2017

(ATUL BAGLA)
PARTNER
M No. 91885

ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

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

i) In respect of its fixed assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As in informed to us no material discrepancies were noticed on such physical verification.

c) Title deeds In respect of all immovable properties are held in the name of the company.

ii) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials except ores & coal. We were informed that physical verification of the same was difficult due to its volume and loose nature. The physical verification of ores and coal was made on the basis of volume and density. As informed to us, no material discrepancies have been noticed on physical verification.

iii) As informed to us the company has granted unsecured loans to companies covered in the register maintained under section189 of the Companies Act 2013. In respect of such loans we have been informed that:

a) the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

b) the schedule of repayment of principal and payment of interest is not stipulated. Therefore no comments are offered on whether the repayments or receipts are regular.

c) no amount is overdue as at the end of the year.

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

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

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

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

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

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

S.No	Nature of Demand	Unpaid Amount* (Rs. In Crores)	Forum where appeal is pending
1.	Sales Tax/VAT	1.38	Deputy Commissioner of Sales Tax (Appeals)
2.	Entry Tax	15.29	Deputy Commissioner of Sales Tax (Appeals)
3.	Entry Tax	0.49	Bilaspur High Court
4.	Central Excise/ Service Tax	7.67	Commissioner Appeals (Central Excise)
5.	Central Excise/ Service Tax	26.98	CESTAT
6.	Income Tax	6.08	ITAT
7.	Income Tax	313.25	Commissioner Income Tax (Appeals)
8.	Income Tax	40.78	ITAT order passed and matter restored to AO

* Basic amount, excluding interest, if any.

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

Particulars	Amount	Period of default
Repayment of Principal to banks / financial institutions	1197.33 Crores	Zero to Twenty one months
Repayment of dues to Debenture Holders	167.00 Crores	Zero to Twenty one months
Interest Accrued and due on borrowings	782.02 Crores	Zero to Twenty one months

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

x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31.03.2017.

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

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

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

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

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

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

For **O. P. BAGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn No. 000018N

PLACE : NEW DELHI
DATED : 30/05/2017

(ATUL BAGLA)
PARTNER
M No. 91885

ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **MONNET ISPAT AND ENERGY LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For **O. P. BAGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn No. 000018N

PLACE : NEW DELHI
DATED : 30/05/2017

(ATUL BAGLA)
PARTNER
M No. 91885

BALANCE SHEET AS AT 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	6,360.87	6,686.66	6,971.83
Capital work-in-progress		157.10	138.93	174.00
Intangible assets	4	0.00	0.00	0.00
Financial Assets				
a Investments	5	1,059.18	1,068.07	1,077.76
b Loans	6	27.30	26.09	32.64
c Other financial assets	7	8.43	152.22	55.93
Other non-current assets	8	0.00	1.41	377.41
		7,612.88	8,073.38	8,689.57
Current assets				
Inventories	9	277.72	554.92	1,033.71
Financial assets				
a Trade receivables	10	97.13	114.19	244.65
b Cash and cash equivalents	11 a	58.43	21.15	195.24
c Bank balance other than 'b' above	11 b	18.39	156.92	46.79
d Loans	12	728.49	790.45	418.09
e Other financial assets	7	1.05	5.13	2.93
Current Tax Assets (Net)	13	57.37	55.98	51.31
Other current assets	8	225.65	321.16	295.87
		1,464.23	2,019.90	2,288.59
Total Assets		**9,077.11**	**10,093.28**	**10,978.16**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	200.79	200.79	65.84
Other equity	15	(1,346.68)	391.27	1,751.51
		(1,145.89)	592.06	1,817.35
LIABILITIES				
Non-current liabilities				
Financial liabilities				
a Borrowings	16	4,734.63	5,247.99	5,099.00
Provisions	17	3.67	6.13	8.90
Deferred tax liabilities (net)	18	0.00	0.00	0.00
Other non current liabilities	19	24.04	842.15	26.61
Current liabilities				
Financial liabilities				
a Borrowings	16	1,831.94	1,738.84	1,645.56
b Trade payables	20	156.70	309.90	419.80
c Other financial liabilities	21	3,450.23	1,306.17	1,895.68
Other current liabilities	19	21.79	49.56	64.53
Provisions	17	0.00	0.47	0.73
Current tax liabilities (net)	16 b	0.00	0.00	0.00
Total liabilities		**10,223.00**	**9,501.21**	**9,160.81**
Total Equity and Liabilities		**9,077.11**	**10,093.28**	**10,978.16**

Significant accounting policies **1&2**

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

PLACE : NEW DELHI
DATED : 30/05/2017

MONNET

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

Particulars	Notes	31 March 2017	31 March 2016
		(Amount in Rupees crores, unless otherwise stated)	
INCOME			
Revenue From Operations	**22**	1,375.08	2,025.03
Other Income	**23**	33.54	78.09
Total Income (I)		**1,408.62**	**2,103.12**
EXPENSES			
Cost of material consumed	**24**	943.43	1,490.95
Purchase of stock-in-trade		0.00	19.19
Changes in inventories of finished goods, stock in trade and work-in-progress	**25**	130.47	166.80
Excise duty on sale of goods		137.05	197.92
Employee benefits expense	**26**	101.55	141.99
Finance costs	**27**	1,110.45	965.90
Depreciation and amortisation expense	**28**	356.36	358.72
Other expenses	**29**	148.21	376.78
Total Expenses (II)		**2,927.52**	**3,718.25**
Profit before tax from continuing operations before exceptional items (I-II)		**(1,518.90)**	**(1,615.13)**
Exceptional items (refer Note No. 30)		**209.90**	**89.75**
Profit before tax from continuing operations after exceptional items		**(1,728.80)**	**(1,704.88)**
Tax expense:			
Current Tax		0.00	0.00
Adjustment of tax relating to earlier periods		0.00	(0.14)
Deferred Tax		0.00	0.00
MAT Credit Entitlement written back		5.06	0.00
Profit for the year from continuing operations		**(1,733.86)**	**(1,704.74)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(4.34)	(0.96)
Equity instruments through other comprehensive income		0.25	0.02
Total other comprehensive income for the year, net of tax		**(4.09)**	**(0.94)**
Total comprehencive income for the year, net of tax		**(1,737.95)**	**(1,705.68)**
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic		(86.39)	(170.99)
(2) Diluted		(86.39)	(170.99)
Significant accounting policies	**1&2**		

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

PLACE : NEW DELHI
DATED : 30/05/2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

	Year ended			
	31 March 2017		31 March 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		(1,728.80)		(1,704.88)
Adjusted for :				
Depreciation	356.36		358.72	
Interest Received	(21.24)		(46.22)	
Interest Paid	1,110.45		965.90	
Amortisation of deferred upfront fee	(1.28)		(1.28)	
Profit on Sale of Fixed Assets	(0.27)		(2.87)	
Profit on sale of financial assets	(0.53)		-	
Loss on sale of non-current investments	9.40		8.04	
Provision for impairment of inventory	121.17		81.71	
Reversal of Interest Recoverable From Subsidiary	59.80		-	
Provision for Arbitration Claim	19.53		-	
Dividend received	(0.02)	1,653.37	(0.08)	1,363.92
Operating Profit before Working Capital Changes		(75.43)		(340.96)
Working capital adjustments:				
Increase in inventories	156.03		397.08	
Increase in trade and other receivables	394.88		(97.93)	
Movement in trade and other payables	(484.71)		674.59	
Movements in provisions	(7.27)		(3.99)	
		58.93		969.75
Cash Generated from Operations		(16.50)		628.79
Direct Taxes Paid		-		0.14
Exceptional / Extraordinary items		-	-	-
Net Cash from operating activities		**(16.50)**		**628.93**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / expenditure for CWIP	(48.47)		(35.61)	
Sale of Fixed Assets	-		-	
Purchase of Investments	0.27		1.67	
Sale of Investments	-		-	
Interest Received	21.24		46.22	
Dividend Received	0.02		0.08	
Net Cash used in Investing Activities		**(26.94)**		**12.36**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(16.46)		(965.90)	
Proceeds from Issue of Share Capital / Application money	-		-	
Proceeds from contribution by minority shareholders	-		-	
Proceeds/ (Repayment) of Long Term Borrowings (Net)	4.09		57.23	
Proceeds / (Repayment) of Short Term Borrowings (Net)	93.10		93.28	
Dividend and Dividend Tax Paid	-		-	
Net Cash flow from Financing Activities		**80.73**		**(815.39)**

	Year ended 31 March 2017	31 March 2016
Net increase in Cash and Cash Equivalents (A+B+C)	**37.29**	**(174.10)**
Cash and Cash Equivalents as on 1.4.2016	**21.15**	**195.24**
Cash and Cash Equivalents as on 31.3.2017	**58.43**	**21.15**
Components of cash and cash equivalents		
Cash on hand	0.26	0.53
Balance in current account with banks	58.17	20.62
	58.43	**21.15**

Significant accounting policies **1&2**

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

PLACE : NEW DELHI
DATED : 30/05/2017

Statement of changes in equity for the year ended 31 March 2017
(Amount in Rupees crores, unless otherwise stated)

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

Particulars	Note	Amount
As at 1 April 2015	14	65.84
Shares issued during the year		134.95
As at 31 March 2016	14	200.79
Changes during the year		-
As at 31 March 2017	14	200.79

B. Other equity (Refer note 15)

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

Significant accounting policies **1&2**

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

PLACE : NEW DELHI
DATED : 30/05/2017

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

Sanjay Kumar Garodia
Chief Financial Officer

J. P. Lath
Director
DIN: 00380076

Hardeep Singh
Company Secretary
M. No. FCS-4967

Statement of changes in equity for the year ended 31 March 2016
(Amount in Rupees crores, unless otherwise stated)

	Reserves and Surplus								Items of OCI		Total equity
	Capital Reserve	Share premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	General Reserve	Retained earnings	FVTOCI reserve	Re-measurement gains/ (losses) on defined benefit plans	
As at 1 April 2015	77.77	769.02	86.02	1.89	19.68	3.31	164.07	680.66	(44.95)	(5.96)	1,751.51
Net income / (loss) for the year								(1,704.74)			(1,704.74)
Transfer to general reserve	-							-			-
Other comprehensive income (Note 31)									0.02	(0.96)	(0.94)
Total comprehensive income	-	-	-	-				**(1,704.74)**	**0.02**	**(0.96)**	**(1,705.68)**
											-
Addition due to issue of equity shares		345.44									345.44
Dividend											-
Dividend distrubution tax											-
At 31 March 2016	**77.77**	**1,114.46**	**86.02**	**1.89**	**19.68**	**3.31**	**164.07**	**(1,024.08)**	**(44.93)**	**(6.92)**	**391.27**

Significant accounting policies 1&2

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

PLACE : NEW DELHI
DATED : 30/05/2017

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

Sanjay Kumar Garodia
Chief Financial Officer

J. P. Lath
Director
DIN: 00380076

Hardeep Singh
Company Secretary
M. No. FCS-4967

MONNET

NOTES ON ACCOUNTS

Note No. 1 & 2

Standalone financial statements for the year ended 31 March 2017 Accounting Policies under Ind AS

1. Corporate information

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

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

The financial statements of the company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the directors on 30th May, 2017.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first being prepared in accordance with Ind AS.

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

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

2.2 Significant accounting policies

a. Current versus non-current classification

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

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

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

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

The Company classifies all other liabilities as non-current.

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

b. Property, plant and equipment

i)Tangible assets

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any as at 31 March 2015. The Company has elected to regard those values of property as deemed cost at the date of the transition to Ind AS, i.e., 1 April, 2015.

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

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

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

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

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

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

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

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

ii) Capital work in progress (CWIP)

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

c. Intangible Assets

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

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

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

d. Research & Development Costs

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

e. Borrowing Costs

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

f. Impairment of non-financial assets

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

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

g. Inventories

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

h. Revenue Recognition

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

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

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

i. Foreign currency transactions

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

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

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

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

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

j. Taxes on income

Current tax

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

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

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

Deferred tax

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

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

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

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

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

k. Employee benefits

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

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

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

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

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

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

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

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

l. Leases

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

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

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

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

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

m. Provisions, Contingent liabilities and Contingent assets

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

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

Contingent liability is disclosed in the case of:

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

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

n. Earnings per share

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

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

p. Fair value measurement

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

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

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

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

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

q. Financial instruments

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

(a) Financial assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial assets carried at amortised cost**

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

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

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

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

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

Derecognition

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

Investment in subsidiaries, joint ventures and associates

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

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial liabilities at amortised cost**

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

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

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

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

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

Derecognition

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

r. Government grants

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

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

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

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

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

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

2.3 Significant accounting judgements, estimates and assumptions

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

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

Judgements

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

Contingencies

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

Estimates and assumptions

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

(a) Impairment of non-financial assets

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

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

(b) Defined benefit plans

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

(c) Fair value measurement of financial instruments

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

(d) Impairment of financial assets

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

3. Property, plant and equipment

	Freehold Land & Site Development	Leasehold Land	Buildings	Plant and equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
Cost								
As at April 1, 2015	52.72	36.55	751.03	7,044.75	12.72	14.77	47.77	7,960.31
Additions	0.02	1.53	48.54	134.23	0.04	0.06	0.14	184.56
Disposals	6.73	1.23	12.90	177.15	0.59	0.95	3.30	202.85
As at March 31, 2016	**46.01**	**36.85**	**786.67**	**7,001.83**	**12.17**	**13.88**	**44.61**	**7,942.02**
Additions	0.08	-	10.23	22.10	0.09	0.01	0.07	32.58
Disposals	-	-	-	2.91	-	0.01	2.12	5.04
As at March 31, 2017	**46.09**	**36.85**	**796.90**	**7,021.02**	**12.26**	**13.88**	**42.56**	**7,969.56**
Depreciation								
As at April 1, 2015	0.21	-	76.65	887.54	5.98	4.34	13.76	988.48
Depreciation charge for the year	0.07	-	27.53	323.83	1.92	2.42	2.95	358.72
Disposals	-	-	3.13	85.55	0.31	0.24	2.61	91.84
As at March 31, 2016	**0.28**	-	**101.05**	**1,125.82**	**7.59**	**6.52**	**14.10**	**1,255.36**
Depreciation charge for the year	0.07	-	28.99	321.72	1.71	1.27	2.60	356.36
Disposals	-	-	-	1.24	-	-	1.79	3.03
As at March 31, 2017	**0.35**	-	**130.04**	**1,446.30**	**9.30**	**7.79**	**14.91**	**1,608.69**
Net book value :								
As at March 31, 2017	45.74	36.85	666.86	5,574.72	2.96	6.09	27.65	6,360.87
As at March 31, 2016	45.73	36.85	685.62	5,876.01	4.58	7.36	30.51	6,686.66
As at April 1, 2015	52.51	36.55	674.38	6,157.21	6.74	10.43	34.01	6,971.83

Notes:

I. Property, plant and equipment pledged as security

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

II. Addition to fixed assets includes Rs. 44.01 crores and Rs. 15.42 crores respectively transferred from CWIP and stores inventory. Further, as per option exercised under para 46A of AS - 11 'The Effects of Changes in Foreign Exchange Rates' read with para D13AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards', exchange fluctuation gain on foreign currency loans of Rs. 28.98 crores was adjusted against addition to fixed assets.

MONNET

4. Intangible assets

	Software	Total
Cost		
As at April 1, 2015	0.56	0.56
Additions	-	-
Disposals	-	-
As at March 31, 2016	**0.56**	**0.56**
Additions	-	-
Disposals	-	-
As at March 31, 2017	**0.56**	**0.56**
Amortisation		
As at April 1, 2015	0.56	0.56
Amortisation charge for the year	-	-
Disposals	-	-
As at March 31, 2016	**0.56**	**0.56**
Amortisation charge for the year	-	-
Disposals	-	-
As at March 31, 2017	**0.56**	**0.56**
Net book value :		
As at March 31, 2017	-	-
As at March 31, 2016	-	-
As at April 1, 2015	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

Financial Assets

	31 March 2017	31 March 2016	1 April 2015
5. Investments			
(a) Investments in equity shares			
Investments in subsidiaries (unquoted)			
Monnet Global Ltd	20.54	20.54	20.54
1,83,786 (March 31, 2016 : 1,83,786, April 1, 2015 : 1,83,786) Equity shares of 100 AED each fully paid up			
Monnet Overseas Ltd	-	9.35	8.32
Nil (March 31, 2016 : 65,610, April 1, 2015 : 59,843) Equity shares of 100 AED each fully paid up			
Monnet Power Co Ltd	700.79	700.79	700.79
686,587,019 (March 31, 2016 : 686,587,019, April 1, 2015 : 686,587,019) Equity shares of Rs.10 each fully paid up			
Monnet Cement Ltd	2.19	2.19	2.19
2,189,400 (March 31, 2016 : 2,189,400, April 1, 2015 : 2,189,400) Equity shares of Rs.10 each fully paid up			
Chomal Exports Pvt Ltd	0.19	0.19	0.19
48,654 (March 31, 2016 : 48,654, April 1, 2015 : 48,654) Equity shares of Rs.10 each fully paid up			
Monnet Sports Foundation	0.01	0.01	0.01
5,000 (March 31, 2016 : 5,000, April 1, 2015 : 5,000) Equity shares of Rs.10 each fully paid up			
Monnet Daniel Coal Washeries Ltd.	-	-	10.72
Nil (March 31, 2016 : Nil, April 1, 2015 : 10,721,500) Equity shares of Rs.10 each fully paid up			
Monnet Enterprises Pte Ltd	-	-	-
1 (March 31, 2016 : 1, April 1, 2015 : 1) Equity shares of USD 1 each fully paid up			

	31 March 2017	31 March 2016	1 April 2015
Investments in Joint Ventures (unquoted)			
Monnet Ecomaister Enviro Pvt Ltd	14.21	14.21	14.21
14,211,363 (March 31, 2016 : 14,211,363, April 1, 2015 : 14,211,363) Equity shares of Rs.10 each fully paid up			
Mandakini Coal Company Ltd	39.30	39.30	39.30
39,299,800 (March 31, 2016 : 39,299,800, April 1, 2015 : 39,299,800) Equity shares of Rs.10 each fully paid up			
MP Monnet Mining Company Ltd	0.98	0.98	0.98
980,000 (March 31, 2016 : 980,000, April 1, 2015 : 980,000) Equity shares of Rs.10 each fully paid up			
Urtan North Mining Company Ltd	5.75	5.75	5.75
5,751,347 (March 31, 2016 : 5,751,347, April 1, 2015 : 5,751,347) Equity shares of Rs.10 each fully paid up			
Investments in Associate Companies (quoted)			
Orrisa Sponge Iron & Steel Ltd.	273.84	273.84	273.84
9,494,633 (March 31, 2016 : 9,494,633, April 1, 2015 : 9,494,633) Equity shares of Rs.10 each fully paid up			
Investments at fair value through OCI (unquoted)			
Rameshwaram Steel & Power Pvt Ltd	-	-	-
4,152,273 (March 31, 2016 : 4,152,273, April 1, 2015 : 4,152,273) Equity shares of Rs.10 each fully paid up			
Falcon Internal Forces and Fire Services Pvt Ltd	0.02	0.02	0.01
1,000 (March 31, 2016 : 1,000, April 1, 2015 : 1,000) Equity shares of Rs.10 each fully paid up			
Monnet Engineering & Infrastructure Ltd.	0.07	0.07	0.07
4,000 (March 31, 2016 : 4,000, April 1, 2015 : 4,000) Equity shares of Rs.10 each fully paid up			
Business India Publications Ltd	-	-	-
100,000 (March 31, 2016 : 100,000, April 1, 2015 : 100,000) Equity shares of Rs.10 each fully paid up			
Chattel Constructions Pvt Ltd (refer note II below)	-	-	-
9,999 (March 31, 2016 : 9,999, April 1, 2015 : 9,999) Equity shares of Rs.10 each fully paid up			

	31 March 2017	31 March 2016	1 April 2015
Investments at fair value through OCI (quoted)			
IFSL	-	-	-
1,300,000 (March 31, 2016 : 1,300,000, April 1, 2015 : 1,300,000) Equity shares of Re.1 each fully paid up			
Aditya Birla Nuvo Ltd	0.15	0.08	0.08
1,000 (March 31, 2016 : 1,000, April 1, 2015 : 1,000) Equity shares of Rs.10 each fully paid up			
XL Energy limited (formerly XL Telecom Ltd)	0.04	0.04	0.04
166,808 (March 31, 2016 : 166,808, April 1, 2015 : 166,808) Equity shares of Rs.10 each fully paid up			
Kamanwala Housing Construction Ltd	0.09	0.11	0.11
63,343 (March 31, 2016 : 63,343, April 1, 2015 : 63,343) Equity shares of Rs.10 each fully paid up			
Indiabulls Real Estate Ltd	0.22	0.14	0.16
25,000 (March 31, 2016 : 25,000, April 1, 2015 : 25,000) Equity shares of Rs.10 each fully paid up			
RattanIndia Infrastructure Limited	0.03	0.03	0.02
73,750 (March 31, 2016 : 73,750, April 1, 2015 : 73,750) Equity shares of Rs.10 each fully paid up			
Soril Holdings and Ventures Ltd (formerly Indiabulls Wholesale Services Ltd)	0.01	-	-
3,125 (March 31, 2016 : 3,125, April 1, 2015 : 3,125) Equity shares of Rs.10 each fully paid up			
Bellary Steel Ltd.	-	-	-
803,243 (March 31, 2016 : 803,243, April 1, 2015 : 803,243) Equity shares of Re.1 each fully paid up			
Pioneer Investment Ltd.	0.16	0.04	0.03
23,392 (March 31, 2016 : 23,392, April 1, 2015 : 23,392) Equity shares of Rs.10 each fully paid up			
Sujana Towers Ltd	0.01	0.01	0.02
12,500 (March 31, 2016 : 12,500, April 1, 2015 : 12,500) Equity shares of Rs.10 each fully paid up			
Nu Tek India Ltd	0.03	0.03	0.02
480,000 (March 31, 2016 : 480,000, April 1, 2015 : 480,000) Equity shares of Rs.5 each fully paid up			
	1,058.63	**1,067.72**	**1,077.40**

	31 March 2017	31 March 2016	1 April 2015
(b) Investment in Mutual Funds (quoted)			
SBI MF Magnum Tax Gain	0.21	-	-
55,123 (March 31, 2016 : 55,123, April 1, 2015 : 55,123) units			
(c) Capital Contribution in Partnership Firm			
Khasjamda Mining Company	0.34	0.35	0.36
Total	**1,059.18**	**1,068.07**	**1,077.76**
Aggregate book value of quoted investments	274.79	274.32	274.32
Aggregate market value of quoted investments	0.95	219.71	132.93
Aggregate value of unquoted investments	784.39	793.75	803.44

Investment in Partnership firm	31 March 2017	31 March 2016	1 April 2015
Capital contribution			
Monnet Ispat & Energy Ltd	0.34	0.35	0.36
Sanjay P Date	0.34	0.34	0.34
% in Profits			
Monnet Ispat & Energy Ltd	99%	99%	99%
Sanjay P Date	1%	1%	1%

Note:

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
6. Loans (non current) #			
Security Deposits			
Unsecured, Considered Good	4.95	4.98	13.68
Loans to Related Parties			
Unsecured, Considered Good	22.35	21.11	18.96
Total	**27.30**	**26.09**	**32.64**

Notes:

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

7. Other financial assets

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Bank deposits (having maturity more than 12 months)	8.43	152.22	55.93	-	-	-
Interest accrued on deposits and loans	-	-	-	1.05	5.13	2.93
	8.43	**152.22**	**55.93**	**1.05**	**5.13**	**2.93**

8. Other non-financial assets

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Capital advances						
Unsecured, considered good	-	1.41	377.41	-	-	-
Other loans and advances (Unsecured, considered good)						
Advance to suppliers	-	-	-	184.88	267.08	224.50
Advance to employees				0.08	0.47	6.06
Prepaid expenses	-	-	-	4.18	6.43	12.86
Balance with statutory authorities:						
Balances with Excise Authorities	-	-	-	18.26	23.87	29.14
MAT Credit Entitlement	-	-	-	18.25	23.31	23.31
	-	-	-	225.65	321.16	295.87
Total	**-**	**1.41**	**377.41**	**225.65**	**321.16**	**295.87**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

9. Inventories

	31 March 2017	31 March 2016	1 April 2015
Raw Materials	191.12	283.93	517.83
Work-in-progress	11.59	7.91	6.47
Finished Goods	139.66	273.83	442.09
Stores and spares	56.52	70.96	67.32
	398.89	636.63	1,033.71
Less: Provision for diminution in inventory	121.17	81.71	-
Total	**277.72**	**554.92**	**1,033.71**

Note:
I. For mode of valuation refer Accounting policy number 2.2 (g)
II. Provision for diminution in raw materials is Rs. 66.58 crores (31 March 2016: Rs. 81.71 crores) and in finished goods is Rs. 54.59 crores (31 March 2016: Nil)

10. Trade receivables (unsecured)

	31 March 2017	31 March 2016	1 April 2015
Considered good	97.13	114.19	244.65
Considered doubtful	35.53	27.96	3.48
Less: Provision for doubtful receivables	(35.53)	(27.96)	(3.48)
Total	**97.13**	**114.19**	**244.65**

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

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

11. Cash and bank balances

	31 March 2017	31 March 2016	1 April 2015
11 a. Cash and cash equivalents :			
Balances with banks			
On current accounts	49.23	14.74	14.51
On Bank deposits with upto three months maturity	8.94	5.88	180.37
Cash on hand	0.26	0.53	0.36
	58.43	**21.15**	**195.24**
11 b. Bank balances other than above			
Earmarked bank balances	0.37	0.48	0.63
Bank deposits with upto three months maturity (lien marked)	-	65.44	-
Bank deposits with maturity for 3 to 12 months	18.02	91.00	46.16
	18.39	**156.92**	**46.79**

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

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

	31 March 2017	31 March 2016	1 April 2015
Balance with banks :			
On current accounts	49.23	14.74	14.51
On deposit accounts	8.94	5.88	180.37
Cash on hand	0.26	0.53	0.36
Total	58.43	21.15	195.24

Notes:

Earmarked bank balances includes balance of Rs. 0.37 crores (31 March 2016: Rs.0.48 crores; 1 April 2015: Rs. 0.63 crores) pertaining to unclaimed dividend.

Deposits with banks include deposits provided as collateral against credit facilities of Rs. 4.72 crores (31 March 2016: Rs. 150.19 crores; 1 April 2015: Rs. 40.62 crores).

Specified Bank Notes (SBN) disclosure

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.38	0.09	0.47
(+) Withdrawal from Bank accounts	-	0.10	0.10
(+) Permitted receipts	-	0.14	0.14
(-) Permitted payments	-	(0.20)	(0.20)
(-) Amount deposited in Banks	(0.38)	-	(0.38)
Closing cash in hand as on 30.12.2016	**-**	**0.13**	**0.13**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

12. Loans (current)

	31 March 2017	31 March 2016	1 April 2015
Security Deposits			
Unsecured, considered good	13.00	13.00	13.00
Loans to related parties *			
Unsecured, Considered Good	190.22	332.08	237.52
Other loans and advances			
Unsecured, Considered Good	525.27	445.37	167.57
Total	**728.49**	**790.45**	**418.09**

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

13. Current Tax Assets (Net)

	31 March 2017	31 March 2016	1 April 2015
Income tax paid (net of provision for tax)	57.37	55.98	51.31
	57.37	**55.98**	**51.31**
Break-up of the financial assets carried at amortised cost :			
Security deposits (current)	13.00	13.00	13.00
Security deposits (non current)	4.95	4.98	13.68
Loans to related parties (current)	190.22	332.08	237.52
Loans to related parties (non current)	22.35	21.11	18.96
Trade receivables	97.13	114.19	244.65
Cash and cash equivalents	58.43	21.15	195.24
Other bank balances	18.39	156.92	46.79
Other loans	525.27	445.37	167.57
Other financial assets (current)	1.05	5.13	2.93
Other financial assets (non current)	8.43	152.22	55.93
Total	**939.22**	**1,266.15**	**996.27**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

14. Equity share capital

	31 March 2017	31 March 2016	1 April 2015
Authorised:			
21,10,00,000 (31 March 2016: 21,10,00,000, 1 April 2015: 8,20,00,000) equity shares of Rs 10 each	211.00	211.00	82.00
Issued subscribed and paid up:			
20,07,68,242 (31 March 2016: 20,07,68,242, 1 April 2015: 6,58,25,681) equity shares of Rs 10 each	200.77	200.77	65.82
Add: Shares forfeited	0.02	0.02	0.02
Total	**200.79**	**200.79**	**65.84**

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

	31 March 2017		31 March 2016		01 April 2015	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
At the beginning of the year	20.07	200.77	6.58	65.83	6.58	65.83
Issued during the year	-	-	13.49	134.94	-	-
Outstanding at the end of the year	**20.07**	**200.77**	**20.07**	**200.77**	**6.58**	**65.83**

B. Terms/Rights attached to equity shares

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

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

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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	Number of shares held	% of holding in class	Number of shares	% of holding in class	Number of shares held	% of holding in class
Udhyam Merchandise Pvt Ltd	2.51	12.51%	2.51	12.51%	2.51	38.17%
Blackstone GPV Capital Partners Mauritius V-ALTD	-	-	0.46	2.28%	0.46	6.94%
Deutsche Securities Mauritius Ltd	-	-	0.42	2.07%	0.50	7.62%
Oswal Greentech Limited	1.38	6.87%	1.38	6.87%	-	-
Umra Securities Limited	1.88	9.34%	1.88	9.34%	-	-
State Bank of Patiala	1.35	6.72%	1.35	6.72%	-	-

D. Preference share capital

The Company also has authorised preference share capital of 17,500,000 shares (31 March 2016: 17,500,000, 1 April 2015: 17,500,000) of Rs 100 each

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

15. Other Equity

	Amount
a) Capital Reserve	
As at 1 April 2015	77.77
Changes during the year	
As at 31 March 2016	**77.77**
Changes during the year	
As at 31 March 2017	**77.77**
b) Share Premium	
As at 1 April 2015	769.02
Changes during the year	345.44
As at 31 March 2016	**1,114.46**
Changes during the year	-
As at 31 March 2017	**1,114.46**
c) Debenture Redemption Reserve	
As at 1 April 2015	86.02
Changes during the period	-
As at 31 March 2016	**86.02**
Changes during the period	-
As at 31 March 2017	**86.02**
d) Capital Redemption Reserve	
As at 1 April 2015	1.89
Changes during the period	-
As at 31 March 2016	**1.89**
Changes during the period	-
As at 31 March 2017	**1.89**
e) Capital Reconstruction Reserve	
As at 1 April 2015	19.68
Changes during the period	-
As at 31 March 2016	**19.68**
Changes during the period	-
As at 31 March 2017	**19.68**
f) Amalgamation Reserve	
As at 1 April 2015	3.31
Changes during the period	-
As at 31 March 2016	**3.31**
Changes during the period	-
As at 31 March 2017	**3.31**

	Amount
g) General Reserve	
As at 1 April 2015	164.07
Changes during the period	-
As at 31 March 2016	**164.07**
Changes during the period	**-**
As at 31 March 2017	**164.07**
h) FVTOCI reserve	
As at 1 April 2015	(44.95)
Other comprehensive income for the year 2015-16	0.02
As at 31 March 2016	**(44.93)**
Other comprehensive income for the year 2016-17	0.25
As at 31 March 2017	**(44.68)**
i) Re-measurement gains/ (losses) on defined benefit plans	
As at 1 April 2015	(5.96)
Other comprehensive income for the year 2015-16	(0.96)
As at 31 March 2016	**(6.92)**
Other comprehensive income for the year 2016-17	(4.34)
As at 31 March 2017	**(11.26)**
j) Retained Earnings	
As at 1 April 2015	680.66
Profit for the year 2015-16	(1,704.74)
Less: Dividend paid	-
Less: Dividend distribution tax paid	-
Less: Transfer to general reserve	-
As at 31 March 2016	**(1,024.08)**
Profit for the year 2016-17	**(1,733.86)**
Less: Dividend distributed	-
Less: Dividend distribution tax paid	-
Less: Transfer to general reserve	-
As at 31 March 2017	**(2,757.94)**
Total other equity	
As at 31 March 2017	**(1,346.68)**
As at 31 March 2016	391.27
As at 1 April 2015	1,751.51

(Amount in Rupees crores, unless otherwise stated)

16. Borrowings

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Debentures						
Secured						
Non-Convertible Redeemable Debentures redeemable at par	919.28	918.59	917.86	-	-	-
Liability component of financial liabilities						
6.5% Cumulative Non Convertible Redeemable Preference Shares	142.62	136.90	131.41	-	-	-
Term Loan						
Secured						
Foreign currency loans from Banks	1,349.13	1,376.97	1,655.84	-	-	-
Rupee loans from Banks	4,545.88	3,451.70	3,641.21			
Term loan from NBFCs	156.75	131.20	92.07	-	-	-
Hire Puchase loans from Banks	0.06	0.28	0.41	-	-	-
Less: current maturities of long term debt (refer note 21)	(2,379.09)	(767.65)	(1,339.80)	-	-	-
Short term loans						
Unsecured						
-foreign currency loans	-	-	-	-	132.64	141.68
-from banks	-	-	-	305.19	165.07	81.46
-from companies	-	-	-	-	30.11	207.83
Working capital facility						
Secured						
From Banks	-	-	-	1,526.75	1,411.02	1,214.59
	4,734.63	**5,247.99**	**5,099.00**	**1,831.94**	**1,738.84**	**1,645.56**

MONNET

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

(a) Terms of Borrowings

Rs. in crores

Type of loan	Loan outstanding			Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2017	As on 31st March 2016	As on 1st April 2015			
6.5% Cumulative Non Convertible Redeemable Preference Shares	142.62	136.90	131.41	6.5%	N.A.	Preference shares were issued on 30th March,2013 for the period of 9 years with periodical put and call options.
Non-Convertible Debentures	919.28	918.59	917.86	Refer note 16(b)	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Refer note 16(b)
Foreign currency loans from Banks	1,349.13	1,376.97	1,655.84	LIBOR plus 4.25 to 4.6%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 14-15 to FY 19-20
Rupee loans from Banks	4,545.88	3,451.70	3,641.21	11% To 13%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayeble in installments from FY 2014-15 to FY 2026-27
Term loan from NBFCs	156.75	131.20	92.07	12.25% to 12.50%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayeble in installments from FY 2014-15 to FY 2026-27
Hire Puchase loans from Banks	0.06	0.28	0.41	10.25% to 11.25%	Secured by Charge on Respective Vehicles financed	Repayble in 36 to 60 monthly installments
Short term loans (unsecured)	305.19	327.82	430.97	11.50% to 13%	N.A.	On demand
Working capital facility	1,526.75	1,411.02	1,214.59	10.95% to 12.75%	Secured by first charge on movable current assets and second charge on all immovable assets of the company. Some of the loans are guaranteed by Managing Director of the company	On demand

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

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

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

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

17. Provisions

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits						
Provision for gratuity	-	2.30	4.31	-	-	-
Provision for compensated absences	3.67	3.83	4.59	-	0.47	0.73
(Refer note 35 for Ind AS 19 disclosures)						
	3.67	6.13	8.90	-	0.47	0.73

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

18. Income Taxes

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

A. Statement of profit and loss:

(i) Profit or loss section

	31 March 2017	31 March 2016
Current income tax:		
Current income tax charge		
Adjustments in respect of current income tax of previous year	-	(0.14)
MAT Credit Entitlement written back	5.06	-
Deferred tax:	-	-
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	**5.06**	**(0.14)**

(ii) OCI Section

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

	31 March 2017	31 March 2016
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	-	-

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2015 and 31 March 2016:

	31 March 2017	31 March 2016
Accounting loss before tax from continuing operations	(1,728.80)	(1,704.88)
Profit/(loss) before tax from a discontinued operation	-	-
Accounting loss before income tax	**(1,728.80)**	**(1,704.88)**
At India's statutory income tax rate of 30.90% (31 March 2015: 30.90%)	(534.20)	(526.81)
Adjustments in respect of current income tax of previous years	-	(0.14)
Deferred tax asset not recognised for the carryforward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	534.20	526.81
Unclaimed MAT Credit Entitlement written back	5.06	-
At the effective income tax rate of -0.29% (31 March 2016: 0.01%)	**5.06**	**(0.14)**
Income tax expense reported in the statement of profit and loss	5.06	(0.14)
Income tax attributable to a discontinued operation	-	-
	5.06	**(0.14)**

Deferred tax

Deferred tax relates to the following:

	Balance sheet			Statement of profit and loss	
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016
Accelerated depreciation for tax purposes	282.08	751.12	460.76	(469.04)	290.36
Disallowance u/s 43B	-	(2.04)	(0.10)	2.04	(1.94)
Ind AS adjustments	21.22	14.75	7.83	6.47	6.92
Less: Deferred tax asset not recognised for the carryforward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	(303.30)	(763.83)	(468.49)	460.53	(295.34)
Deferred tax expense/(income)				-	-
Net deferred tax assets/(liabilities)	-	-	-		

Reflected in the balance sheet as follows:

	31 March 2017	31 March 2016
Deferred tax assets (continuing operations)	-	-
Deferred tax liabilities (continuing operations)	-	-
Deferred tax liabilities, net	-	-

Reconciliation of deferred tax liabilities (net):

	31 March 2017	31 March 2016
Opening balance as of 1 April	-	-
Tax (income)/expense during the period recognised in profit or loss	-	-
Tax (income)/expense during the period recognised in OCI	-	-
Discontinued operation	-	-
Deferred taxes acquired in business combinations	-	-
Closing balance as at 31 March	-	-

19. Other non-financial liabilities

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Deferred upfront fee liability	24.04	25.33	26.61	-	-	-
Advance against Export under EPBG scheme	-	816.82	-	-	-	-
Advance from customers	-	-	-	8.37	21.77	14.51
Statutory dues	-	-	-	13.42	27.79	50.02
	24.04	842.15	26.61	21.79	49.56	64.53

(Amount in Rupees crores, unless otherwise stated)

20. Trade payables

	31 March 2017	31 March 2016	1 April 2015
Trade payables			
- total outstanding dues of micro and small enterprises;	3.79	3.87	5.99
- total outstanding dues of creditors other than micro and small enterprises	152.91	306.03	413.81
Total	**156.70**	**309.90**	**419.80**

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

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

21. Other Financial Liabilities

	31 March 2017	31 March 2016	1 April 2015
(at amortised cost)			
Current maturities of long term debt	1,929.15	604.35	1,280.35
Interest payable:			
Interest accrued but not due on borrowings	80.64	73.10	84.43
Interest accrued and due on borrowings	1,231.96	295.88	59.45
Unclaimed dividends	0.37	0.48	0.63
Security deposits and retention money	22.07	36.31	39.82
Payable for capital expenditures	44.52	74.47	129.23
Creditors for expenses	54.69	98.43	264.62
Oustanding liabilities	86.83	123.15	37.15
	3,450.23	**1,306.17**	**1,895.68**
Break-up of financial liabilities carried at amortised cost			
Trade Payables	156.70	309.90	419.80
Other financial liabilities (current)	3,450.23	1,306.17	1,895.68
Borrowings (current)	1,831.94	1,738.84	1,645.56
Borrowings (non current)	4,734.63	5,247.99	5,099.00
	10,173.50	**8,602.90**	**9,060.04**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

22. Revenue From Operations

	31 March 2017	31 March 2016
Sale of Products	2,081.45	4,174.59
Sale of services	32.93	20.84
Less: Inter Division Transfers	(741.58)	(2,174.04)
	1,372.80	2,021.39
Other operating revenues		
Sale of scrap	2.28	3.64
Total	**1,375.08**	**2,025.03**

Sale of goods includes excise duty collected from customers of Rs. 137.05 crores (31 March 2016: Rs. 197.92 crores).

23. Other income

	31 March 2017	31 March 2016
Interest Income		
From Bank Deposits	11.65	26.69
Others	7.47	17.39
Unwinding of discount on financial assets	2.12	2.14
Dividend		
Non Current Investments	0.02	0.08
Amortisation of deferred upfront fee	1.28	1.28
Profit on sale of financial assets	0.53	-
Net gain on sale of investments	-	-
Rent Received	2.20	1.77
Insurance Claim Received	2.74	5.10
Foreign Exchange fluctuation	5.20	14.29
Profit on Sale of Fixed Assets	0.27	2.87
Other Miscellaneous Income	0.06	6.48
Total	**33.54**	**78.09**

24. Cost of material consumed

	31 March 2017	31 March 2016
Iron Ore	440.23	869.48
Coke & Coal	417.17	688.98
Magnese Ore & Hi Mn Slag	53.87	37.64
Billets	235.26	528.28
Pig Iron & Hot Metal	35.77	409.37
M.S. Scrap	4.57	15.84
Ferro Alloys	10.77	27.04
Sponge Iron	159.38	218.69
Others	117.41	113.34
Less: Inter Division Transfers	(531.00)	(1,417.71)
	943.43	**1,490.95**

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

	31 March 2017	31 March 2016
Inventories at the beginning of the year		
Finished Goods	273.83	442.09
Work-in-process	7.91	6.47
Total Inventories at the beginning of the year	**281.74**	**448.56**
Finished Goods used for Fixed Assets	0.02	0.02
Inventories at the end of the year		
Finished Goods	139.66	273.83
Work-in-process	11.59	7.91
Total Inventories at the end of the year	**151.25**	**281.74**
Total	**130.47**	**166.80**

26. Employee benefits expense

	31 March 2017	31 March 2016
Salaries, wages and amenities	92.78	130.26
Contribution to provident fund and other funds	6.33	8.20
Staff welfare expenses	2.44	3.53
Total	**101.55**	**141.99**

27. Finance Costs

	31 March 2017	31 March 2016
Interest on debt and borrowings	1,048.52	889.99
Other ancillary borrowing costs	56.21	70.42
Unwinding of discount on financials liabilities	5.72	5.49
Total	**1,110.45**	**965.90**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

28. Depreciation and amortisation expense

	31 March 2017	31 March 2016
Depreciation of property, plant and equipments (refer note 3)	356.36	358.72
Amortisation of intangible assets (refer note 4)	-	-
	356.36	**358.72**

29. Other expenses

	31 March 2017	31 March 2016
MATERIAL, MANUFACTURING AND OTHERS		
Stores and Spares Consumed	29.35	69.71
Power and Fuel	222.44	332.51
Excise Duty on Stocks	(10.20)	(8.53)
Other Manufaturing Expenses	28.86	63.29
Less : Inter Division Transfers	(206.61)	(259.81)
ADMINISTRATION & OTHER EXPENSES		
Printing and Stationery	0.39	0.56
Rent	0.41	0.49
Rates & Taxes	0.25	0.75
Vehicle Expenses	3.85	4.92
Communication Expenses	1.15	1.64
Travelling & Conveyance	7.01	8.73
Insurance Charges	7.75	9.59
Legal & Professional Charges	8.76	12.82
Directors Sitting Fees	0.12	0.06
Auditors' Remuneration		
- As Audit Fees	0.35	0.35
- For Limited Review	0.03	0.03
- For Tax Matters	0.12	0.05
- For Certification & Other Matters	0.07	0.18
- Reimbursement of Expenses	0.02	0.02
Miscellaneous Expenses	5.81	9.69
Lease Rent & Hire Charges	0.43	0.48
Share Transfer Expenses	0.02	0.03
Internal Audit Fees & Expenses	0.59	0.61
Loss from Partnership Firm	0.02	0.01
Bank Charges	7.02	14.55
Security Service Charges	0.46	8.97
Provision For Doubtful Debts	7.57	24.48
Distribution & Marketing Expenses	26.87	72.37
REPAIR & MAINTENANCE		
Machinery	3.33	6.99
Building	1.35	0.51
Others	0.62	0.73
	148.21	**376.78**

30. Exceptional Items

	31 March 2017	31 March 2016	Remarks
Loss on sale of non-current investments	9.40	8.04	Refer (i) below
Provision for impairment of inventory	121.17	81.71	Refer (ii) below
Reversal of Interest Recoverable From Subsidiary	59.80	-	Refer (iii) below
Provision for Arbitration Claim	19.53	-	Refer (iv) below
	209.90	**89.75**	

(i) Loss on disposal of non-current investment in a subsidiary company.

(ii) Write down of raw material / finished goods inventory to net realisable value.

(iii) Reversal of interest income pertaining to previous years on loan given to a wholly owned subsidiary, based on accumulated losses and current financial position of the subsidiary company.

(iv) Loss on provision for arbitration claim passed against the company for non lifting of raw materials.

31. Components of other comprehensive income (OCI)

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

During the year ended 31 March 2017

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

During the year ended 31 March 2016

	Other equity	Total
Remeasurement gains (losses) on defined benefit plans	(0.96)	(0.96)
Income tax effect	-	-
Equity instruments through other comprehensive income	0.02	0.02
Income tax effect	-	-
	(0.94)	**(0.94)**

32. Earnings Per Share (EPS)

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

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

Particulars	31-Mar-17	31-Mar-16
Profit for the year as per Statement of Profit & Loss	(1,733.86)	(1,704.74)
Profit attributable to equityholders of the Company for basic earnings	**(1,733.86)**	**(1,704.74)**
	No. crores	**No. crores**
Weighted average number of equity shares in calculating basic EPS	20.07	9.97
Effect of dilution:	-	-
Weighted average number of equity shares in calculating diluted EPS	**20.07**	**9.97**
Earnings per equity share in Rs.		
Basic	(86.39)	(170.99)
Diluted	(86.39)	(170.99)
Face Value of each equity share	**10**	**10**

(Amount in Rupees crores, unless otherwise stated)

33. Disclosure of significant investments in subsidiaries:

1) Disclosure of investment in the following subsidiaries :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		
			As on 31.03.17	As on 31.03.16	As on 1.04.15
1	Monnet Overseas Ltd	U.A.E.	N.A. *	100%	100%
2	Monnet Global Ltd	U.A.E.	100%	100%	100%
3	Monnet Enterprises Pte. Ltd.	SINGAPORE	100%	100%	100%
4	Monnet Power Company Ltd	INDIA	88.31%	88.31%	87.39%
5	Monnet Daniel Coal Washeries Ltd.	INDIA	0.00%	0.00%	51.65%
6	Monnet Cement Ltd.	INDIA	99.97%	99.97%	99.97%
7	Chomal Exports Pvt Ltd	INDIA	51.00%	51.00%	51.00%
8	Monnet Sports Foundation	INDIA	50.00%	50.00%	50.00%

* The company has been dissolved during FY 2016-17

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

35. Employee benefit plans

Defined Contribution Plans - General Description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the povident fund is Rs. 5.50 crores (31 March 2016 Rs. 7.75 crores)

Defined Benefit Plans - General Description

Gratuity:

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

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

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

	31 March 2017	31 March 2016	31 March 2015
Defined benefit obligation at the beginning of the year	17.29	18.53	13.65
Current service cost	1.28	2.14	1.69
Interest cost	0.92	1.47	1.27
Benefits paid	(14.44)	(3.62)	(1.57)
Actuarial (gain)/ loss on obligations - OCI	5.94	(1.23)	3.49
Defined benefit obligation at the end of the year	**10.99**	**17.29**	**18.53**

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

	31 March 2017	31 March 2016	31 March 2015
Fair value of plan assets at the beginning of the year	14.99	14.22	11.93
Contribution by employer	-	3.53	2.56
Benefits paid	(0.05)	(3.62)	(1.57)
Expected Interest Income on plan assets	1.21	1.14	1.11
Acturial gain/(loss) on plan asset	1.60	(0.28)	0.19
Fair value of plan assets at the end of the year	**17.75**	**14.99**	**14.22**

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

	31 March 2017	31 March 2016	1 April 2015
Fair value of plan assets	17.75	14.99	14.22
Defined benefit obligation	10.99	17.29	18.53
Amount recognised in the Balance Sheet	**(6.76)**	**2.30**	**4.31**

Amount recognised in Statement of Profit and Loss:

	31 March 2017	31 March 2016
Current service cost	1.28	2.14
Interest expense	0.92	1.47
Expected return on plan asset	(1.21)	(1.14)
Amount recognised in Statement of Profit and Loss	**0.99**	**2.47**

Amount recognised in Other Comprehensive Income:

	31 March 2017	31 March 2016
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.92	0.08
Return on plan assets (excluding amounts included in net interest expense)	(1.60)	0.28
Experience adjustments	5.02	0.60
Amount recognised in Other Comprehensive Income	**4.34**	**0.96**

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

Gratuity	31 March 2017	31 March 2016	1 April 2015
Investment Details	**Funded**	**Funded**	**Funded**
Investment with Insurance fund	100%	100%	100%

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

	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.20%	8.08%	7.94%
Expected rate of return on Plan assets	7.20%	8.08%	7.94%
Future salary increases	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%
Retirement age	60 years	60 years	60 years

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Assumptions				
Discount rate	+ 0.25%	+ 0.25%	(0.27)	(0.28)
	- 0.25%	- 0.25%	0.28	0.29
Future salary increases	+ 0.25%	+ 0.25%	0.29	0.30
	- 0.25%	- 0.25%	(0.28)	(0.29)
Withdrawal rate	+ 0.25%	+ 0.25%	0.06	0.09
	- 0.25%	- 0.25%	(0.06)	(0.09)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality are insiginificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Expected contributions to post-employment benefit plans for the year ending 31 March 2018 is Nil

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

	31 March 2017	31 March 2016
Within the next 12 months (next annual reporting period)	0.50	0.65
Between 2 and 5 years	2.04	2.17
Beyond 5 years	4.84	5.59
Total expected payments	**7.38**	**8.41**

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31 March 2016: 12 years).

36. Commitments and contingencies

(a) Leases

Operating lease commitments - Company as lessee

The Company has obtained office premises on operating leases. All leases are for less than twelve months. Further, there is a renewal clause in the lease agreements.

Lease payments of Rs. 0.41 crores (previous year – Rs. 0.49 crores) have been recognized as an expense in the statement of profit and loss during the year.

(b) Commitments

(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) of Rs. 4.02 crores (March 31, 2016 - Rs. 8.19 crores, March 31, 2015 - Rs. 1507.51 crores)

(ii) Letters of Credit opened in favour of inland/overseas suppliers (Net) Rs. 0.30 crores (March 31, 2016 - Rs. 136.70 crores, March 31, 2015 - Rs. 231.41 crores)

(iii) Capital commitment towards new coal mine at Gare Palma IV/ 7 of Rs. Nil (March 31, 2016 - Rs. 329.23 crores, March 31, 2015 - Rs. 329.23 crores) [The company has issued a guarantee for equivalent amount in favour of nominated authority (Ministry of Coal)]

(iv) Rupee equivalent of export obligation to be completed by 23th August, 2021 under EPCG Scheme Rs. 259.86 crores (March 31, 2016 - Rs. 4,776.22 crores, March 31, 2015 - Rs. 342.06 crores)

(c) Contingent Liabilities

	31 March 2017	31 March 2016	31 March 2015
Counter guarantees issued in respect of guarantees issued by company's bankers	72.34	1178.26	515.64
Guarantees provided on behalf of subsidiaries and joint ventures	388.47	395.33	378.14
Excise/ service tax demands	34.64	35.29	32.48
VAT demands	1.38	0.83	1.53
Entry tax demands	15.78	1.05	1.05
Income Tax Demands	291.93	119.17	117.63
Provident fund Demands	0.00	0.00	0.06
Demands for water charges by Water Resources Division	0.00	0.00	15.02
Electricity Duty on generation of power	144.84	144.84	144.84
Cess on power generation	30.98	35.09	36.02
Risk purchase claim of customers	38.11	38.11	38.11
Other claims against the Company not acknowledged as debt	197.87	203.58	140.56
DMF&NMET liability for raw material purchased	5.87	5.87	0.00

(The above are basic amounts excluding interest, if any)

(Amount in Rupees crores, unless otherwise stated)

37. Related party disclosures

A. List of related parties

(a) Entities substantially owned directly or indirectly by the Company, irrespective of whether transactions have occurred or not:-

1 Monnet Global Ltd
2 Monnet Overseas Ltd
3 Monnet Daniel Coal Washeries Ltd (upto 02.07.2015)
4 Monnet Power Company Ltd.
5 Monnet Cement Ltd
6 Monnet Enterprises PTE LTD.
7 Chomal Exports Private Limited
8 Monnet Sports Foundation
9 Pt Monnet Global (step - subsidiary)
10 Monnet Enterprises DMCC (step - subsidiary)
11 Pt. Sarwa Sembada Karya Bumi (step - subsidiary)
12 LLC Black Sea Natural Resources, Abkhazia (step - subsidiary)

(b) Joint Ventures

1 MP Monnet Mining Company Ltd
2 Mandakini Coal Company Ltd
3 Urtan North Mining Company Ltd
4 Monnet Ecomaister Enviro Pvt Ltd.

(c) Associates Orissa Sponge Iron & Steel Ltd

(d) Partnership Firm Khasjamda Mining Company

(e) Enterprise owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:-

1 A. P. Coal Washeries Pvt Ltd
2 Tirumala Balaji Alloys Pvt. Ltd.
3 Paras Traders Ltd.
4 M. K. Jajodia & Sons HUF
5 Monnet Project Developer Ltd.
6 Excello Fin Lea Ltd.

(f) Key Management Personnel:-

1 Mr. Sandeep Jajodia - Chairman & Managing Director
2 Mr. C. P. Baid - Dy. Managing Director
3 Mr. J.P.Lath - Non Ex Director
4 Bhawna Thakur - Independent Director
5 Suman Jyoti Khaitan - Independent Director
6 Shantanu Prasad - Nominee Director
7 Kunal Sharma - Independent Director
8 Ankita Wadhwan - Independent Director

(g) Relative of Key Managerial Personnel Mr. Nikunj Jajodia (Relative of Mr. Sandeep Jajodia)

B. Details relating to remuneration of Key Managerial Personnel

	31 March 2017		31 March 2016	
Name of KMP	**Short-term employee benefits**	**Sitting fees**	**Short-term employee benefits**	**Sitting fees**
Mr. Sandeep Jajodia *	0.34	-	-	-
Mr. C. P. Baid	-	-	-	-
Mr. J. P. Lath	-	0.02	-	0.01
Ms. Bhawna Thakur	-	0.02	-	0.02
Mr. Suman Jyoti Khaitan	-	0.05	-	0.02
Mr. Suresh Kishinchand Khatanhar	-	0.01	-	0.01
Mr. Kunal Sharma	-	0.02	-	-
Ms. Ankita Wadhwan	-	0.01	-	-

***Note:**

As per directions of the Ministry of Corporate Affairs, vide their order dated 1st September, 2016, an amount of Rs.5.44 crores excess paid to Mr. Sandeep Jajodia, Chairman and MD of the Company during the financial year 2014-15 as per provisions of section 197(10) of the Companies Act, 2013 read with schedule V to the act, has been recovered during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

C. The following transactions were carried out with related parties in the ordinary course of business:-

Amount (Rs. in crores)

Related Party Transactions		Relatives of Key Managerial Personnel	Subsidiaries	Joint Ventures	Partnership Firm	Associates	Enterprises over which KMP or their relatives are able to exercise significant influence
Remuneration paid							
Nikunj Jajodia	31st March 2017	-	-	-	-	-	-
	31st March 2016	0.03	-	-	-	-	-
Reimbursement of Expenses Payable							
M.K.Jajodia & Sons HUF	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	-	-
Monnet Daniel Coal Washeries Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	7.19	-	-	-	-
Paras Traders Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	-	-
Reimbursement of Expenses Receivable							
Monnet Ecomaister Enviro Pvt. Limited	31st March 2017	-	-	(0.29)	-	-	-
	31st March 2016	-	-		-	-	-
Sales of goods / servies / fixed assets/ Raw Material							
Monnet Power Company Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	5.02	-	-	-	-
Monnet Ecomaister Enviro Pvt. Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	0.32	-	-	
Monnet Project Developer Ltd.	31st March 2017	-	-	-	-	-	0.80
	31st March 2016	-	-	-	-	-	-
Rent Received							
Monnet Ecomaister Enviro Pvt. Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	0.03	-	-	-
Loan Given							
Monnet Global Limited	31st March 2017	-	0.61	-	-	-	-
	31st March 2016	-	43.53	-	-	-	-
Khasjamda Mining Co.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	-	-

Amount (Rs. in crores)

Related Party Transactions		Relatives of Key Managerial Personnel	Subsidiaries	Joint Ventures	Partnership Firm	Associates	Enterprises over which KMP or their relatives are able to exercise significant influence
Orissa Sponge Iron & Steel Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	0.13	-
Mandakini Coal Company Limited	31st March 2017	-	-	0.08	-	-	-
	31st March 2016	-	-	0.37	-	-	-
Monnet Power Company Ltd.	31st March 2017	-	41.07	-	-	-	-
	31st March 2016	-	124.73	-	-	-	-
Monnet Daniel Coal Washeries Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	2.52	-	-	-	-
Loan Received							
Tirumala Balaji Alloys Pvt. Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	-	5.00
Urthan North Mining Co Ltd	31st March 2017	-	-	0.91	-	-	-
	31st March 2016	-	-	-	-	-	-
Excello Fin Lea Ltd.	31st March 2017	-	-	-	-	-	23.00
	31st March 2016	-	-	-	-	-	-
Loan Repaid							
Excello Fin Lea Ltd.	31st March 2017	-	-	-	-	-	23.00
	31st March 2016	-	-	-	-	-	-
Monnet Global Ltd.	31st March 2017	-	186.78	-	-	-	-
	31st March 2016	-	-	-	-	-	-
Monnet Power Company Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	90.18	-	-	-	-
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	-	5.00
	31st March 2016	-	-	-	-	-	-
Interest Received on Loan							
Monnet Global Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	13.53	-	-	-	-
Monnet Daniel Coal Washeries Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	0.32	-	-	-	-
Interest Paid on Loan							
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	-	0.34
	31st March 2016	-	-	-	-	-	0.36
Excello Fin Lea Ltd.	31st March 2017	-	-	-	-	-	0.48
	31st March 2016	-	-	-	-	-	-
Purchase of Shares Pending Allotment							
Monnet Overseas Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	1.04	-	-	-	-
Rent Paid							
M.K.Jajodia & Sons HUF	31st March 2017	-	-	-	-	-	0.13
	31st March 2016	-	-	-	-	-	0.12
Paras Traders Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	-	0.04

Amount (Rs. in crores)

Related Party Transactions		Relatives of Key Managerial Personnel	Subsidiaries	Joint Ventures	Partnership Firm	Associates	Enterprises over which KMP or their relatives are able to exercise significant influence
Purchase of Raw Material / stores / fixed assets							
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	-	0.39
Monnet Power Company Ltd.	31st March 2017	-	0.16	-	-	-	-
	31st March 2016	-	-	-	-	-	-
Monnet Ecomaister Enviro Pvt. Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	0.06	-	-	-
Dividend Received							
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	-	-	-	0.03
Guarantees issued on behalf of other Body Corporates							
Mandakini Coal Co. Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	86.93	-	-	-
Urtan North Mining Company Ltd	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	3.67	-	-	-
Monnet Global Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	265.33	-	-	-	-
Monnet Ecomaister Enviro Pvt .Ltd.	31st March 2017	-	-	-	-	-	-
	31st March 2016	-	-	39.40	-	-	-
Net outstanding balances:							
Monnet Global Ltd.	31st March 2017	-	63.66	-	-	-	-
	31st March 2016	-	249.45	-	-	-	-
	1st April 2015	-	192.58	-	-	-	-
Monnet Power Company Ltd.	31st March 2017	-	114.02	-	-	-	-
	31st March 2016	-	70.53	-	-	-	-
	1st April 2015	-	9.56	-	-	-	-

Amount (Rs. in crores)

Related Party Transactions		Relatives of Key Managerial Personnel	Subsidiaries	Joint Ventures	Partnership Firm	Associates	Enterprises over which KMP or their relatives are able to exercise significant influence
Monnet Enterprises PTE Ltd.	31st March 2017	-	0.08		-	-	-
	31st March 2016	-	0.06		-	-	-
	1st April 2015	-	0.06		-	-	-
Orissa Sponge Iron & Steel Ltd	31st March 2017	-	-		-	2.41	-
	31st March 2016	-	-		-	2.41	-
	1st April 2015	-	-		-	2.28	-
MP Monnet Mining Company Ltd	31st March 2017	-	-	0.21	-	-	-
	31st March 2016	-	-	0.16	-	-	-
	1st April 2015	-	-	0.16	-	-	-
Mandakini Coal Company Ltd	31st March 2017	-	-	3.09	-	-	-
	31st March 2016	-	-	3.00	-	-	-
	1st April 2015	-	-	2.63	-	-	-
Urtan North Mining Company Ltd.	31st March 2017	-	-	0.83	-	-	-
	31st March 2016	-	-	0.09	-	-	-
	1st April 2015	-	-	0.09	-	-	-
Monnet Ecomaister Enviro Pvt. Ltd.	31st March 2017	-	-	6.79	-	-	-
	31st March 2016	-	-	6.88	-	-	-
	1st April 2015	-	-	4.89	-	-	-
M.K. Jajodia & Sons HUF (payable)	31st March 2017	-	-	-	-	-	(0.06)
	31st March 2016	-	-	-	-	-	(0.03)
	1st April 2015	-	-	-	-	-	(0.01)
Tirumala Balaji Alloys Pvt. Ltd. (payable)	31st March 2017	-	-	-	-	-	0.00
	31st March 2016	-	-	-	-	-	(5.31)
	1st April 2015	-	-	-	-	-	0.00
Paras Traders Pvt Ltd	31st March 2017	-	-	-	-	-	0.00
	31st March 2016	-	-	-	-	-	0.00
	1st April 2015	-	-	-	-	-	0.01
Khasjamda Mining Company	31st March 2017	-	-	-	-	-	0.34
	31st March 2016	-	-	-	-	-	0.35
	1st April 2015	-	-	-	-	-	0.36

(Amount in Rupees crores, unless otherwise stated)

38. Segment information

As per Indian Accounting Standard (Ind AS) 108 on "Operating Segments", segment information has been provided in the Notes to Consolidated Financial Statements.

39. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	3.79	3.87	5.99
Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

(Amount in Rupees crores, unless otherwise stated)

40. Fair hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value
Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value

40. Fair hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-17	22.35	-	22.35	-
Non current investments (FVTOCI)	31-Mar-17	1.04	0.95	-	0.09
Intangible assets under development	31-Mar-17	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-17	142.62	-	142.62	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-16	21.11	-	21.11	-
Non current investments (FVTOCI)	31-Mar-16	0.57	0.48		0.09
Intangible assets under development	31-Mar-16	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2016.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

Rs in crore

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-16	136.90	-	136.90	-

There have been no transfers between Level 1 and Level 2 during year ended 31 March 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	01-Apr-15	18.96	-	18.96	-
Non current investments (FVTOCI)	01-Apr-15	0.56	0.48		0.08
Intangible assets under development	01-Apr-15	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1 April 2015:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	01-Apr-15	131.41	-	131.41	-

41. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, employee liabilities. The Company's principal financial assets include trade and other receivables, loans given and cash and short-term deposits/ loan that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include , deposits.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 34.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

	Increase/decrease in basis points	Effect on profit before tax
		INR in Crores
31-Mar-17		
INR	+50	(30.26)
INR	-50	30.26
31-Mar-16		
INR	+50	(24.80)
INR	-50	24.80

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax
		INR in Crores
31-Mar-17	+5%	(75.91)
	-5%	75.91
31-Mar-16	+5%	(118.78)
	-5%	118.78

	Change in EURO rate	Effect on profit before tax
		INR in Crores
31-Mar-17	+5%	(0.31)
	-5%	0.31
31-Mar-16	+5%	(1.21)
	-5%	1.21

	Change in YEN rate	Effect on profit before tax
		INR in Crores
31-Mar-17	+5%	-
	-5%	-
31-Mar-16	+5%	(0.01)
	-5%	0.01

	Change in AED rate	Effect on profit before tax
		INR in crores
31-Mar-17	+5%	3.19
	-5%	(3.19)
31-Mar-16	+5%	-
	-5%	-

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

II. Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

"Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counter parties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party failure. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date."

A. Trade receivables

"Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 10."

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties.

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. In crores)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-17						
Borrowings*	3,199.90	334.24	676.89	2,017.69	2,749.32	8,978.04
Trade payables	152.91	3.79	-	-	-	156.70
Other financial liabilities	990.50	80.64	-	-	-	1,071.14
	4,343.31	**418.67**	**676.89**	**2,017.69**	**2,749.32**	**10,205.88**
Year ended 31-Mar-16						
Borrowings*	1,738.84	322.30	445.35	2,489.79	2,796.30	7,792.58
Trade payables	306.03	3.87	-	-	-	309.90
Other financial liabilities	465.42	73.10	-	-	-	538.52
	2,510.29	**326.17**	**445.35**	**2,489.79**	**2,796.30**	**8,641.00**
As at 1 April 2015						
Borrowings*	1,645.56	317.73	1,022.07	1,868.61	3273.98	8,127.95
Trade payables	413.81	5.99	-	-	-	419.80
Other financial liabilities	471.45	84.43	-	-	-	555.88
	2,530.82	**408.15**	**1,022.07**	**1,868.61**	**3,273.98**	**9,103.63**

* In absolute terms i.e. undiscounted and including current maturity portion

IV. Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company's marketing facilities are situated in different geographies. Similarly the distribution network is spread PAN India.

42 . Capital Management

"The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No changes were made in the objectives, policies or processes during the year ended 31 March 2017.The Company has Rs. 10.48 crores borrowings as at 31 March 2017 (31 March 2016: Rs. 42.44 crores)."

	31 March 2017	31 March 2016	1 April 2015
Total Liabilities	10,223.00	9,501.21	9,160.81
Less: Cash and cash equivalents	58.43	21.15	195.24
Net debts	**10,164.57**	**9,480.06**	**8,965.57**
Total equity	**(1,145.89)**	**592.06**	**1,817.35**
Gearing ratio （%)	**-887.05%**	**1601.20%**	**493.33%**

43. Derivative instruments and unhedged foreign currency exposure

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

	31 March 2017	31 March 2017	31 March 2016	31 March 2016
Foreign payables for capital expenditure	**Foreign Currency**	**Amount (Rs. Crores)**	**Foreign Currency**	**Amount (Rs. Crores)**
CAD in crores	-	-	-	0.04
EURO in crores	-	-	0.08	6.04
GBP in crores	-	-	-	0.01
USD in crores	-	-	0.12	8.00
YEN in crores	-	-	0.20	0.12
Foreign trade payables				
USD in crores	0.13	8.09	0.30	19.94
EURO in crores	0.08	5.50	-	-
CAD in crores	-	0.04	-	-
Foreign advances received				
USD in crores	0.01	0.37	12.51	829.69
Borrowings				
USD in crores	23.40	1,517.45	22.95	1,520.37
EURO in crores	0.01	0.80	0.25	18.47
Foreign advances recoverable				
AUD in crores	-	-	-	-
EURO in crores	-	-	-	0.34
USD in crores	0.98	0.18	0.01	0.63
AED in crores	0.01	63.70	-	-
Foreign trade receivables				
USD in crores	0.12	7.68	0.02	1.16
EURO in crores	-	0.29	-	-
Foreign fixed deposits receipts				
USD in crores	-	-	0.01	0.70

44. In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet except where stated otherwise. Some of the balances of trade/ other receivables/ payables and loans and advances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact.

45. Disclosure of Movement in Provisions during the year as per Ind AS- 37, 'Provisions, Contingent Liabilities and Contingent Assets' :

(Rs. In crores)

Particulars	Balance As on 1.4.2016	Provided During the year	Paid/Adjusted During the year	Balance As on 31.3.2017
Non-current provisions				
Gratuity	2.30	(2.30)	-	-
Total	**2.30**	**(2.30)**	**-**	**-**
Current provisions				
Accumulated leaves	4.30	(0.13)	0.50	3.67
Total	**4.30**	**(0.13)**	**0.50**	**3.67**
Grand total	**6.60**	**(2.43)**	**0.50**	**3.67**

46. Disclosure of significant investments in joint ventures and associates:

1) Disclosure of investment in the following joint ventures :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		
			As on 31.03.17	As on 31.03.16	As on 1.04.15
1	Mandakini Coal Company Ltd	India	33.33%	33.33%	33.33%
2	Urtan North Mining Company Ltd	India	33.33%	33.33%	33.33%
3	MP Monnet Mining Company Ltd	India	49.00%	49.00%	49.00%
4	Monnet Ecomaister Enviro Pvt Ltd	India	50.00%	50.00%	50.00%

2) Disclosure of investment in the following accociates :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		
			As on 31.03.17	As on 31.03.16	As on 1.04.15
1	Orissa Sponge Iron & Steel Ltd.	India	35.17%	35.17%	35.17%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

47. The Hon'ble Supreme Court of India by its Order dated 24th September, 2014 has cancelled a number of coal blocks allocated to various entities which includes five under development mines allotted to the Company or its joint venture companies. The Ministry of Law and Justice (Legislative Department), Government of India, has promulgated an Ordinance on October 21, 2014 for implementing the order of Hon'ble Supreme Court and fixation of compensation etc.

The Company had invested directly or through Joint Ventures in the following coal blocks which have been cancelled pursuant to the court order as mentioned hereinabove:

(Rs. In Crores)

Particulars	Expenditure on fixed assets	Investment in Shares	Other Current & Non-current assets / (liabilities)	Total
Coal Blocks in Company's books				
Utkal – B2	44.07			44.07
Rajgamar	13.96			13.96
Coal Block through JVs				
Mandakini		39.3	3.09	42.39
Urthan North		5.75	(0.82)	4.93
Morga-3		0.98	2.71	3.69
	58.03	**46.03**	**4.98**	**109.04**

No adjustment has been made against impairment of assets since the final compensation amount is not yet ascertained / under litigation.

48. The Company has accumulated losses resulting in substantial erosion of its net worth and has incurred net cash losses in the current and in immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. These conditions may cast doubt about the Company's ability to continue as a going concern. However, the lenders have been holding 51% equity shares in the Company since 31st December, 2015 based on invocation of the Strategic Debt Restructuring (SDR) on 22nd August, 2015. As per the SDR scheme, the lenders have been taking requisite steps for supporting the company, including but not limited to identification of a new investor. The single largest bid generated in the second round of bidding held in February, 2017, is reportedly pending with the lenders for their consideration. Besides this, other steps are also, being taken to augment the financial resources to ramp up the operations. Therefore, it may be noted that the resolution process is at concluding stage and infusion of additional working capital and completion of the balance capital expenditure is one of the critical features of the proposed resolution process. The proposed infusion is expected to enable us ramp up our operations and enable the company meet all its obligations.

In view of the above, these financial statements have been prepared on going concern basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

49. Reconciliation of Net Profit as previously reported on account of transition from the Indian GAAP to IND AS for the quarter and year ended 31st March, 2017 is as under:

(Rs. In crores)

	Note ref.	Net Profit Reconciliation		Equity Reconciliation		Net Profit Reconciliation	Equity Reconciliation
Ind AS adjustments		**Quarter Ended**	**Year Ended**	**Year Ended**	**Year Ended**	**Year Ended**	**Year Ended**
		31.03.2016	**31.03.2016**	**31.03.2016**	**31.03.2015**	**31.03.2016**	**31.03.2016**
Net profit/ (loss) / Equity as per Indian GAAP		**(434.00)**	**(1,683.23)**	**814.86**	**2,017.69**	**(1,866.68)**	**790.21**
Reclassification of preference share capital				(175.00)	(175.00)		(175.00)
Measurement of certain financial liabilities at amortised cost	49.1	(5.81)	(22.86)	10.26	33.08	(25.62)	(1.87)
Other Ind AS adjustments	49.2	1.16	1.35	(6.16)	(7.51)	(25.04)	(32.05)
Net profit/ (loss) for the period under Ind AS (A)		**(438.65)**	**(1,704.74)**	**643.96**	**1,868.26**	**(1,917.34)**	**581.29**
Other Comprehensive Income (OCI)							
Other comprehensive income (net of tax)	49.3	(1.06)	(0.94)			(0.78)	
FVTOCI reserve				(44.96)	(44.95)		(44.93)
Remeasurement gains/ losses on defined benefit obligations reserve				(6.94)	(5.96)		(5.70)
Total other comprehensive income (B)	49.3	**(1.06)**	**(0.94)**	**(51.9)**	**(50.91)**	**-**	**(50.63)**
Total comprehensive income / Equity under Ind AS (A+B)		**(439.71)**	**(1,705.68)**	**592.06**	**1,817.35**	**(1,918.12)**	**530.66**

49.1 Redeemable Preference shares have been considered as long term borrowings and market rate of interest is applied to measure the finance cost. Further, other long term borrowings have been recorded using amortised cost method and effective rate of interest is applied to measure the finance cost.

49.2 Other Ind AS adjustments mainly comprise of reversal of amortisation of leasehold land and measurement of certain financial assets at amortised cost.

49.3 The company has opted to value certain investments in equity instruments (other than investments in subsidiaries, associates and joint ventures) at fair value through other comprehensive income.

50. The figures for the corresponding previous periods have been restated / regrouped wherever necessary to make them comparable.

51 First time adoption of Ind AS

"These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016."

Exemptions applied:

1. Mandatory exceptions;

a) Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation: Impairment of financial assets based on expected credit loss modelThe estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016."

b) De-recognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. "

c) Classification and measurement of financial assets:

i. Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS."

d) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date)."

Optional exemptions;

A. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments forde-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value."

B. Lease:-

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.The company has elected to apply this exemption for such contracts/arrangements."

C. Business combinations:

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree. The company has elected to apply this exemption."

D. Investment in subsidiaries, jointly controlled entities and associates in SFS :

At transition date, entity may choose to account for its investment at:- Cost as per Ind AS 27 determined at transition date.- Fair value as per Ind AS 113 (only on transition date).- Previous GAAP carrying amount.- Fair value as per Ind AS 109 (recurring fair valuation without recycling).

The company has elected to apply previous GAAP carrying amount exemption."

In terms of our report of even date annexed

For O.P. BAGLA & CO.	**For and on the behalf of Board**	
Chartered Accountants		
FRN : 000018N		
	Sandeep Jajodia	**J. P. Lath**
(Atul Bagla)	Chairman & Managing Director	Director
Partner	DIN: 00082869	DIN: 00380076
M. No. 091885		
	Sanjay Kumar Garodia	**Hardeep Singh**
PLACE : NEW DELHI	Chief Financial Officer	Company Secretary
DATED : 30/05/2017		M. No. FCS-4967

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MONNET ISPAT & ENERGY LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **MONNET ISPAT & ENERGY LIMITED** (hereafter referred as the holding company) and its subsidiaries (collectively referred to as "the Group"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in para of the "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

a) In one of the Subsidiary Companies, Monnet Power Company Limited, Long term and short term borrowings are continued to be classified as non-performing by most of the lenders and actual liability towards interest etc. is pending to be crystalized. In view of uncertainty the company has not provided interest including penal interest and other dues upto 31.03.2017 on such borrowings, to the extent the same has remained unpaid. Had the interest been provided, loss for the year and previous year would have been higher by Rs. 578.45 crores and Rs. 432.15 crores respectively (based on prevailing terms & conditions of lending) with an increase in liability/borrowings and corresponding decrease in other equity of Rs.1010.60 crores for the year ended 31st March, 2017.

b) Financial statements of one joint venture company, Mandakini Coal Company Ltd and one associate Orissa Sponge Iron and Steel Ltd have not been received for the year ended 31st March, 2017. The last available financial statements of the company have been considered in the consolidated financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of other auditors of subsidiaries, **except for the impact of the matter described in "Basis for qualified opinion" paras here in above**, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Group as at 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

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

(b) Note no. 48 in the financial statements which indicates that the Group has accumulated losses resulting in substantial erosion of net worth and has incurred net cash losses in the current and immediately preceding financial year. The current liabilities of the Group exceeded its current assets as at the balance sheet date. These conditions may cast doubt about the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

Other Matters

I. The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, whose audit report for the year ended 31st March 2016 & 31st March 2015 dated 28 April 2016 & 29 April 2015 respectively expressed an unmodified opinion on those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

I. We did not audit the financial statements of three subsidiaries whose financial results reflect total revenue of Rs. 0.01crores for the year ended March 31st, 2017, total assets of Rs. 233.91crores, total net profit after tax of Rs.18.96 crores and total comprehensive income of Rs. 18.96 crores for the year ended on that date, as considered in the consolidated financial results. These consolidated financial results also include the parent's share of net loss after tax of Rs.8.18 crores and total comprehensive loss of Rs. 8.18 crores, in respect of three joint ventures and one associate company, whose financial statements have not been audited by us.

These unaudited financial statements have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of these entities is based solely on such approved unaudited financial statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of Other Matters as referred above.

Report on Other Legal and Regulatory Requirement

1. The Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable on Consolidated Financial Statements as referred in proviso to para 2 of the Order.

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

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and report of other auditors.

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

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

(e) On the basis of the written representations received from the directors of holding company as on 31st March, 2017 taken on record by the Board of Directors of Holding company and the reports of auditors of subsidiary companies, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) We are enclosing herewith a report in Annexure I for our opinion considering the opinion of other auditors of subsidiary companies on adequacy of internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

iv. The Group has provided requisite disclosures in Note no.11 of its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures and relying on the management representation and report of other auditors of subsidiary companies, we report that the disclosures are in accordance with the books of accounts and records maintained by the Company.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000018N

(ATUL BAGLA)
PARTNER
M No. 91885

PLACE : NEW DELHI
DATED:11-July-2017

ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **MONNET ISPAT & ENERGY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies (collectively referred to as "the Group"), its associates and jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, associates and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000018N

(ATUL BAGLA)
PARTNER
M No. 91885

PLACE : NEW DELHI
DATED :11-July-2017

MONNET ISPAT & ENERGY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	6,421.39	6,750.69	7,075.72
Capital work-in-progress		5,585.64	5,759.03	5,630.84
Goodwill	4	2.11	2.11	2.11
Other Intangible assets	4	157.48	156.57	152.03
Intangible Assets under Development		1.74	1.74	0.80
Financial Assets				
a Investments	5	46.24	323.76	348.95
b Loans	6	87.45	81.41	298.76
c Other financial assets	7	8.43	152.22	55.93
Other non-current assets	8	0.00	45.17	424.80
		12,310.48	**13,272.70**	**13,989.94**
Current assets				
Inventories	9	277.72	554.92	1,039.79
Financial assets				
a Trade receivables	10	97.13	114.55	446.48
b Cash and cash equivalents	11 a	78.68	97.19	214.44
c Bank balance other than 'b' above	11 b	18.39	91.48	46.79
d Loans	12	585.35	503.19	260.88
e Other financial assets	7	1.05	5.13	2.93
Current Tax Assets (Net)	13	57.37	55.98	51.31
Other current assets	8	226.00	322.24	297.15
		1,341.69	**1,744.68**	**2,359.77**
Total Assets		**13,652.17**	**15,017.38**	**16,349.71**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	200.79	200.79	65.84
Other equity	15	(1,802.46)	212.75	1,792.55
Equity attributable to equity holders of the parent		**(1,601.67)**	**413.54**	**1,858.39**
Non-controlling interests		**114.39**	**117.12**	**129.80**
Total Equity		**(1,487.28)**	**530.66**	**1,988.19**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
a Borrowings	16	8,414.94	9,495.62	9,457.00
b Other financial liabilities		8.29	82.27	72.26
Provisions	17	(4.40)	(75.67)	10.04
Deferred tax liabilities (net)	18	-	-	-
Other non current liabilities	19	52.20	870.31	54.77
Current liabilities				
Financial liabilities				
a Borrowings	16	1,918.39	1,827.60	1,681.80
b Trade payables	20	157.95	310.07	427.58
c Other financial liabilities	21	3,450.23	1,306.17	2,498.22
Other current liabilities	19	1,141.66	669.47	158.55
Provisions	17	0.19	0.88	1.30
Total liabilities		**15,139.45**	**14,486.72**	**14,361.52**
Total Equity and Liabilities		**13,652.17**	**15,017.38**	**16,349.71**

Significant accounting policies 1&2

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

PLACE : NEW DELHI
DATED : 30/05/2017

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	31 March 2017	31 March 2016
INCOME			
Revenue From Operations	22	1,375.08	2,041.41
Other Income	23	37.29	66.50
Total Income (I)		**1,412.37**	**2,107.91**
EXPENSES			
Cost of material consumed	24	943.28	1,481.88
Purchase of stock-in-trade		0.00	19.19
Changes in inventories of finished goods, stock in trade and work-in-progress	25	130.47	167.75
Excise duty on sale of goods		137.05	197.92
Employee benefits expense	26	108.76	159.98
Finance costs	27	1,133.83	1,067.35
Depreciation and amortisation expense	28	359.66	364.19
Other expenses	29	463.60	483.69
Total Expenses (II)		**3,276.65**	**3,941.95**
Profit before tax from continuing operations before exceptional items (I-II)		**(1,864.28)**	**(1,834.04)**
Exceptional items (refer Note No. 30)		**262.98**	**84.01**
Profit before tax from continuing operations after exceptional items		**(2,127.26)**	**(1,918.05)**
Tax expense:			
Current Tax		-	-
Adjustment of tax relating to earlier periods		-	(0.69)
Deferred Tax		-	-
MAT Credit Entitlement written back		5.06	-
Profit for the year from continuing operations		**(2,132.32)**	**(1,917.36)**
Profit from continuing operations for the period attributable to:			
Owners of the Company		**(2,129.58)**	**(1,907.02)**
Non controlling interests		**(2.74)**	**(10.34)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(3.92)	(0.80)
Equity instruments through other comprehensive income		0.25	0.02
Total other comprehensive income for the year, net of tax		**(3.67)**	**(0.78)**
Total comprehensive income for the year, net of tax		**(2,135.99)**	**(1,918.14)**
Total comprehensive income for the period attributable to:			
Owners of the Company		**(2,133.25)**	**(1,907.80)**
Non controlling interests		**(2.74)**	**(10.34)**
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic		(106.39)	(95.42)
(2) Diluted		(106.39)	(95.42)

Significant accounting policies 1&2

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

PLACE : NEW DELHI
DATED : 30/05/2017

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

	Year ended			
	31 March 2017		31 March 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		(2,127.26)		(1,918.05)
Adjusted for :				
Depreciation	359.66		364.19	
Interest Received	(24.31)		(33.73)	
Interest Paid	1,133.83		1,067.35	
Amortisation of deferred upfront fee	(1.28)		(1.28)	
Profit on Sale of Fixed Assets	(0.04)		(2.87)	
Profit on sale of financial assets	(0.53)		-	
Loss on sale of non-current investments	-		0.59	
Provision for impairment of inventory	-		1.85	
Reversal of Interest Recoverable From Subsidiary	0.56		(0.14)	
Provision for Arbitration Claim	19.53		-	
Dividend received	(0.02)	1,487.40	(0.08)	1,395.88
Operating Profit before Working Capital Changes		(639.86)		(522.17)
Working capital adjustments:				
Increase in inventories	277.20		483.02	
Increase in trade and other receivables	284.58		513.80	
Movement in trade and other payables	302.97		728.25	
Movements in provisions	66.66		(86.93)	
		931.41		1,638.14
Cash Generated from Operations		291.55		1,115.97
Direct Taxes Paid		-		0.69
Exceptional / Extraordinary items		-	-	-
Net Cash from operating activities		**291.55**		**1,116.66**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / expenditure for CWIP	142.16		(169.02)	
Sale of Fixed Assets				
Purchase of Investments	278.30		24.62	
Sale of Investments	-		-	
Interest Received	24.31		33.73	
Dividend Received	0.02		0.08	
Net Cash used in Investing Activities		**444.79**		**(110.59)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(39.84)		(1,067.35)	
Proceeds from Issue of Share Capital / Application money	-		-	
Proceeds from contribution by minority shareholders	-		-	
Proceeds/ (Repayment) of Long Term Borrowings (Net)	(849.87)		(191.06)	
Proceeds / (Repayment) of Short Term Borrowings (Net)	90.79		145.80	
Dividend and Dividend Tax Paid	-		-	
Net Cash flow from in Financing Activities		**(798.92)**		**(1,112.61)**
Net increase in Cash and Cash Equivalents (A+B+C)		**(62.58)**		**(106.54)**

Cash and Cash Equivalents as on 1.4.2016	**97.19**	**214.44**
Cash and Cash Equivalents as on 31.3.2017	**78.68**	**97.19**
Components of cash and cash equivalents		
Cash on hand	0.38	0.64
Balance in current account and deposits with banks	78.30	96.55
	78.68	**97.19**

Significant accounting policies **1&2**

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

PLACE : NEW DELHI
DATED : 30/05/2017

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

MONNET ISPAT & ENERGY LIMITED

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

(Amount in Rupees crores, unless otherwise stated)

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

Particulars	Note	Amount
As at 1 April 2015	14	65.84
Shares issued during the year		134.95
As at 31 March 2016	14	200.79
Changes during the year		-
As at 31 March 2017	14	200.79

B. Other equity (Refer note 15)

	Attributable to the equity holders of the parent												Non-controlling interest	Total equity
	Reserves and Surplus									Items of OCI		Total		
	Capital Reserve	Share premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	General Reserve	Retained earnings	Foreign Exchange Translation Reserve (Net)	FVTOCI reserve	Re-measurement gains/ (losses) on defined			
As at 1 April 2016	77.77	1,262.83	86.02	1.89	19.68	3.31	163.97	(1,331.54)	(19.59)	(44.93)	(6.66)	212.75	117.12	329.87
Net income / (loss) for the year								(2,129.58)				(2,129.58)	(2.74)	(2,132.32)
Transfer to general reserve	-							-				-		-
Other comprehensive income (Note 31)										0.25	(3.92)	(3.67)		(3.67)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,129.58)**	**-**	**0.25**	**(3.92)**	**(2,133.25)**	**(2.74)**	**(2,135.99)**
Addition due to issue of equity shares				-								-		-
Exchange translation adjustment									(3.67)			(3.67)		(3.67)
Dividend												-		-
Dividend distribution tax												-		-
At 31 March 2017	**77.77**	**1,262.83**	**86.02**	**1.89**	**19.68**	**3.31**	**163.97**	**(3,339.41)**	**(23.26)**	**(44.68)**	**(10.58)**	**(1,802.46)**	**114.39**	**(1,688.08)**

Significant accounting policies **1&2**

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

PLACE : NEW DELHI
DATED : 30/05/2017

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

MONNET ISPAT & ENERGY LIMITED

Statement of consolidated changes in equity for the year ended 31 March 2016

(Amount in Rupees crores, unless otherwise stated)

	Attributable to the equity holders of the parent												Non-controlling interest	Total equity
	Reserves and Surplus									Items of OCI		Total		
	Capital Reserve	Share premium	Debenture Redemption Reserve	Capital Redemption Reserve	Capital Reconstruction Reserve	Amalgamation Reserve	General Reserve	Retained earnings	Foreign Exchange Translation Reserve (Net)	FVTOCI reserve	Re-measurement gains/ (losses) on defined benefit plans			
As at 1 April 2015	77.77	917.39	86.02	1.89	19.68	3.31	163.92	575.48	(2.10)	(44.95)	(5.86)	1,792.55	129.80	1,922.35
Net income / (loss) for the year								(1,907.02)				(1,907.02)	(10.34)	(1,917.36)
Transfer to general reserve	-						0.05	-				0.05		0.05
Other comprehensive income (Note 31)										0.02	(0.80)	(0.78)		(0.78)
Total comprehensive income	**-**	**-**	**-**	**-**			**0.05**	**(1,907.02)**		**0.02**	**(0.80)**	**(1,907.75)**	**(10.34)**	**(1,918.09)**
												-		
Addition due to issue of equity shares		345.44										345.44		345.44
Elimination of NCI portion of erstwhile subsidiary company													(2.34)	(2.34)
Exchange translation adjustment									(17.49)			(17.49)		(17.49)
Dividend												-		
Dividend distrubution tax												-		
At 31 March 2016	**77.77**	**1,262.83**	**86.02**	**1.89**	**19.68**	**3.31**	**163.97**	**(1,331.54)**	**(19.59)**	**(44.93)**	**(6.66)**	**212.75**	**117.12**	**329.87**

Significant accounting policies 1&2

The accompanying Notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

PLACE : NEW DELHI
DATED : 30/05/2017

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

Sanjay Kumar Garodia
Chief Financial Officer

J. P. Lath
Director
DIN: 00380076

Hardeep Singh
Company Secretary
M. No. FCS-4967

Monnet Ispat & Energy Limited
Consolidated financial statements for the year ended 31 March 2017
Accounting Policies under Ind AS
Note No. 1 & 2

1. Corporate information

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

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

The financial statements of the company for the year ended 31st March 2017 were authorized for issue in accordance with a resolution of the directors on 30th May, 2017.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first being prepared in accordance with IndAS.

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

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

2.2 Basis of Consolidation

The CFS relates to the company and its subsidiaries, joint ventures and associates ('the Group' or 'Group'). In the preparation of the CFS, investments in subsidiaries, associates and joint ventures are accounted for in accordance with the requirements of Ind AS 110 (Consolidated Financial Statements) and Ind AS 28 (Investments in Associates and Joint Ventures) vide notification dated 16 February 2015 under section 133 of the Companies Act 2013.

Investment in Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:

The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential rights held by the Company, other vote holders or other parties;

Rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control subsidiary.

Changes in the Group's ownership interests in existing subsidiaries

When the Group do not loses control of subsidiary.

- Changes in the Group's ownership interests in subsidiaries are accounted for as equity transactions.
- The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.
- Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary,

- derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet.
- a gain or loss is recognised in profit or loss and is calculated as the difference between

  (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and

  (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.
- All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).
- The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IndAS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

  The CFS is prepared on the following basis:

- Combining like items of assets, liabilities, equity, income, expenses and cash flows of the ______ (The Parent) with those of its subsidiaries.
- Eliminating in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group
- Offsetting (eliminating) the carrying amount of the company's investment in each subsidiary (directly or indirectly) and the company's portion of equity of each subsidiary.
- Profit or loss and each component of other comprehensive income are attributed to the owners of Company and to the non-controlling interests. Total comprehensive income of subsidiaries attributed to the owners of the Company and to the non-controlling interests even if this results in non-controlling interests having a deficit balance.
- When necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies into line with the Group's accounting policies.
- The Company present's non-controlling interests in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are considered as equity transactions (i.e. transactions with owners in their capacity as owners).
- As far as possible, the CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements, Where it is not practicable to use uniform accounting policies, adjustments are made to the financial statements of subsidiaries to bring accounting policies into line with the Group's accounting policies.
- The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2016.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that not related to the Group.

Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that IndAS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer, if there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IndAS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Transitional Provisions in opening balance sheet as per Ind AS 101

In accordance with Ind AS 101, the group has not applied Ind AS 103 retrospectively to a past business combination, this has led to the following consequences for the business combination that occurred before the date of transition to Ind ASs):

(i) The group has kept the same classification as in its previous GAAP financial statements.

(ii) The group has recognised all its assets and liabilities at the date of transition to Ind ASs that were acquired or assumed in a past business combination, other than:

- some financial assets and financial liabilities derecognised in accordance with previous GAAP and
- assets, including goodwill, and liabilities that were not recognised in the acquirer's consolidated Balance Sheet in accordance with previous GAAP.

The group then recognises any resulting change by adjusting retained earnings (or, if appropriate, another category of equity), unless the change results from the recognition of an intangible asset that was previously subsumed within goodwill.

The group excludes from its opening Ind AS Balance Sheet any item recognised in accordance with previous GAAP that does not qualify for recognition as an asset or liability under Ind ASs.

The Group determines whether a transaction or other event is a business combination by applying the definition in Ind AS 103, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, the group accounts for the transaction or other event as an asset acquisition.

Where the acquisition of an asset or a group of assets does not constitute a business, the group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group is then allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase

Foreign currencies

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.3 Significant accounting policies

a. Current versus non-current classification

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

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

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

All other assets and liabilities are classified as non-current. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non current assets and liabilities respectively.

b. Property, plant and equipment

i) Tangible assets

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any, as at 31 March 2015. The Company has elected to regard those values of property as deemed cost at the date of the transition to Ind AS, i.e., 1 April 2015.

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

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

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

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

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

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

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

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

ii) Capital work in progress (CWIP)

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

c. Intangible Assets

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

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

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

d. Research & Development Costs

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

e. Borrowing Costs

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

f. Impairment of non-financial assets

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

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

g. Inventories

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

h. Revenue Recognition

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

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

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

i. Foreign currency transactions

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

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

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

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

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

j. Taxes on income

Current Tax

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

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

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

Deferred tax

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

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

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

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

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

k. Employee benefits

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

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

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

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

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

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

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

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

l. Leases

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

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

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

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

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

m. Provisions, Contingent liabilities and Contingent assets

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

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

Contingent liability is disclosed in the case of:

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

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

n. Earnings per share

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

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

q. Fair value measurement

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

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

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

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

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

r. Financial instruments

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

(a) Financial assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial assets carried at amortised cost**

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

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

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

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

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

Derecognition

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

Investment in subsidiaries, joint ventures and associates

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

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial liabilities at amortised cost**

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

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

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

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

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

Derecognition

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

s. Government grants

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

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

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

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

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

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

2.3 Significant accounting judgements, estimates and assumptions

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

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

Judgements

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

Contingencies

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

Estimates and assumptions

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

(a) Impairment of non-financial assets

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

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

(b) Defined benefit plans

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

(c) Fair value measurement of financial instruments

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

(d) Impairment of financial assets

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

3. Property, plant and equipment

	Freehold Land & Site Development	Leasehold Land	Leasehold Buildings	Other Buildings	Plant and equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
Cost									
As at April 1, 2015	55.40	70.18	1.55	759.06	7,068.81	14.02	49.84	83.07	8,101.93
Additions	0.02	6.51	0.19	48.61	134.23	0.04	0.06	0.79	190.45
Disposals	6.95	10.04	-	15.86	223.67	0.68	1.04	3.71	261.95
As at March 31, 2016	**48.47**	**66.65**	**1.74**	**791.81**	**6,979.37**	**13.38**	**48.86**	**80.15**	**8,030.43**
Additions	0.08	-	-	10.24	22.11	0.09	0.01	0.21	32.74
Disposals	-	-	-	-	3.00	-	0.37	2.31	5.68
As at March 31, 2017	**48.55**	**66.65**	**1.74**	**802.05**	**6,998.48**	**13.47**	**48.50**	**78.05**	**8,057.49**
Depreciation									
As at April 1, 2015	0.21	2.34	0.14	79.80	885.87	6.83	24.84	26.18	1,026.21
Depreciation charge for the year	0.07	0.07	0.05	28.51	325.61	2.08	2.57	5.23	364.19
Disposals	-	2.41	-	3.73	101.02	0.38	0.29	2.83	110.66
As at March 31, 2016	**0.28**	**-**	**0.19**	**104.58**	**1,110.46**	**8.53**	**27.12**	**28.58**	**1,279.74**
Depreciation charge for the year	0.07	-	0.05	29.17	322.24	1.86	1.39	4.88	359.66
Disposals	-	-	-	-	1.31	-	0.10	1.89	3.30
As at March 31, 2017	**0.35**	**-**	**0.24**	**133.75**	**1,431.39**	**10.39**	**28.41**	**31.57**	**1,636.10**
Net book value :									
As at March 31, 2017	48.20	66.65	1.50	668.30	5,567.09	3.08	20.09	46.48	6,421.39
As at March 31, 2016	48.19	66.65	1.55	687.23	5,868.91	4.85	21.74	51.57	6,750.69
As at April 1, 2015	55.19	67.84	1.41	679.26	6,182.94	7.19	25.00	56.89	7,075.72

Notes:

I. Property, plant and equipment pledged as security

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

II. Addition to fixed assets includes Rs. 44.01 crores and Rs. 15.42 crores respectively transferred from CWIP and stores inventory. Further, as per option exercised under para 46A of AS - 11 'The Effects of Changes in Foreign Exchange Rates' read with para D13AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards', exchange fluctuation gain on foreign currency loans of Rs. 28.98 crores was adjusted against addition to fixed assets.

4. Intangible assets

	Software	Goodwill	Mining rights	Total
Cost				
As at April 1, 2015	0.56	2.11	152.03	154.70
Additions	-	-	4.54	4.54
Disposals	-			-
As at March 31, 2016	**0.56**	**2.11**	**156.57**	**159.24**
Additions	-	-	0.91	0.91
Disposals	-	-	-	-
As at March 31, 2017	**0.56**	**2.11**	**157.48**	**160.15**
Amortisation				
As at April 1, 2015	0.56	-	-	0.56
Amortisation charge for the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2016	**0.56**	**-**	**-**	**0.56**
Amortisation charge for the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2017	**0.56**	**-**	**-**	**0.56**
Net book value :				
As at March 31, 2017	-	2.11	157.48	159.59
As at March 31, 2016	-	2.11	156.57	158.68
As at April 1, 2015	-	2.11	152.03	154.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)
Financial Assets

	31 March 2017	31 March 2016	1 April 2015
5. Investments			
(a) Investments in equity shares			
Investments in Joint Ventures (unquoted)			
Monnet Ecomaister Enviro Pvt Ltd	8.29	10.74	14.29
14,211,363 (March 31, 2016 : 14,211,363, April 1, 2015 : 14,211,363) Equity shares of Rs.10 each fully paid up			
Mandakini Coal Company Ltd	29.92	38.43	38.43
39,299,800 (March 31, 2016 : 39,299,800, April 1, 2015 : 39,299,800) Equity shares of Rs.10 each fully paid up			
MP Monnet Mining Company Ltd	0.77	5.75	0.80
980,000 (March 31, 2016 : 980,000, April 1, 2015 : 980,000) Equity shares of Rs.10 each fully paid up			
Urtan North Mining Company Ltd	5.86	0.80	5.75
5,751,347 (March 31, 2016 : 5,751,347, April 1, 2015 : 5,751,347) Equity shares of Rs.10 each fully paid up			
Mandakini Exploration & Mining Ltd	0.01	0.01	0.01
13,500 (March 31, 2016 : 13,500, April 1, 2015 : 13,500) Equity shares of Rs.10 each fully paid up			
Investments in Associate Companies (quoted)			
Orrisa Sponge Iron & Steel Ltd.	-	267.11	288.75
9,494,633 (March 31, 2016 : 9,494,633, April 1, 2015 : 9,494,633) Equity shares of Rs.10 each fully paid up			
Investments at fair value through OCI (unquoted)			-
Rameshwaram Steel & Power Pvt Ltd	-	-	-
4,152,273 (March 31, 2016 : 4,152,273, April 1, 2015 : 4,152,273) Equity shares of Rs.10 each fully paid up			
Falcon Internal Forces and Fire Services Pvt Ltd	0.02	0.02	0.01
1,000 (March 31, 2016 : 1,000, April 1, 2015 : 1,000) Equity shares of Rs.10 each fully paid up			

	31 March 2017	31 March 2016	1 April 2015
MONNET ENERGY & INFRASTRUCTURE LIMITED	0.07	0.07	0.07
4,000 (March 31, 2016 : 4,000, April 1, 2015 : 4,000) Equity shares of Rs.10 each fully paid up			
Business India Publications Ltd	-	-	-
100,000 (March 31, 2016 : 100,000, April 1, 2015 : 100,000) Equity shares of Rs.10 each fully paid up			
Chattel Constructions Pvt Ltd (refer note II below)	-	-	-
9,999 (March 31, 2016 : 9,999, April 1, 2015 : 9,999) Equity shares of Rs.10 each fully paid up			
Investments at fair value through OCI (quoted)			
IFSL	-	-	-
1,300,000 (March 31, 2016 : 1,300,000, April 1, 2015 : 1,300,000) Equity shares of Re.1 each fully paid up			
Aditya Birla Nuvo Ltd	0.15	0.08	0.08
1,000 (March 31, 2016 : 1,000, April 1, 2015 : 1,000) Equity shares of Rs.10 each fully paid up			
XL Energy limited (formerly XL Telecom Ltd)	0.04	0.04	0.04
166,808 (March 31, 2016 : 166,808, April 1, 2015 : 166,808) Equity shares of Rs.10 each fully paid up			
Kamanwala Housing Construction Ltd	0.09	0.11	0.11
63,343 (March 31, 2016 : 63,343, April 1, 2015 : 63,343) Equity shares of Rs.10 each fully paid up			
Indiabulls Real Estate Ltd	0.22	0.14	0.16
25,000 (March 31, 2016 : 25,000, April 1, 2015 : 25,000) Equity shares of Rs.10 each fully paid up			
RattanIndia Infrastructure Limited	0.03	0.03	0.02
73,750 (March 31, 2016 : 73,750, April 1, 2015 : 73,750) Equity shares of Rs.10 each fully paid up			
Soril Holdings and Ventures Ltd (formerly Indiabulls Wholesale Services Ltd)	0.01	-	-
3,125 (March 31, 2016 : 3,125, April 1, 2015 : 3,125) Equity shares of Rs.10 each fully paid up			
Bellary Steel Ltd.	-	-	-
803,243 (March 31, 2016 : 803,243, April 1, 2015 : 803,243) Equity shares of Re.1 each fully paid up			
Pioneer Investment Ltd.	0.16	0.04	0.03
23,392 (March 31, 2016 : 23,392, April 1, 2015 : 23,392) Equity shares of Rs.10 each fully paid up			

	31 March 2017	31 March 2016	1 April 2015
Sujana Towers Ltd	0.01	0.01	0.02
12,500 (March 31, 2016 : 12,500, April 1, 2015 : 12,500) Equity shares of Rs.10 each fully paid up			
Nu Tek India Ltd	0.03	0.03	0.02
480,000 (March 31, 2016 : 480,000, April 1, 2015 : 480,000) Equity shares of Rs.5 each fully paid up			
	45.68	**323.41**	**348.59**
(b) Investment in Mutual Funds (quoted)			
SBI MF Magnum Tax Gain	0.21	-	-
55,123 (March 31, 2016 : 55,123, April 1, 2015 : 55,123) units			
(c) Capital Contribution in Partnership Firm			
Khasjamda Mining Company	0.34	0.35	0.36
Total	**46.24**	**323.76**	**348.95**
Aggregate book value of quoted investments	0.95	267.59	289.23
Aggregate market value of quoted investments	0.95	219.71	132.93
Aggregate value of unquoted investments	45.28	56.17	59.72

Investment in Partnership firm	31 March 2017	31 March 2016	1 April 2015
Capital contribution			
Monnet Ispat & Energy Ltd	0.34	0.35	0.36
Sanjay P Date	0.34	0.34	0.34
% in Profits			
Monnet Ispat & Energy Ltd	99%	99%	99%
Sanjay P Date	1%	1%	1%

Note:

I. The Following Investments have been pledged for availment of credit facilities			
Orrisa Sponge Iron & Steel Ltd. (75,00,000 shares)	7.50	7.50	7.50
Mandakini Coal Company Ltd (2,00,42,999 shares)	20.04	20.04	20.04

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

6. Loans (non current)

	31 March 2017	31 March 2016	1 April 2015
Security Deposits			
Unsecured, Considered Good	5.84	17.68	26.76
Loans to Related Parties			
Unsecured, Considered Good	22.35	21.11	18.96
Other loans			
Secured, Considered good	57.28	2.65	16.39
Unsecured, Considered good	1.98	39.97	236.65
Total	**87.45**	**81.41**	**298.76**

Notes:

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

7. Other financial assets

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Bank deposits (having maturity more than 12 months)	8.43	152.22	55.93	-	-	-
Interest accrued on deposits and loans	-	-	-	1.05	5.13	2.93
	8.43	**152.22**	**55.93**	**1.05**	**5.13**	**2.93**

8. Other non-financial assets

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Capital advances						
Unsecured, considered good	-	45.17	424.80	-	-	-
Other loans and advances (Unsecured, considered good)						
Advance to suppliers		-	-	184.89	267.09	224.50
Advance to employees				0.08	0.47	6.06
Prepaid expenses	-	-	-	4.53	7.50	14.14
Balance with statutory authorities:						
Balances with Excise Authorities	-	-	-	18.25	23.87	29.14
MAT Credit Entitlement	-	-	-	18.25	23.31	23.31
	-	-	-	226.00	322.24	297.15
Total	**-**	**45.17**	**424.80**	**226.00**	**322.24**	**297.15**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

9. Inventories

	31 March 2017	31 March 2016	1 April 2015
Raw Materials	191.12	283.93	517.83
Work-in-progress	11.59	7.91	6.47
Finished Goods	139.66	273.83	445.54
Stores and spares	56.52	70.96	69.95
	398.89	636.63	1,039.79
Less: Provision for diminution in inventory	121.17	81.71	-
Total	**277.72**	**554.92**	**1,039.79**

Note:
I. For mode of valuation refer Accounting policy number 2.2 (g)
II. Provision for diminution in raw materials is Rs. 66.58 crores (31 March 2016: Rs. 81.71 crores) and in finished goods is Rs. 54.59 crores (31 March 2016: Nil)

10. Trade receivables (unsecured)

	31 March 2017	31 March 2016	1 April 2015
Considered good	97.13	114.55	446.48
Considered doubtful	35.53	27.96	3.48
Less: Provision for doubtful receivables	(35.53)	(27.96)	(3.48)
Total	**97.13**	**114.55**	**446.48**

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

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

11. Cash and bank balances

	31 March 2017	31 March 2016	1 April 2015
11 a. Cash and cash equivalents :			
Balances with banks			
On current accounts	59.58	16.04	16.26
On Bank deposits with upto three months maturity	18.72	80.51	197.68
Cash on hand	0.38	0.64	0.50
	78.68	**97.19**	**214.44**
11 b. Bank balances other than above			
Earmarked bank balances	0.37	0.48	0.63
Bank deposits with upto three months maturity (lien marked)	-	-	-
Bank deposits with maturity for 3 to 12 months	18.02	91.00	46.16
	18.39	**91.48**	**46.79**

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

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

	31 March 2017	31 March 2016	1 April 2015
Balance with banks :			
On current accounts	59.58	16.04	16.26
On deposit accounts	18.72	80.51	197.68
Cash on hand	0.38	0.64	0.50
Total	78.68	97.19	214.44

Notes:

Earmarked bank balances includes balance of Rs. 0.37 crores (31 March 2016: Rs.0.48 crores; 1 April 2015: Rs. 0.63 crores) pertaining to unclaimed dividend.

Deposits with banks include deposits provided as collateral against credit facilities of Rs. 14.50 crores (31 March 2016: Rs. 161.32 crores; 1 April 2015: Rs. 58.07 crores).

Specified Bank Notes (SBN) disclosure

Disclosure related to details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.39	0.09	0.48
(+) Withdrawal from Bank accounts	-	0.11	0.11
(+) Permitted receipts	-	0.15	0.15
(-) Permitted payments	-	(0.21)	(0.21)
(-) Amount deposited in Banks	(0.39)	-	(0.39)
Closing cash in hand as on 30.12.2016	**-**	**0.14**	**0.14**

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

12. Loans (current)

	31 March 2017	31 March 2016	1 April 2015
Security Deposits			
Unsecured, considered good	13.00	13.00	13.00
Loans to related parties *			
Unsecured, Considered Good	34.36	29.82	22.64
Other loans and advances			
Unsecured, Considered Good	537.99	460.37	225.24
Total	**585.35**	**503.19**	**260.88**

* disclosure with respect to related party transactions is given in note 38.

13. Current Tax Assets (Net)

	31 March 2017	31 March 2016	1 April 2015
Income tax paid (net of provision for tax)	57.37	55.98	51.31
	57.37	**55.98**	**51.31**
Break-up of the financial assets carried at amortised cost :			
Security deposits (current)	13.00	13.00	13.00
Security deposits (non current)	5.84	17.68	26.76
Loans to related parties (current)	34.36	29.82	22.64
Loans to related parties (non current)	22.35	21.11	18.96
Other loans (non current)	59.26	42.62	253.04
Trade receivables	97.13	114.55	446.48
Cash and cash equivalents	78.68	97.19	214.44
Other bank balances	18.39	91.48	46.79
Other loans	537.99	460.37	225.24
Other financial assets (current)	1.05	5.13	2.93
Other financial assets (non current)	8.43	152.22	55.93
Total	**876.48**	**1,045.17**	**1,326.21**

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

14. Equity share capital

	31 March 2017	31 March 2016	1 April 2015
Authorised:			
20,07,68,242 (31 March 2016: 20,07,68,242, 1 April 2015: 6,58,25,681) equity shares of Rs 10 each	211.00	211.00	211.00
Issued subscribed and paid up:			
21,10,00,000 (31 March 2016: 21,10,00,000, 1 April 2015: 8,20,00,000) equity shares of Rs 10 each	200.77	200.77	65.82
Add: Shares forfeited	0.02	0.02	0.02
Total	**200.79**	**200.79**	**65.84**

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

	31 March 2017		31 March 2016		01 April 2015	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
At the beginning of the year	20.07	200.77	6.58	65.83	6.58	65.83
Issued during the year	-	-	13.49	134.94	-	-
Outstanding at the end of the year	**20.07**	**200.77**	**20.07**	**200.77**	**6.58**	**65.83**

B. Terms/Rights attached to equity shares

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

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

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

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	Number of shares held	% of holding in class	Number of shares	% of holding in class	Number of shares held	% of holding in class
Udhyam Merchandise Pvt Ltd	2.51	12.51%	2.51	12.51%	2.51	38.17%
Blackstone GPV Capital Partners Mauritius V-ALTD	-	-	0.46	2.28%	0.46	6.94%
Deutsche Securities Mauritius Ltd	-	-	0.42	2.07%	0.50	7.62%
Oswal Greentech Limited	1.38	6.87%	1.38	6.87%	-	-
Umra Securities Limited	1.88	9.34%	1.88	9.34%	-	-
State Bank of Patiala	1.35	6.72%	1.35	6.72%	-	-

D. Preference share capital

The Company also has authorised preference share capital of 17,500,000 shares (31 March 2016: 17,500,000, 1 April 2015: 17,500,000) of Rs 100 each

(Amount in Rupees crores, unless otherwise stated)

15. Other Equity

	Amount
a) Capital Reserve	
As at 1 April 2015	77.77
Changes during the year	-
As at 31 March 2016	77.77
Changes during the year	-
As at 31 March 2017	**77.77**
b) Share Premium	
As at 1 April 2015	917.39
Changes during the year	345.44
As at 31 March 2016	1,262.83
Changes during the year	**-**
As at 31 March 2017	**1,262.83**
c) Debenture Redemption Reserve	
As at 1 April 2015	86.02
Changes during the period	**-**
As at 31 March 2016	86.02
Changes during the period	**-**
As at 31 March 2017	**86.02**
d) Capital Redemption Reserve	
As at 1 April 2015	1.89
Changes during the period	-
As at 31 March 2016	1.89
Changes during the period	-
As at 31 March 2017	**1.89**
e) Capital Reconstruction Reserve	
As at 1 April 2015	19.68
Changes during the period	-
As at 31 March 2016	19.68
Changes during the period	-
As at 31 March 2017	**19.68**
f) Amalgamation Reserve	
As at 1 April 2015	3.31
Changes during the period	-
As at 31 March 2016	3.31
Changes during the period	-
As at 31 March 2017	**3.31**

	Amount
g) General Reserve	
As at 1 April 2015	163.92
Changes during the period	0.05
As at 31 March 2016	163.97
Changes during the period	-
As at 31 March 2017	**163.97**

h) FVTOCI reserve

As at 1 April 2015	(44.95)
Other comprehensive income for the year 2015-16	0.02
As at 31 March 2016	(44.93)
Other comprehensive income for the year 2016-17	0.25
As at 31 March 2017	**(44.68)**

i) Re-measurement gains/ (losses) on defined benefit plans

As at 1 April 2015	(5.86)
Other comprehensive income for the year 2015-16	(0.80)
As at 31 March 2016	(6.66)
Other comprehensive income for the year 2016-17	(3.92)
As at 31 March 2017	**(10.58)**

j) Foreign Exchange Translation Reserve (Net)

As at 1 April 2015	(2.10)
Changes during the period	(17.49)
As at 31 March 2016	(19.59)
Changes during the period	(3.67)
As at 31 March 2017	**(23.26)**

k) Retained Earnings

As at 1 April 2015	575.48
Profit for the year 2015-16	(1,907.02)
Less: Dividend paid	-
Less: Dividend distribution tax paid	-
Less: Transfer to general reserve	-
As at 31 March 2016	(1,331.54)
Profit for the year 2016-17	(2,129.58)
Less: Dividend distributed	-
Less: Dividend distribution tax paid	-
Less: Transfer to general reserve	-
As at 31 March 2017	**(3,339.41)**

Total other equity attributable to equity holders of the parent

As at 31 March 2017	**(1,802.46)**
As at 31 March 2016	212.75
As at 1 April 2015	1,792.55

Non-controlling interests

As at 31 March 2017	**114.39**
As at 31 March 2016	117.12
As at 1 April 2015	129.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

16. Borrowings

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Debentures						
Secured						
Non-Convertible Redeemable Debentures redeemable at par	919.28	918.59	917.86	-	-	-
Liability component of financial liabilities						
6.5% Cumulative Non Convertible Redeemable Preference Shares	142.62	136.90	131.41	-	-	-
Term Loan						
Secured						
Foreign currency loans from Banks	2,000.08	2,131.19	2,445.43	-	-	-
Rupee loans from Banks	7,150.52	6,763.31	7,184.24			
Term loan from NBFCs	131.53	131.20	92.07	-	-	-
Hire Puchase loans from Banks	0.06	0.28	0.41	-	-	-
Less: current maturities of long term debt (refer note 21)	(1,929.15)	(604.35)	(1,314.42)	-	-	-
Short term loans						
Unsecured						
-foreign currency loans	-	-	-	-	221.09	141.68
-from banks	-	-	-	391.64	165.07	81.46
-from companies	-	-	-	-	30.42	244.07
-from related parties	-	18.50	-	-	-	-
Working capital facility						
Secured						
From Banks	-	-	-	1,526.75	1,411.02	1,214.59
	8,414.94	**9,495.62**	**9,457.00**	**1,918.39**	**1,827.60**	**1,681.80**

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

(a) Terms of Borrowings

Rs. in crores

Type of loan	Loan outstanding			Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2017	As on 31st March 2016	As on 1st April 2015			
6.5% Cumulative Non Convertible Redeemable Preference Shares	142.62	136.90	131.41	6.5%	N.A.	Preference shares were issued on 30th March, 2013 for the period of 9 years with periodical put and call options.
Non-Convertible Debentures	919.28	918.59	917.86	Refer note 16(b)	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Refer note 16(b)
Foreign currency loans from Banks	1,349.13	1,376.97	1,655.84	LIBOR plus 4.25 to 4.6%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 14-15 to FY 19-20
Foreign currency loans from Banks	478.05	585.78	549.72	6 month LIBOR plus spread of 450 to 500 bsp	Foreign currency loans from Banks are secured by first charge in favour of Security Trustees on behalf of all the lenders. The loans are secured with the English Mortgage & assignment of Project Rights and also secured inter-alia on first charge basis by mortgage of deposit of original title deed of land of the company.	Repayable in 10 semi-annual installments after a moratorium period of three/four years.
Foreign currency loans from Banks	172.90	168.44	239.87		i. First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Company. ii. Corporate guarantee of ultimate Parent Company and PT Sarwa Sembada Karya Bumi. iii. Assignment and charge over the Shareholder's loan extended by Company to PT Sarwa Sembada Karya Bumi. iv. Assignment and charge over the coal sale contract entered into between the Company and PT Sarwa Sembada Karya Bumi.	Repayable in three equal yearly installments from FY 2017-18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

(a) **Terms of Borrowings**

Rs. in crores

Type of loan	Loan outstanding			Rate of interest	Security Guarantee	Repayment terms
	As on 31st March 2017	As on 31st March 2016	As on 1st April 2015			
Rupee loans from Banks	4,121.16	3,288.40	3,581.76	11% To 13%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 2014-15 to FY 2026-27
Rupee loans from Banks	3,029.37	3,474.91	3,602.48	13.03% to 15%	Rupee Terms loans from Banks are secured by second charge on all movable and immovable assets, both present and future, created in favour of the Security Trustee on behalf of all the mezzanine lenders. The loans are further secured by English Mortgage & assignment of Project Rights on second charge basis. The loans are further secured by personal guarantee of one of Director of the company.	Repayable in equal quarterly instalments over a period of 12.5 years after a moratorium period of 1.5 years which generally falls in June 2017.
Term loan from NBFCs	131.53	131.20	92.07	12.25% to 12.50%	Secured by first charge on all immovable and movable assets (present & future) of the company (subject to prior charges on movables in favour of working capital banks) ranking pari - passu with the charges created in favour of participating financial institutions. Some of the loans / facilities are also guaranteed by the Managing Director of the company.	Repayable in installments from FY 2014-15 to FY 2026-27
Hire Puchase loans from Banks	0.06	0.28	0.41	10.25% to 11.25%	Secured by Charge on Respective Vehicles financed	Repayble in 36 to 60 monthly installments
Short term loans (unsecured)	305.19	327.82	430.97	11.50% to 13%	N.A.	On demand
Working capital facility	1,526.75	1,411.02	1,214.59	10.95% to 12.75%	Secured by first charge on movable current assets and second charge on all immovable assets of the company. Some of the loans are guaranteed by Managing Director of the company	On demand

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

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

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

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

17. Provisions

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits						
Provision for gratuity	0.22	2.77	5.22	-	-	-
Provision for compensated absences	3.67	3.83	4.82	0.19	0.88	1.30
Other provisions	(8.29)	(82.27)	-	-	-	-
(Refer note 35 for Ind AS 19 disclosures)						
	(4.40)	(75.67)	10.04	0.19	0.88	1.30

(Amount in Rupees crores, unless otherwise stated)

18. Income Taxes

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

A. Statement of profit and loss:

(i) Profit or loss section

	31 March 2017	31 March 2016
Current income tax:		
Current income tax charge		
Adjustments in respect of current income tax of previous year	-	(0.69)
MAT Credit Entitlement written back	5.06	
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	**5.06**	**(0.69)**

(ii) OCI Section

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

	31 March 2017	31 March 2016
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	**-**	**-**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2015 and 31 March 2016:

	31 March 2017	31 March 2016
Accounting loss before tax from continuing operations	(2,127.26)	(1,918.05)
Profit/(loss) before tax from a discontinued operation	-	-
Accounting loss before income tax	**(2,127.26)**	**(1,918.05)**
At India's statutory income tax rate of 30.90% (31 March 2015: 30.90%)	(657.32)	(592.68)
Adjustments in respect of current income tax of previous years	-	(0.69)
Deferred tax asset not recognised for the carryforward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	657.32	592.68
Unclaimed MAT Credit Entitlement written back	5.06	-
At the effective income tax rate of -0.25% (31 March 2016: 0.04%)	**5.06**	**(0.69)**
Income tax expense reported in the statement of profit and loss	5.06	(0.69)
Income tax attributable to a discontinued operation	-	-
	5.06	**(0.69)**

Deferred tax

Deferred tax relates to the following:

	Balance sheet			Statement of profit and loss	
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016
Accelerated depreciation for tax purposes	282.08	751.12	460.76	(469.04)	290.36
Disallowance u/s 43B	-	(2.04)	(0.10)	2.04	(1.94)
Ind AS adjustments	33.64	26.34	10.40	7.30	15.94
Less: Deferred tax asset not recognised for the carryforward of unused tax losses and unused tax credits due to uncertainity of availablity of future taxable profit against which the unused tax losses and unused tax credits can be utilised	(315.72)	(775.42)	(471.06)	459.70	(304.36)
Deferred tax expense/(income)				-	-
Net deferred tax assets/(liabilities)	-	-	-		

Reflected in the balance sheet as follows:

	31 March 2017	31 March 2016
Deferred tax assets (continuing operations)	-	-
Deferred tax liabilities (continuing operations)	-	-
Deferred tax liabilities, net	-	-

Reconciliation of deferred tax liabilities (net):

	31 March 2017	31 March 2016
Opening balance as of 1 April	-	-
Tax (income)/expense during the period recognised in profit or loss	-	-
Tax (income)/expense during the period recognised in OCI	-	-
Discontinued operation	-	-
Deferred taxes acquired in business combinations	-	-
Closing balance as at 31 March	-	-

19. Other non-financial liabilities

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Deferred upfront fee liability	52.20	53.49	54.77	-	-	-
Advance against Export under EPBG scheme	-	816.82	-	-	-	-
Advance from customers	-	-	-	8.38	21.77	103.33
Statutory dues	-	-	-	49.57	30.50	55.22
Other liabilities	-	-	-	1,083.71	617.20	-
	52.20	870.31	54.77	1,141.66	669.47	158.55

(Amount in Rupees crores, unless otherwise stated)

20. Trade payables

	31 March 2017	31 March 2016	1 April 2015
Trade payables			
- total outstanding dues of micro and small enterprises;	3.79	3.87	5.99
- total outstanding dues of creditors other than micro and small enterprises	154.16	306.20	421.59
Total	**157.95**	**310.07**	**427.58**

Note:
Disclosure with respect to related party transactions is given in note 38.

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

21. Other Financial Liabilities

	Non-current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Derivatives not designated as hedges:						
Cross currency swaps	8.29	82.27	72.26	-	-	-
(at amortised cost):						
Current maturities of long term debt	-	-	-	1,929.15	604.35	1,314.42
Interest payable:						
Interest accrued but not due on borrowings	-	-	-	80.64	73.10	81.94
Interest accrued and due on borrowings	-	-	-	1,231.97	295.87	66.41
Unclaimed dividends	-	-	-	0.37	0.48	0.63
Security deposits and retention money	-	-	-	22.07	36.31	257.13
Payable for capital expenditures	-	-	-	44.52	74.47	383.09
Creditors for expenses	-	-	-	54.69	98.43	227.32
Oustanding liabilities	-	-	-	86.82	123.16	167.28
	8.29	**82.27**	**72.26**	**3,450.23**	**1,306.17**	**2,498.22**

Break-up of financial liabilities carried at amortised cost

	31 March 2017	31 March 2016	1 April 2015
Trade Payables	157.95	310.07	427.58
Other financial liabilities (current)	3,450.23	1,306.17	2,498.22
Borrowings (current)	1,918.39	1,827.60	1,681.80
Borrowings (non current)	8,414.94	9,495.62	9,457.00
	13,941.51	**12,939.46**	**14,064.60**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

22. Revenue From Operations

	31 March 2017	31 March 2016
Sale of Products	2,081.45	4,178.15
Sale of services	32.93	20.84
Less: Inter Division Transfers	(741.58)	(2,174.04)
	1,372.80	2,024.95
Other operating revenues		
Sale of scrap	2.28	3.64
Coal Beneficiation Charges	-	12.82
Total	**1,375.08**	**2,041.41**

Sale of goods includes excise duty collected from customers of Rs. 137.05 crores (31 March 2016: Rs. 197.92 crores).

23. Other income

	31 March 2017	31 March 2016
Interest Income		
From Long Term Investments	-	-
From Bank Deposits	12.58	28.04
Others	9.61	3.55
Unwinding of discount on financial assets	2.12	2.14
Dividend		
Current investments	-	-
Non Current Investments	0.02	0.08
Amortisation of deferred upfront fee	1.28	1.28
Profit on sale of financial assets	0.53	-
Net gain on sale of Investments	-	-
Rent Received	2.90	2.56
Insurance Claim Received	2.74	5.10
Foreign Exchange fluctuation	0.27	14.28
Profit on Sale of Fixed Assets	0.04	2.87
Other Miscellaneous Income	5.20	6.60
Total	**37.29**	**66.50**

24. Cost of material consumed

	31 March 2017	31 March 2016
Iron Ore	440.23	869.48
Coke & Coal	417.01	679.92
Magnese Ore & Hi Mn Slag	53.87	37.64
Billets	235.26	528.28
Pig Iron & Hot Metal	35.77	409.37
M.S. Scrap	4.57	15.84
Ferro Alloys	10.77	27.04
Sponge Iron	159.38	218.69
Others	117.41	113.34
Less: Inter Division Transfers	(530.99)	(1,417.72)
	943.28	**1,481.88**

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

	31 March 2017	31 March 2016
Inventories at the beginning of the year		
Finished Goods	273.83	445.54
Work-in-process	7.91	6.47
Total Inventories at the beginning of the year	**281.74**	**452.01**
Finished Goods used for Fixed Assets	0.02	2.52
Inventories at the end of the year		
Finished Goods	139.66	273.83
Work-in-process	11.59	7.91
Total Inventories at the end of the year	**151.25**	**281.74**
Total	**130.47**	**167.75**

26. Employee benefits expense

	31 March 2017	31 March 2016
Salaries, wages and amenities	99.62	147.33
Contribution to provident fund and other funds	6.60	8.85
Staff welfare expenses	2.54	3.80
Total	**108.76**	**159.98**

27. Finance Costs

	31 March 2017	31 March 2016
Interest on debt and borrowings	1,070.15	988.85
Other ancillary borrowing costs	57.55	73.00
Unwinding of discount on financials liabilities	6.13	5.50
Total	**1,133.83**	**1,067.35**

28. Depreciation and amortisation expense

	31 March 2017	31 March 2016
Depreciation of property, plant and equipments (refer note 3)	359.66	364.19
Amortisation of intangible assets (refer note 4)	-	-
	359.66	**364.19**

29. Other expenses

	31 March 2017	31 March 2016
MATERIAL, MANUFACTURING AND OTHERS		
Stores and Spares Consumed	29.35	70.93
Power and Fuel	223.14	333.94
Coal Handling & Washing Charges	-	9.31
Excise Duty on Stocks	(10.20)	(8.53)
Other Manufaturing Expenses	28.86	67.07
Less : Inter Division Transfers	(206.61)	(259.81)

ADMINISTRATION & OTHER EXPENSES		
Printing and Stationery	0.40	0.61
Rent	0.45	1.54
Rates & Taxes	1.76	0.75
Vehicle Expenses	6.83	9.76
Communication Expenses	1.29	1.92
Travelling & Conveyance	7.21	9.28
Insurance Charges	7.81	9.81
Legal & Professional Charges	9.81	57.64
Directors Sitting Fees	0.20	0.10
Auditors' Remuneration		
- As Audit Fees	0.48	0.37
- For Limited Review	0.13	0.03
- For Tax Matters	0.12	0.05
- For Certification & Other Matters	0.07	0.18
- Reimbursement of Expenses	0.02	0.02
Miscellaneous Expenses	6.10	8.11
CSR Expenses	0.01	3.38
Lease Rent & Hire Charges	0.43	0.48
Share Transfer Expenses	0.02	0.03
Internal Audit Fees & Expenses	0.59	0.62
Loss from Partnership Firm	0.02	0.01
Bank Charges	7.05	16.11
Security Service Charges	0.46	9.08
Provision For Doubtful Debts	7.57	24.48
Bad Debts written off	27.78	1.49
Loss on sale of Construction assets	0.32	1.07
Distribution & Marketing Expenses	26.87	72.41
Claims for under / over loading & shortages	-	7.59
Share in loss of Associate	16.69	25.19
Impairment of Investment in Associate	261.29	-
REPAIR & MAINTENANCE		
Machinery	3.32	7.34
Building	1.35	0.51
Others	2.61	0.82
	463.60	**483.69**

30. Components of other comprehensive income (OCI)

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

During the year ended 31 March 2017

	Other equity	Total
Remeasurement gains (losses) on defined benefit plans	(3.92)	(3.92)
Income tax effect	-	-
Equity instruments through other comprehensive income	0.25	0.25
Income tax effect	-	-
	(3.67)	**(3.67)**

During the year ended 31 March 2016

	Other equity	Total
Remeasurement gains (losses) on defined benefit plans	(0.80)	(0.80)
Income tax effect	-	-
Equity instruments through other comprehensive income	0.02	0.02
Income tax effect	-	-
	(0.78)	**(0.78)**

31. Earnings Per Share (EPS)

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

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

Particulars	31-Mar-17	31-Mar-16
Profit for the year as per Statement of Profit & Loss	(2,135.99)	(1,918.14)
Profit attributable to equityholders of the Company for basic earnings	**(2,135.99)**	**(1,918.14)**
	No. crores	**No. crores**
Weighted average number of equity shares in calculating basic EPS	20.07	20.07
Effect of dilution:	-	-
Weighted average number of equity shares in calculating diluted EPS	**20.07**	**20.07**
Earnings per equity share in Rs.		
Basic	(106.39)	(95.42)
Diluted	(106.39)	(95.42)
Face Value of each equity share	**10**	**10**

32. Some of the balances of trade/other receivables/payables and loans and advances are subject to confirmation / reconciliation. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact.

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

33. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:
Proportion of equity interest held by non-controlling interests:

S.No.	Name	Country of Incorporation	Ownership Interest of Kajaria Ceramics Limited (%)		
			As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
1	Monnet Overseas Ltd	U.A.E.	N.A. *	100%	100%
2	Monnet Global Ltd	U.A.E.	100%	100%	100%
3	Monnet Enterprises Pte. Ltd.	SINGAPORE	100%	100%	100%
4	Monnet Power Company Ltd	INDIA	88.31%	88.31%	87.39%
5	Monnet Daniel Coal Washeries Ltd.	INDIA	0.00%	0.00%	51.65%
6	Monnet Cement Ltd.	INDIA	99.97%	99.97%	99.97%
7	Chomal Exports Pvt Ltd	INDIA	51.00%	51.00%	51.00%
8	Monnet Sports Foundation	INDIA	50.00%	50.00%	50.00%

* The company has been dissolved during FY 2016-17

Information regarding non-controlling interest

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Accumulated balances of material non-controlling interest:			
Monnet Overseas Ltd	-	-	-
Monnet Global Ltd	0.01	0.01	0.01
Monnet Enterprises Pte. Ltd.	-	-	-
Monnet Power Company Ltd	114.23	116.96	127.19
Monnet Daniel Coal Washeries Ltd.	-	-	2.45
Monnet Cement Ltd.	-	-	-
Chomal Exports Pvt Ltd	0.15	0.15	0.15
Monnet Sports Foundation	-	-	-
Profit/(loss) allocated to material non-controlling interest:			
Monnet Overseas Ltd	-	-	-
Monnet Global Ltd	-	-	-
Monnet Enterprises Pte. Ltd.	-	-	-
Monnet Power Company Ltd	(2.74)	(10.22)	-
Monnet Daniel Coal Washeries Ltd.	-	(0.12)	-
Monnet Cement Ltd.	-	-	-
Chomal Exports Pvt Ltd	-	-	-
Monnet Sports Foundation	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended 31 March 2017:

	Monnet Overseas Ltd	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Daniel Coal Washeries Ltd.	Monnet Cement Ltd.	Chomal Exports Pvt Ltd	Monnet Sports Foundation
Revenue	-	2.82	-	0.94	NA	-	0.01	-
Cost of raw material and components consumed	-	-	-	-	NA	-	-	-
Other expenses	-	(26.66)	0.04	15.00	NA	-	0.01	-
Finance costs	-	10.48	-	12.48	NA	-	-	-
Profit before tax	-	19.00	(0.04)	(26.54)	NA	-	-	-
Income tax	-	-	-	-	NA	-	-	-
Profit for the year from continuing operations	-	19.00	(0.04)	(26.54)	NA	-	-	-
Total comprehensive income	-	19.00	(0.04)	(26.12)	NA	-	-	-
Attributable to non-controlling interests	-	-	-	(2.74)	NA	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	NA	-	-	-

Summarised statement of profit and loss for the year ended 31 March 2016:

	Monnet Overseas Ltd	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Daniel Coal Washeries Ltd.	Monnet Cement Ltd.	Chomal Exports Pvt Ltd	Monnet Sports Foundation
Revenue	-	0.79	-	1.02	30.79	-	-	-
Cost of raw material and components consumed	-	-	-	-	-	-	-	-
Other expenses	1.20	48.39	-	28.72	26.83	1.86	-	-
Finance costs	-	23.11	-	89.48	4.17	-	-	-
Profit before tax	(1.20)	(70.71)	-	(117.18)	(0.21)	(1.86)	-	-
Income tax	0		-	(0.55)			-	
Profit for the year from continuing operations	(1.20)	(70.71)	-	(116.63)	(0.21)	(1.86)	-	-
Total comprehensive income	(1.20)	(70.71)	-	(116.46)	(0.21)	(1.86)	-	-
Attributable to non-controlling interests	-	-	-	(10.22)	(0.12)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-

Summarised balance sheet as at 31 March 2017:

	Monnet Overseas Ltd	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Daniel Coal Washeries Ltd.	Monnet Cement Ltd.	Chomal Exports Pvt Ltd	Monnet Sports Foundation
Inventories and cash and cash equivalents and other current assets (current)	0.33	31.75	0.05	21.91	NA	0.07	0.30	-
Property, plant and equipment and other non-current assets (non-current)	0.77	184.19	-	5,539.77	NA	0.16	-	-
Trade and other payable (current)	0.38	194.44	(17.43)	1,236.65	NA	-	-	0.01
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	-	172.90	-	3,507.64	NA	-	-	-
Total equity	0.72	(151.40)	17.48	817.39	NA	0.23	0.30	(0.01)
Attributable to:					NA			
Equity holders of parent	0.72	(151.41)	17.48	703.16	NA	0.23	0.15	(0.01)
Non-controlling interest	-	0.01	-	114.23	NA	-	0.15	-

Summarised balance sheet as at 31 March 2016:

	Monnet Overseas Ltd	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Daniel Coal Washeries Ltd.	Monnet Cement Ltd.	Chomal Exports Pvt Ltd	Monnet Sports Foundation
Inventories and cash and cash equivalents and other current assets (current)	0.33	25.50	17.13	14.16	260.80	0.07	0.27	-
Property, plant and equipment and other non-current assets (non-current)	0.77	372.43	-	5,583.59	40.63	0.16	0.05	-
Trade and other payable (current)	0.38	368.93	0.13	629.28	214.72	-	0.02	-
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	-	195.38	-	4,124.96	81.90	-	-	-
Total equity	0.72	(166.38)	17.00	843.51	4.81	0.23	0.30	-
Attributable to:								
Equity holders of parent	0.72	(166.39)	17.00	726.55	4.81	0.23	0.15	-
Non-controlling interest	-	0.01	-	116.96	-	-	0.15	-

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

Summarised balance sheet as at 01 April 2015:

	Monnet Overseas Ltd	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Daniel Coal Washeries Ltd.	Monnet Cement Ltd.	Chomal Exports Pvt Ltd	Monnet Sports Foundation
Inventories and cash and cash equivalents and other current assets (current)	0.40	23.25	17.13	22.42	240.23	0.08	0.27	0.01
Property, plant and equipment and other non-current assets (non-current)	0.76	365.64	-	5,612.68	55.49	2.02	0.05	-
Trade and other payable (current)	0.28	216.70	0.13	575.75	209.06	-	0.02	0.01
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	-	250.37	-	4,099.40	81.64	-	-	-
Total equity	0.88	(78.18)	17.00	959.95	5.02	2.10	0.30	-
Attributable to:								
Equity holders of parent	0.88	(78.19)	17.00	832.76	2.57	2.10	0.15	0.00
Non-controlling interest	0.00	0.01	0.00	127.19	2.45	0.00	0.15	0.00

Summarised cash flow information as at 31 March 2017

	Monnet Overseas Ltd	Monnet Global Ltd	Monnet Enterprises Pte. Ltd.	Monnet Power Company Ltd	Monnet Daniel Coal Washeries Ltd.	Monnet Cement Ltd.	Chomal Exports Pvt Ltd	Monnet Sports Foundation
Operating	-	57.23	-	(87.64)	NA	-	(0.01)	-
Investing	-	145.68	-	23.07	NA	-	-	-
Financing	-	(193.48)	-	(11.01)	NA	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	9.43	-	(75.58)	NA	-	(0.01)	-

(Amount in Rupees crores, unless otherwise stated)

34. Disclosure of significant investments in joint ventures and associates:

1) Disclosure of investment in the following joint ventures :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		
			As on 31.03.17	As on 31.03.16	As on 1.04.15
1	Mandakini Coal Company Ltd	India	33.33%	33.33%	33.33%
2	Urtan North Mining Company Ltd	India	33.33%	33.33%	33.33%
3	MP Monnet Mining Company Ltd	India	49.00%	49.00%	49.00%
4	Monnet Ecomaister Enviro Pvt Ltd	India	50.00%	50.00%	50.00%
5	Mandakini Exploration & Mining Ltd	India	23.84%	23.84%	23.84%

2) Disclosure of investment in the following associates :

S.No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		
			As on 31.03.17	As on 31.03.16	As on 1.04.15
1	Orissa Sponge Iron & Steel Ltd.	India	35.17%	35.17%	35.17%

Summarised statement of profit and loss for the year ended 31 March 2017:

	Mandakini Coal Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Revenue	Not available	0.39	-	1.34	Not available	3.46
Cost of raw material and components consumed	Not available	-	-		Not available	-
Other expenses	Not available	0.05	0.05	5.00	Not available	19.19
Finance costs	Not available	-	-	1.25	Not available	70.87
Profit before tax	Not available	0.34	(0.05)	(4.91)	Not available	(86.60)
Income tax	Not available	-	-	-	Not available	12.79
Profit for the year from continuing operations	Not available	0.34	(0.05)	(4.91)	Not available	(99.39)
Total comprehensive income	Not available	0.34	(0.05)	(4.91)	Not available	(99.39)
Group's share of profit for the year	Not available	0.11	(0.03)	(2.45)	Not available	-

Summarised statement of profit and loss for the year ended 31 March 2016:

	Mandakini Coal Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Revenue	0.02	-	-	(0.30)	-	6.74
Cost of raw material and components consumed	-	-	-	-	-	
Other expenses	0.06	-	0.01	5.07	0.01	20.68
Finance costs	-	-	-	1.73	-	67.25
Profit before tax	(0.04)	-	(0.01)	(7.10)	(0.01)	(81.19)
Income tax	(0.04)	-	-	-	-	(13.76)
Profit for the year from continuing operations	-	-	(0.01)	(7.10)	(0.01)	(67.43)
Total comprehensive income	-	-	(0.01)	(7.10)	(0.01)	(67.43)
Group's share of profit for the year	-	-	-	(3.55)	-	-

Summarised balance sheet as at 31 March 2017:

	Mandakini Coal Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Inventories and cash and cash equivalents and other current assets (current)	Not available	5.55	0.01	5.20	Not available	49.03
Property, plant and equipment and other non-current assets (non-current)	Not available	12.12	1.78	71.13	Not available	506.41
Trade and other payable (current)	Not available	0.07	0.21	47.65	Not available	647.11
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	Not available	-	-	12.11	Not available	0.92
Total equity		17.60	1.58	16.57	Not available	(92.59)
Proportion of the Group's ownership	33.33%	33.33%	49.00%	50.00%	23.84%	35.17%
Carrying amount of the investment	29.92	5.86	0.77	8.29	0.01	-

Summarised balance sheet as at 31 March 2016:

	Mandakini Coal Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Inventories and cash and cash equivalents and other current assets (current)	0.40	5.44	0.01	8.71	44.54	39.58
Property, plant and equipment and other non-current assets (non-current)	283.07	12.13	1.78	76.45	0.62	500.60
Trade and other payable (current)	59.58	0.31	0.16	42.81	45.12	552.13
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	108.61	-	-	20.87	-	0.71
Total equity	115.28	17.26	1.63	21.48	0.04	(12.66)
Proportion of the Group's ownership	33.33%	33.33%	49.00%	50.00%	23.84%	35.17%
Carrying amount of the investment	38.43	5.75	0.80	10.74	0.01	267.10

Summarised balance sheet as at 01 April 2015:

	Mandakini Coal Company Ltd	Urtan North Mining Company Ltd	MP Monnet Mining Company Ltd	Monnet Ecomaister Enviro Pvt Ltd	Mandakini Exploration & Mining Ltd	Orissa Sponge Iron & Steel Ltd.
Inventories and cash and cash equivalents and other current assets (current)	0.54	5.21	0.02	10.45	Not available	39.51
Property, plant and equipment and other non-current assets (non-current)	269.46	12.33	1.78	77.29	Not available	496.69
Trade and other payable (current)	147.29	0.29	0.16	29.57	Not available	460.30
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	7.44	-	-	29.59	Not available	20.84
Total equity	115.27	17.25	1.64	28.58	Not available	55.06
Proportion of the Group's ownership	33.33%	33.33%	49.00%	50.00%	23.84%	35.17%
Carrying amount of the investment	38.43	5.75	0.80	14.29	0.01	288.75

MONNET ISPAT & ENERGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

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

36. Employee benefit plans

Defined Contribution Plans - General Description
Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the Provident fund isRs. 5.77 crores (31 March 2016 Rs. 8.11 crores)

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

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

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

	31 March 2017	31 March 2016	01 April, 2015
Defined benefit obligation at the beginning of the year	18.08	19.40	14.39
Current service cost	1.40	2.32	2.38
Interest cost	0.98	1.54	1.34
Benefits paid	(14.68)	(3.77)	(1.59)
Actuarial (gain)/ loss on obligations - OCI	5.52	(1.41)	3.37
Defined benefit obligation at the end of the year	**11.30**	**18.08**	**19.89**

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

	31 March 2017	31 March 2016	01 April, 2015
Fair value of plan assets at the beginning of the year	15.31	14.67	12.31
Contribution by employer	-	3.53	2.56
Benefits paid	(0.29)	(3.77)	(1.59)
Expected Interest Income on plan assets	1.24	1.18	1.15
Acturial gain/(loss) on plan asset	1.60	(0.30)	0.24
Fair value of plan assets at the end of the year	**17.86**	**15.31**	**14.67**

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

	31 March 2017	31 March 2016	1 April 2015
Fair value of plan assets	17.86	15.31	14.67
Defined benefit obligation	11.30	18.08	19.89
Amount recognised in the Balance Sheet	**(6.56)**	**2.77**	**5.22**

Amount recognised in Statement of Profit and Loss:

	31 March 2017	31 March 2016
Current service cost	1.40	2.32
Interest expense	0.98	1.54
Expected return on plan asset	(1.24)	(1.18)
Amount recognised in Statement of Profit and Loss	**1.14**	**2.68**

Amount recognised in Other Comprehensive Income:

	31 March 2017	31 March 2016
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.94	0.07
Return on plan assets (excluding amounts included in net interest expense)	(1.60)	0.30
Experience adjustments	4.58	0.43
Amount recognised in Other Comprehensive Income	**3.92**	**0.80**

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

Gratuity	31 March 2017	31 March 2016	1 April 2015
Investment Details	**Funded**	**Funded**	**Funded**
Investment with Insurance fund	100%	100%	100%

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

	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.20%	8.08%	7.94%
Expected rate of return on Plan assets	7.20%	8.08%	7.94%
Future salary increases	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%
Retirement age	60 years	60 years	60 years

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Assumptions				
Discount rate	+ 0.25%	+ 0.25%	(0.28)	(0.30)
	- 0.25%	- 0.25%	0.29	0.31
Future salary increases	+ 0.25%	+ 0.25%	0.30	0.32
	- 0.25%	- 0.25%	(0.29)	(0.31)
Withdrawal rate	+ 0.25%	+ 0.25%	0.06	0.09
	- 0.25%	- 0.25%	(0.06)	(0.09)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality are insiginificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Expected contributions to post-employment benefit plans for the year ending 31 March 2018 is Nil

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

	31 March 2017	31 March 2016
Within the next 12 months (next annual reporting period)	0.54	0.75
Between 2 and 5 years	2.08	2.28
Beyond 5 years	4.94	6.00
Total expected payments	**7.56**	**9.03**

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31 March 2016: 12 years).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

37. Commitments and contingencies

(a) Leases

Operating lease commitments - Company as lessee

The Company has obtained office premises on operating leases. All leases are for less than twelve months. Further, there is a renewal clause in the lease agreements.

Lease payments of Rs. 0.45 crores (previous year – Rs. 1.54 crores) have been recognized as an expense in the statement of profit and loss during the year.

(b) Commitments

(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) of Rs. 1306.45 crores (March 31, 2016 - Rs. 1424.84 crores, March 31, 2015 - Rs. 1507.51 crores)

(ii) Letters of Credit opened in favour of inland/overseas suppliers (Net) Rs. 0.30 crores (March 31, 2016 - Rs. 136.70 crores, March 31, 2015 - Rs. 231.41 crores)

(iii) Capital commitment towards new coal mine at Gare Palma IV/ 7 of Rs. Nil (March 31, 2016 - Rs. 329.23 crores, March 31, 2015 - Rs. 329.23 crores) [The company has issued a guarantee for equivalent amount in favour of nominated authority (Ministry of Coal)]

(iv) Rupee equivalent of export obligation to be completed by 23th August, 2021 under EPCG Scheme Rs. 259.86 crores (March 31, 2016 - Rs. 4,776.22 crores, March 31, 2015 - Rs. 342.06 crores)

(c) Contingent Liabilities

	31 March 2017	31 March 2016	31-March-2015
Counter guarantees issued in respect of guarantees issued by company's bankers	129.02	1242.90	515.64
Guarantees provided on behalf of limited companies	388.47	395.33	378.14
Excise/ service tax demands	34.64	35.29	32.48
VAT demands	1.38	0.83	1.53
Entry tax demands	15.78	37.12	37.12
Income Tax Demands	291.93	120.21	118.26
Provident fund Demands	0.00	0.00	0.06
Claims of PSPCL	0.00	0.00	208.90
Demands for water charges by Water Resources Division	0.00	0.00	15.02
Electricity Duty on generation of power	144.84	144.84	144.84
Cess on power generation	30.98	35.09	36.02
Risk purchase claim of customers	38.11	38.11	38.11
Other claims against the Company not acknowledged as debt	198.30	203.58	140.56
DMF&NMET liability for raw material purchased	5.87	5.87	0.00
Royalty on soil excavated	2.00	2.00	2.00

(The above are basic amounts excluding interest, if any)

38. Related party disclosures

A. List of related parties

(a) Joint Ventures

1 MP Monnet Mining Company Ltd
2 Mandakini Coal Company Ltd
3 Urtan North Mining Company Ltd
4 Monnet Ecomaister Enviro Pvt Ltd.

(c) Associates Orissa Sponge Iron & Steel Ltd

(d) Partnership Firm Khasjamda Mining Company

(e) Enterprise owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise:-

1 A. P. Coal Washeries Pvt Ltd
2 Tirumala Balaji Alloys Pvt. Ltd.
3 Paras Traders Ltd.
4 M. K. Jajodia & Sons HUF
5 Monnet Project Developer Ltd.
6 Excello Fin Lea Ltd.

(f) Key Management Personnel:-

1 Shri Sandeep Jajodia - Chairman & Managing Director
2 Shri C. P. Baid - Dy. Managing Director
3 Mr. J. P. Lath - Independent Director
4 Bhawna Thakur - Independent Director
5 Suman Jyoti Khaitan - Independent Director
6 Shantanu Prasad - Nominee Director
7 Kunal Sharma - Independent Director
8 Ankita Wadhwan - Independent Director

(g) Relative of Key Managerial Personnel Shri Nikunj Jajodia (relative of Shri Sandeep Jajodia)

B. Details relating to remuneration of Key Managerial Personnel

	31 March 2017		31 March 2016	
Name of KMP	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Sandeep Jajodia *	0.34	-	-	-
Mr. C. P. Baid	-	-	-	-
Mr. J. P. Lath	-	0.02	-	0.01
Ms. Bhawna Thakur	-	0.02	-	0.02
Ms. Suman Jyoti Khaitan	-	0.05	-	0.02
Mr. Suresh Kishinchand Khatanhar	-	0.01	-	0.01
Mr. Kunal Sharma	-	0.02	-	-
Ms. Ankita Wadhwan	-	0.01	-	-

***Note:**

As per directions of the Ministry of Corporate Affairs, vide their order dated 1st September, 2016, an amount of Rs.5.44 crores excess paid to Mr. Sandeep Jajodia, Chairman and MD of the Company during the financial year 20014-15 as per provisions of section 197(10) of the Companies Act, 2013 read with schedule V to the act, has been recovered during the year.

C. The following transactions were carried out with related parties in the ordinary course of business:-

Amount (Rs. in crores)

Related Party Transactions		**Relatives of Key Managerial Personnel**	**Joint Ventures**	**Partnership Firm**	**Associates**	**Enterprises over which KMP or their relatives are able to exercise significant influence**
Remuneration paid						
Nikunj Jajodia	31st March 2017	-	-	-	-	-
	31st March 2016	0.03	-	-	-	-
Reimbursement of Expenses Payable						
M.K.Jajodia & Sons HUF	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	-
Paras Traders Ltd.	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	-
Reimbursement of Expenses Receivable						
Monnet Ecomaister Enviro Pvt. Limited	31st March 2017	-	0.29	-	-	-
	31st March 2016	-		-	-	-
Sales of goods / servies / fixed assets/ Raw Material						
Monnet Ecomaister Enviro Pvt. Limited	31st March 2017	-	-	-	-	-
	31st March 2016	-	0.32	-	-	
Monnet Project Developer Ltd.	31st March 2017	-	-	-	-	0.80
	31st March 2016	-	-	-	-	-
Rent Received						
Monnet Ecomaister Enviro Pvt. Limited	31st March 2017	-	-	-	-	-
	31st March 2016	-	0.03	-	-	-
Loan Given						
Khasjamda Mining Co.	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	-
Orissa Sponge Iron & Steel Limited	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	0.13	-
Mandakini Coal Company Limited	31st March 2017	-	0.08	-	-	-
	31st March 2016	-	0.37	-	-	-
Loan Received						
Tirumala Balaji Alloys Pvt. Ltd.	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	5.00
Urtan North Mining Co Ltd	31st March 2017	-	0.91	-	-	-
	31st March 2016	-	-	-	-	-
Excello Fin Lea Ltd.	31st March 2017	-	-	-	-	23.00
	31st March 2016	-	-	-	-	-
Loan Repaid						
Excello Fin Lea Ltd.	31st March 2017	-	-	-	-	23.00
	31st March 2016	-	-	-	-	-
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	5.00
	31st March 2016	-	-	-	-	-
Interest Paid on Loan						
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	0.34
	31st March 2016	-	-	-	-	0.36
Excello Fin Lea Ltd.	31st March 2017	-	-	-	-	0.48
	31st March 2016	-	-	-	-	-
Rent Paid						
M.K.Jajodia & Sons HUF	31st March 2017	-	-	-	-	0.13
	31st March 2016	-	-	-	-	0.12
Paras Traders Ltd.	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	0.04
Purchase of Raw Material / stores / fixed assets						
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	0.39
Monnet Ecomaster Enviro Pvt. Limited	31st March 2017	-	-	-	-	-
	31st March 2016	-	0.06	-	-	-
Dividend Received						
Tirumala Balaji Alloys Pvt. Limited	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	0.03
Guarantees issued on behalf of other Body Corporates						
Mandakini Coal Co. Ltd.	31st March 2017	-	86.93	-	-	-
	31st March 2016	-	86.93	-	-	-
Urtan North Mining Company Ltd	31st March 2017	-	3.67	-	-	-
	31st March 2016	-	3.67	-	-	-
Monnet Ecomaister Enviro Pvt .Ltd.	31st March 2017	-	38.51	-	-	-
	31st March 2016	-	39.40	-	-	-
Net outstanding balances:						
Orissa Sponge Iron & Steel Ltd	31st March 2017	-	-	-	2.41	-
	31st March 2016	-	-	-	2.41	-
	1st April 2015	-	-	-	2.28	-
Mandakini Exploration	31st March 2017	-	-	-	0.01	-

Amount (Rs. in crores)

Related Party Transactions		Relatives of Key Managerial Personnel	Joint Ventures	Partnership Firm	Associates	Enterprises over which KMP or their relatives are able to exercise significant influence
	31st March 2016	-	-	-	0.01	-
	1st April 2015	-	-	-	-	
MP Monnet Mining Company Ltd	31st March 2017	-	0.21	-	-	-
	31st March 2016	-	0.16	-	-	-
	1st April 2015	-	0.16	-	-	-
Mandakini Coal Company Ltd	31st March 2017	-	3.09	-	-	-
	31st March 2016	-	3.00	-	-	-
	1st April 2015	-	2.63	-	-	-
Urtan North Mining Company Ltd.	31st March 2017	-	0.83	-	-	-
	31st March 2016	-	0.09	-	-	-
	1st April 2015	-	0.09	-	-	-
Monnet Ecomaister Enviro Pvt. Ltd.	31st March 2017	-	6.79	-	-	-
	31st March 2016	-	6.88	-	-	-
	1st April 2015	-	4.89	-	-	-
M.K. Jajodia & Sons HUF (payable)	31st March 2017	-	-	-	-	(0.06)
	31st March 2016	-	-	-	-	(0.03)
	1st April 2015	-	-	-	-	(0.01)
Tirumala Balaji Alloys Pvt. Ltd. (payable)	31st March 2017	-	-	-	-	0.00
	31st March 2016	-	-	-	-	(5.31)
	1st April 2015	-	-	-	-	0.00
Paras Traders Pvt Ltd	31st March 2017	-	-	-	-	0.00
	31st March 2016	-	-	-	-	0.00
	1st April 2015	-	-	-	-	0.01
Excello Fin lea (payable)	31st March 2017	-	-	-	-	-
	31st March 2016	-	-	-	-	-
	1st April 2015	-	-	-	-	-
Monnet Project Developer Ltd.	31st March 2017	-	-	-	-	0.25
	31st March 2016	-	-	-	-	-
	1st April 2015	-	-	-	-	-
Khasjamda Mining Company	31st March 2017	-	-	-	-	0.34
	31st March 2016	-	-	-	-	0.35
	1st April 2015	-	-	-	-	0.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

39. Segment information

As per Indian Accounting Standard (Ind AS) 108 on "Operating Segments", segment information has been provided in the Notes to Consolidated Financial Statements.

40. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	3.79	3.87	5.99
Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

41. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value
Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value

41. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-17	22.35	-	22.35	-
Non current investments (FVTOCI)	31-Mar-17	1.04	0.95	-	0.09
Intangible assets under development	31-Mar-17	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

Rs in crores

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-17	142.62	-	142.62	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	31-Mar-16	21.11	-	21.11	-
Non current investments (FVTOCI)	31-Mar-16	0.57	0.48		0.09
Intangible assets under development	31-Mar-16	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2016.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

Rs in crore

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	31-Mar-16	136.90	-	136.90	-

There have been no transfers between Level 1 and Level 2 during year ended 31 March 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Loans to related parties	01-Apr-15	18.96	-	18.96	-
Non current investments (FVTOCI)	01-Apr-15	0.56	0.48		0.08
Intangible assets under development	01-Apr-15	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1 April 2015:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Borrowings	01-Apr-15	131.41	-	131.41	-

42. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, employee liabilities. The Company's principal financial assets include trade and other receivables, loans given and cash and short-term deposits/ loan that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include , deposits.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 34.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

	Increase/decrease in basis points	Effect on profit before tax
		INR Crores
31-Mar-17		
INR	+50	(71.95)
INR	-50	71.95
31-Mar-16		
INR	+50	(67.82)
INR	-50	67.82

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in USD rate	**Effect on profit before tax**
		INR in crores
31-Mar-17	+5%	(45.41)
	-5%	45.41
31-Mar-16	+5%	(87.57)
	-5%	87.57

	Change in EURO rate	**Effect on profit before tax**
		INR in crores
31-Mar-17	+5%	(0.31)
	-5%	0.31
31-Mar-16	+5%	(1.21)
	-5%	1.21

	Change in YEN rate	**Effect on profit before tax**
		INR in crores
31-Mar-17	+5%	-
	-5%	-
31-Mar-16	+5%	(0.01)
	-5%	0.01

	Change in AED rate	**Effect on profit before tax**
		INR in crores
31-Mar-17	+5%	3.19
	-5%	(3.19)
31-Mar-16	+5%	-
	-5%	-

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

"Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date."

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.
At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 10.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

III. Liquidity risk
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. In crores)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-17						
Borrowings*	2,474.56	441.04	988.82	4,222.59	4,167.85	12,294.86
Trade payables	154.15	3.80	-	-	-	157.95
Other financial liabilities	2,067.30	80.64	-	-	-	2,147.94
	4,696.01	**525.48**	**988.82**	**4,222.59**	**4,167.85**	**14,600.75**
Year ended 31-Mar-16						
Borrowings*	1,821.37	336.58	468.54	4,747.88	4,591.30	11,965.67
Trade payables	306.19	3.88	-	-	-	310.07
Other financial liabilities	1,288.67	73.10	-	-	-	1,361.77
	3,416.23	**340.46**	**468.54**	**4,747.88**	**4,591.30**	**13,637.51**
As at 1 April 2015						
Borrowings*	1,953.94	317.73	1,022.07	3,327.67	5,875.40	12,496.81
Trade payables	413.90	13.68	-	-	-	427.58
Other financial liabilities	1,140.88	84.43	-	-	-	1,225.31
	3,508.72	**415.84**	**1,022.07**	**3,327.67**	**5,875.40**	**14,149.70**

* In absolute terms i.e. undiscounted and including current maturity portion

IV. Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.
The Company's marketing facilities are situated in different geographies. Similarly the distribution network is spread PAN India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in Rupees crores, unless otherwise stated)

43 . Capital Management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2017.

	31 March 2017	**31 March 2016**	**1 April 2015**
Total Liabilities	15,139.45	14,486.72	14,361.52
Less: Cash and cash equivalents	78.68	97.19	214.44
Net debts	**15,060.77**	**14,389.53**	**14,147.08**
Total equity	**(1,601.67)**	**413.54**	**1,858.39**
Gearing ratio （%)	**-940.32%**	**3479.60%**	**761.25%**

44. Derivative instruments and unhedged foreign currency exposure

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

	31 March 2017 Foreign Currency	31 March 2017 Amount (Rs. Crores)	31 March 2016 Foreign Currency	31 March 2016 Amount (Rs. Crores)
Foreign payables for capital expenditure				
CAD in crores	-	-	-	0.04
EURO in crores	-	-	0.08	6.04
GBP in crores	-	-	-	0.01
USD in crores	-	-	0.12	8.00
YEN in crores	-	-	0.20	0.12
Foreign trade payables				
USD in crores	0.13	8.09	0.30	19.94
EURO in crores	0.08	5.50		
CAD in crores	-	0.04		
Foreign advances received				
USD in crores	0.01	0.37	12.51	829.69
Borrowings				
USD in crores	32.81	2,127.50	32.36	2,144.48
EURO in crores	0.01	0.80	0.25	18.47
Foreign advances recoverable				
AUD in crores	-	-	-	-
EURO in crores	-	-	-	0.34
USD in crores	0.98	0.18	0.01	0.63
AED in crores	0.01	63.70		
Foreign trade receivables				
USD in crores	0.12	7.68	0.02	1.16
EURO in crores	-	0.29		
Foreign fixed deposits receipts				
USD in crores	-	-	0.01	0.70

45. In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet except where stated otherwise. Some of the balances of trade/ other receivables/ payables and loans and advances are subject to confirmation/ reconciliation. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact.

46. Disclosure of Movement in Provisions during the year as per Ind AS- 37, 'Provisions, Contingent Liabilities and Contingent Assets' :

(Rs. In crores)

Particulars	**Balance As on 1.4.2016**	**Provided During the year**	**Paid/Adjusted During the year**	**Balance As on 31.3.2017**
Non-current provisions				
Gratuity	2.77	(2.30)	0.25	0.22
Total	**2.77**	**(2.30)**	**0.25**	**0.22**
Current provisions				
Accumulated leaves	4.71	(0.13)	0.72	3.86
Total	**4.71**	**(0.13)**	**0.72**	**3.86**
Grand total	**7.48**	**(2.43)**	**0.97**	**4.08**

47. The Hon'ble Supreme Court of India by its Order dated 24th September, 2014 has cancelled a number of coal blocks allocated to various entities which includes five under development mines allotted to the Company or its joint venture companies. The Ministry of Law and Justice (Legislative Department), Government of India, has promulgated an Ordinance on October 21, 2014 for implementing the order of Hon'ble Supreme Court and fixation of compensation etc.

The Company had invested directly or through Joint Ventures in the following coal blocks which have been cancelled pursuant to the court order as mentioned hereinabove:

(Rs. In Crores)

Particulars	**Expenditure on fixed assets**	**Investment in Shares**	**Other Current & Non-current assets / (liabilities)**	**Total**
Coal Blocks in Company's books				
Utkal – B2	44.07			44.07
Rajgamar	13.96			13.96
Coal Block through JVs				
Mandakini		39.3	3.09	42.39
Urtan North		5.75	(0.82)	4.93
Morga-3		0.98	2.71	3.69
	58.03	**46.03**	**4.98**	**109.04**

No adjustment has been made against impairment of assets since the final compensation amount is not yet ascertained / under litigation.

48. The Company has accumulated losses resulting in substantial erosion of its net worth and has incurred net cash losses in the current and in immediately preceding financial year. The current liabilities of the Company exceeded its current assets as at the balance sheet date. These conditions may cast doubt about the Company's ability to continue as a going concern. However, the lenders have been holding 51% equity shares in the Company since 31st December, 2015 based on invocation of the Strategic Debt Restructuring (SDR) on 22nd August, 2015. As per the SDR scheme, the lenders have been taking requisite steps for supporting the company, including but not limited to identification of a new investor. The single largest bid generated in the second round of bidding held in February, 2017, is reportedly pending with the lenders for their consideration. Besides this, other steps are also, being taken to augment the financial resources to ramp up the operations. Therefore, it may be noted that the resolution process is at concluding stage and infusion of additional working capital and completion of the balance capital expenditure is one of the critical features of the proposed resolution process. The proposed infusion is expected to enable us ramp up our operations and enable the company meet all its obligations.

In view of the above, these financial statements have been prepared on going concern basis.

49. Reconciliation of Net Profit as previously reported on account of transition from the Indian GAAP to IND AS for the year ended 31st March, 2017 is as under:

(Rs. In crores)

	Note ref.	Net Profit Reconciliation	Equity Reconcilation
Ind AS adjustments		**Year Ended**	**Year Ended**
		31.03.2016	**31.03.2016**
Net profit/ (loss) / Equity as per Indian GAAP		**(1,866.68)**	**790.21**
Reclassification of preference share capital			(175.00)
Measurement of certain financial liabilities at amortised cost	49.1	(25.62)	(1.87)
Other Ind AS adjustments	49.2	(25.04)	(32.05)
Net profit/ (loss) for the period under Ind AS (A)		**(1,917.34)**	**581.29**
Other Comprehensive Income (OCI)			
Other comprehensive income (net of tax)	49.3	(0.78)	
FVTOCI reserve			(44.93)
Remeasurement gains/ losses on defined benefit obligations reserve			(5.70)
Total other comprehensive income (B)			
Total comprehensive income / Equity under Ind AS (A+B)		**(1,918.12)**	**530.66**

49.1 Redeemable Preference shares have been considered as long term borrowings and market rate of interest is applied to measure the finance cost. Further, other long term borrowings have been recorded using amortised cost method and effective rate of interest is applied to measure the finance cost.

49.2 Other Ind AS adjustments mainly comprise of reversal of amortisation of leasehold land and measurement of certain financial assets at amortised cost.

49.3 The company has opted to value certain investments in equity instruments (other than investments in subsidiaries, associates and joint ventures) at fair value through other comprehensive income.

50. The figures for the corresponding previous periods have been restated / regrouped wherever necessary to make them comparable.

51 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied:
1. Mandatory exceptions;
a) Estimates
The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:
► Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

b) De-recognition of financial assets:
The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets:
i. Financial Instruments:
Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

d) Impairment of financial assets: (Trade receivables and other financial assets)
At the date of transition to Ind ASs, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

Optional exemptions;

A. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for
de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

B. Lease:-
Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

C. Business combinations:
Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

The company has elected to apply this exemption.

D. Investment in subsidiaries, jointly controlled entities and associates in SFS :
At transition date, entity may choose to account for its investment at:
- Cost as per Ind AS 27 determined at transition date.
- Fair value as per Ind AS 113 (only on transition date).
- Previous GAAP carrying amount.
- Fair value as per Ind AS 109 (recurring fair valuation without recycling).

The company has elected to apply previous GAAP carrying amount exemption.

In terms of our report of even date annexed

For O.P. BAGLA & CO.
Chartered Accountants
FRN : 000018N

(Atul Bagla)
Partner

PLACE : NEW DELHI
DATED : 30/05/2017

For and on the behalf of Board

Sandeep Jajodia
Chairman & Managing Director
DIN: 00082869

J. P. Lath
Director
DIN: 00380076

Sanjay Kumar Garodia
Chief Financial Officer

Hardeep Singh
Company Secretary
M. No. FCS-4967

MONNET
Monnet Ispat & Energy Limited
CIN. L02710CT1990PLC009826
Monnet House,11, Masjid Moth, Greater Kailash Part – II
New Delhi – 110048, India
Telephones : +91-11-2921 8542-46
Fax : +91-11-2921 8541
Email : monnet@monnetgroup.com