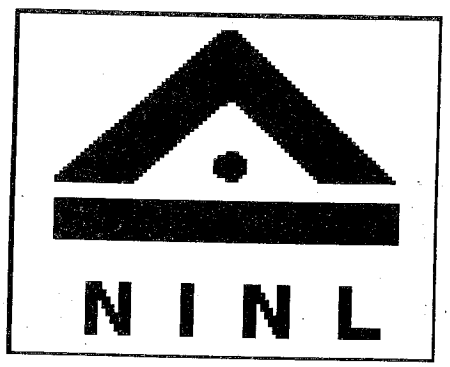
NEELACHAL ISPAT NIGAM LIMITED



UNAUDITED ACCOUNTS FOR THE YEAR 2019-2020

Neelachal Ispat Nigam Limited

Balance Sheet as at 31st. March, 2020

(₹ in lakh)

Particulars	Note No.	As at 31st. March,2020	As at 31st. March,2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	2,30,042.94	2,47,638.97
(b) Capital work-in-progress	3	14,282.99	13,801.99
(c) Right of use assets	3a	6,693.82	-
(d) Intangible assets	4	15,554.39	17,987.19
(e) Financial assets			
(i) Other financial assets	5	480.13	3,759.82
(f) Deferred tax assets (net)	6	-	60,677.10
(g) Other non-current assets	7	3,667.96	3,678.73
		2,70,722.23	3,47,543.80
(2) Current assets			
(a) Inventories	8	33,466.05	44,636.12
(b) Financial assets			
(i) Cash and cash equivalents	9	3,496.01	5,587.00
(ii) Other financial assets	10	-	52.36
(c) Other current assets	11	5,090.70	4,323.02
		42,052.75	54,598.50
Total Assets		3,12,774.99	4,02,142.30
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	74,071.41	58,129.41
(b) Other Equity	13	(3,30,542.57)	(1,53,778.38)
		(2,56,471.15)	(95,648.97)
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,27,119.99	1,39,782.09
(b) Provisions	15	11,212.14	8,473.92
(c) Other non-current liabilities	16	10,950.56	10,703.06
		1,49,282.70	1,58,959.07
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,56,148.19	1,54,214.21
(ii) Trade payables:-			
(A) total outstanding dues of micro enterprises and small enterprises	18	965.76	383.19
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	18	26,440.33	23,249.53
(iii) Other financial liabilities [other than those specified in item (c)]	19	27,406.09	23,632.72
(b) Other current liabilities	20	48,164.53	33,958.23
(c) Provisions	21	1,87,734.29	1,26,696.55
		510.35	330.49
Total Equity and Liabilities		4,19,963.44	3,38,832.20
		3,12,774.99	4,02,142.30
Significant Accounting Policies	1		
Other notes on Financial Statements	31		

The above balance sheet should be read in conjuction with the accompanying notes.

Board Appruved Unaudited Account

Krishna Chandra Mohanta
Company Secretary
Neelachal Ispat Nigam Ltd,
Bhubaneswar.

Neelachal Ispat Nigam Limited

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

(₹ in lakh)

Particulars		Note No.	For the year ended 31st. March, 2020	For the year ended 31st. March, 2019
I	Revenue From Operations	22	94,107.47	2,00,543.09
II	Other Income	23	795.86	1,988.65
III	Total Income (I+II)		94,903.32	2,02,531.74
IV	EXPENSES			
	Cost of materials consumed	24	1,08,045.67	1,73,010.82
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	4,038.80	(5,948.67)
	Employee benefits expense	26	16,771.78	15,540.52
	Finance costs	27	49,871.58	46,625.56
	Depreciation and amortization expense	28	17,755.00	15,052.58
	Other expenses	29	13,548.82	18,224.18
	Total expenses (IV)		2,10,031.65	2,62,504.99
V	Profit / (loss) before exceptional items and tax (III-IV)		(1,15,128.33)	(59,973.25)
VI	Exceptional Items		-	-
VII	Profit / (loss) before tax (V-VI)		(1,15,128.33)	(59,973.25)
VIII	Tax expense:			
	(1) Current tax	30	-	-
	(2) Deferred tax		60,677.11	(19,828.59)
IX	Profit / (Loss) for the year (VII-VIII)		(1,75,805.44)	(40,144.66)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss - Remeasurement of the defined benefit plans			
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(831.36)	(213.70)
XI	Total Comprehensive Income for the year (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		-	-
XII	Earnings per equity share :		(1,76,636.79)	(40,358.36)
	(1) Basic (in ₹)		(24.09)	(6.94)
	(2) Diluted (in ₹)		(24.09)	(6.94)
Significant Accounting Policies		1		
Other notes on Financial Statements		31		

The above Statement of Profit and Loss should be read in conjuction with the accompanying notes.

Board Approved Unaudited Account

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Neelachal Ispat Nigam Limited

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

(₹ in lakh)

	For the year ended 31st. March, 2020		For the year ended 31st. March, 2019	
A. Cash Flow from Operating Activities :				
Net loss as per the Statement of Profit & Loss	(1,75,805.44)		(40,219.34)	
Less Profit on sale of fixed assets	-		(1.17)	
Add Deferred tax	60,677.11		(19,753.91)	
Add Depreciation	17,755.00		15,052.58	
Add Financing Costs	49,871.58		46,625.56	
Operating Cash Flow before changes in working capital		(47,501.74)		1,703.72
Changes in Assets & Liabilities :				
Increase (-) / Decrease (+) in Inventory	11,170.07		(11,311.68)	
Increase (-) / Decrease (+) in Other Non-current Financial Assets	-		227.95	
Increase (-) / Decrease (+) in Other Non-current Assets	10.77		99.55	
Increase (-) / Decrease (+) in Other Current Assets	(767.68)		(905.46)	
Increase (+) / Decrease (-) in Non-current Provisions	1,906.87		1,398.24	
Increase (+) / Decrease (-) in Other Non-current Liabilities	247.51		(86.52)	
Increase (+) / Decrease (-) in Trade Payables	3,773.37		1,988.26	
Increase (+) / Decrease (-) in Other Financial Liabilities	14,206.30		-	
Increase (+) / Decrease (-) in Other Current Liabilities	61,037.84		83,752.43	
Increase (+) / Decrease (-) in Current Provisions	179.86	91,764.90	48.26	75,211.03
Net Cash from Operating Activities		*44,263.16*		*76,914.75*
B. Cash Flow from Investing Activities :				
Purchase / Capitalisation of Fixed Assets		(41.27)		(8,123.30)
Disposal of Fixed Assets		-		1.55
(Increase) / Decrease in Right of use assets & Intangible assets		(1,065.34)		(4,896.35)
Reduction in / Addition to Capital Work in Progress		(481.00)		6,028.09
Net Cash from Investing Activities		*(1,587.61)*		*(6,990.01)*
C. Cash Flow from Financing Activities :				
Infusion of Equity		15,942.00		-
Redemption of Preference Shares		-		(2,135.72)
Non-current Borrowings		(12,662.11)		(14,605.85)
Current Borrowings		1,933.98		2,704.51
Other Current Financial Liabilities		-		(12,279.59)
Financing Costs paid		(49,871.58)		(46,625.56)
Net Cash from Financing Activities		*(44,657.71)*		*(72,942.21)*
Net Increase / (-) Decrease in Cash & Cash Equivalent (A+B+C)		(1,982.16)		(3,017.47)
Cash & Cash Equivalents (Opening)		5,958.30		8,975.77
Cash & Cash Equivalents (Closing)		3,976.14		5,958.30
(Represented by Cash & Bank balances)				
Cash and cash equivalent balances held by the Company, that are not available for use due to the same being held under lien towards margin money for LC / BG with banks or as security deposit with different Government Authorities etc.		3,228.21		3,511.20

Board Approved Unaudited Account

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Neelachal Ispat Nigam Limited

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

A. Equity Share Capital -

(₹ in lakh)

Balance as at 01.04.2018	Changes in equity share capital during the period 2018-19	Balance as at 31.03.2019	Balance as at 01.04.2019	Changes in equity share capital during the period 2019-20	Balance as at 31.03.2020
58,129.41	-	58,129.41	58,129.41	15,942.00	74,071.41

B. Other Equity -

(₹ in lakh)

	Reserves & Surplus				Equity component of compound financial instruments	Total
	Capital Reserve	Security Premium	Other Reserve	Retained Earnings		
Balance as at 01.04.2018	-	18,150.00	1,666.67	(1,33,236.69)	85.15	(1,13,334.87)
Changes in accounting policy or prior period errors or other adjustments	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	18,150.00	1,666.67	(1,33,236.69)	85.15	(1,13,334.87)
Profit / (Loss) for the year	-	-	-	(40,144.66)	-	(40,144.66)
Other comprehensive income (loss) for the year (net of tax)	-	-	-	(213.70)	-	(213.70)
Total Comprehensive Income for the year	-	-	-	(40,358.36)	-	(40,358.36)
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other change	-	-	-	-	(85.15)	(85.15)
Balance as at 31.03.2019	-	18,150.00	1,666.67	(1,73,595.05)	-	(1,53,778.38)
Balance as at 01.04.2019	-	18,150.00	1,666.67	(1,73,595.05)	-	(1,53,778.38)
Changes in accounting policy or prior period errors or other adjustments	-	-	-	(127.39)	-	(127.39)
Restated balance at the beginning of the reporting period	-	18,150.00	1,666.67	(1,73,722.44)	-	(1,53,905.78)
Profit / (Loss) for the year	-	-	-	(1,75,805.44)	-	(1,75,805.44)
Other comprehensive income (loss) for the year (net of tax)	-	-	-	(831.36)	-	(831.36)
Total Comprehensive Income for the year	-	-	-	(1,76,636.79)	-	(1,76,636.79)
Dividends	-	-	-	-	-	-
Transfer from Bond Redemption Reserve to Retained Earnings	-	-	(1,166.67)	1,166.67	-	-
Any other change	-	-	-	-	-	-
Balance as at 31.03.2020	-	**18,150.00**	**500.00**	**(3,49,192.57)**	-	**(3,30,542.57)**

Board Approved Unaudited Account

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Bhubaneswar.

Neelachal Ispat Nigam Limited

Note 1:

Corporate and General Information

The company is domicile in India and is a public limited company registered under erstwhile Companies Act, 1956. Its country of incorporation is India and the address of its registered office is at 1st Floor, IPICOL House (Annexe Building), Janpath, Bhubaneswar, Odisha with principal place of business at Kalinga Nagar Industrial Complex, Duburi, Jajpur, Odisha. The company is an integrated iron and steel plant manufacturing steel billets, pig iron, coke, fertilizer, crude tar etc.. While pig iron is sold both in domestic as well as export market, the company is principally dependent on the domestic market for remaining products.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on 06/03/2021.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Neelachal Ispat Nigam Limited (the Company).

a) Basis of preparation

i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

ii) Measurement Basis

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

I) Certain financial assets and liabilities which are classified as fair value through profit and loss or fair value through other comprehensive income;

II) Assets held for sale, at the lower of the carrying amounts and fair value less cost to sell and

III) Defined benefit plans and plan assets.

iii) Functional and Presentation Currency

Board Approved Unaudited Account

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Bhubaneswar.

The Financial Statements have been presented in India Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ have been rounded off to the nearest two decimals of lakh unless otherwise stated.

iv) Current versus Non-current classification

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

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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.

All other assets are classified as non-current assets.

A liability is classified as current liability when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

v) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires making judgments, estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amounts of revenue and expenses during the reported period and notes to the Financial Statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Any revision to such estimates is recognized in the period in which the same is determined.

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b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, volume rebates, Goods and Service Tax and amounts collected on behalf of third parties.

Sales are recognized when performance obligation is satisfied by transferring promised goods or services to the customers and the customers obtain control of those goods or services.

Export incentives under various schemes and other incomes are recognized on certainty of their realization.

c) Government Grants

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

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented under the heading 'Other income'.

d) Leases

The Company has adopted Ind AS 116 Leases from 1st April, 2019. At the inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reviewed for indicators of impairment and reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted based on the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will

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Bhubaneswar.

exercise a purchase, extension or termination option. When the lease liability is re measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including Information Technology (IT) equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

e) Income Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current income tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (MAT Credit entitlement) or deductible temporary difference will be utilised against future taxable income. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it is probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

f) Impairment of Assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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. For the purposes of assessing impairment, the entire plant is considered as a cash-generating unit. Non- financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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g) Cash & cash equivalents

For the purpose of presentation in the statement of cash flows, Cash comprises of cash in hand and demand deposits with banks and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Trade receivables

The carrying amount of trade receivable is considered to be its fair value due to short-term nature.

i) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value except Liquid Argon, Liquid Oxygen, Liquid Nitrogen, Iron Scrap, Slag, Nut Coke, Coal Tar and Ammonium Sulphate which are valued at net realizable value. Mixed coke is valued at 55% of the value of main product i.e., BF Coke in absence of net realizable value. Similarly, billet scrap & SMS scrap are valued at 75% of the rate at which billet is valued subject to the condition that the rate so derived is not less than the rate at which Iron Scrap is valued. Cost of raw materials and purchased inventories comprises of cost of purchases after deducting rebates, discounts and duty / tax credits. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

j) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or / and supply of goods or services or for administrative purposes, are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of any obligatory decommissioning costs.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment in accordance with Ind AS 16. However, for the sake of materiality, if the rate per unit of such items exceeds ₹1lakh (Rupees One Lakh only), the same are considered as property, plant and equipment. Otherwise, such items are classified as inventory.

Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, they are accounted for as separate items (major

Board Approved Unaudited Account

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components) of property, plant and equipment. For the sake of materiality, the cost of a part of the asset is considered as significant if it exceeds ₹50lakh (Rupees Fifty Lakh only).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced item (s) is derecognized. Repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Capital work in progress comprises of assets in the course of construction for production and or supply of goods or services or administrative purposes, are carried at cost less any recognized impairment loss. At the point when an asset is ready for management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of property, plant and equipment are capitalized.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives are as prescribed by Schedule II to the Companies Act, 2013 except in case of following category of assets where useful lives have been determined based on technical evaluation done by the management's expert committee / independent technical experts in order to reflect the actual usage of the assets. The useful life assumed by the technical experts is as under:

Asset category	**Estimated useful life (in years)**
Factory Building	50
Plant & Machinery	25 to 30
Water Supply & Sewerage	18 to 22

Depreciation on capital spares is provided over the useful life of the spare or remaining useful life of the mother asset, as reassessed, whichever is lower.

Where, during any financial year, any addition has been made to any property, plant and equipment, or where any property, plant and equipment has been sold, discarded, demolished or destroyed, the depreciation on such property, plant and equipment are calculated on a pro rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed. Assets costing up to ₹5,000 are fully depreciated in the year in which they are put to use.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

k) Non-current assets held for sale

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the asset is available for immediate sale in its present condition and its sale is highly probable. Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell and presented separately in the financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

l) Intangible Assets

Mining Rights

Mining rights are treated as intangible assets. Acquisition Cost i.e., cost associated with acquisition of licenses and rights to explore including related professional fees, payment towards statutory forestry clearances, as and when incurred, are treated as addition to the Mining Rights.

Costs related to Mining Rights are amortised on the basis of annual production to the total mineable reserves. In case the mining rights are not renewed, the balance related cost will be charged to revenue in the year of decision of non-renewal.

Other Intangible Assets

Other intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The amortization expense is recognized in the statement of profit or loss. The estimated useful life of an identifiable intangible asset is based on a number of factors including terms of covenant, the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The amortization period and amortization method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and treated as changes in accounting estimates. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount and are recognized in the statement of profit and loss.

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m) Stripping Cost

Stripping costs of surface mining is recognised as an asset when they represent significantly improved access to ore, provided all the following conditions are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the Company;
- The entity can identify the component of an ore body for which access has been improved and
- The cost relating to the improved access to that component can be measured reliably.

The stripping cost incurred during the production phase is added to the existing "stripping cost asset" to the extent the current period stripping ratio exceeds the planned stripping ratio. The "stripping cost asset" is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that become more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and impairment loss, if any.

n) Mine Closure

Mine Closure Provision includes the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas for mines. This provision is based on all regulatory requirements and related estimated cost based on best available information. Mine closure costs are provided for in the accounting period when the obligation arises based on the net present value of the estimated future costs of restoration to be incurred during the life of the operation and post closure.

o) Trade and other payables

These amounts represent liabilities for goods and services supplied / provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. The carrying amounts of trade payables and capital creditors are considered as their fair value due to short-term nature.

p) Financial Instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on trade date. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortised cost & non derivative financial liabilities at amortised cost.

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The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial assets at amortised cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Non-derivative financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognized at fair value minus transaction cost, and subsequently carried at amortized cost using the effective interest method.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability, a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the

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liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. The Company considers a period of twelve months or more as substantial period of time. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

s) Foreign currency transaction and translation

Items included in the financial statements are measured using the currency of the primary economic environment i.e. Indian Rupee in which the Company operates. In preparing the financial statements, transactions in foreign currencies i.e. currencies other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

t) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefit will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognized in the financial statements.

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u) Employee benefits

Payments under Employees' Family Benefit Scheme: Under the Employees' family benefit scheme, monthly payments are made till the normal date of superannuation to the family members of those employees who are discharged from service due to medical reason or death, on deposit of the amount envisaged under the scheme and liability for the payments is accounted for on the basis of actuarial valuation.

Gratuity:

Gratuity payable to eligible employees is administered by a separate Trust. The liability is recognised on the basis of actuarial valuation.

Provident & Pension fund:

The company's contribution to the provident & pension fund is remitted to Employees' Provident Fund Organisation (EPFO) based on a fixed percentage of employees' salary and accounted for based on actual contribution paid or payable.

Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation.

Post Retirement Settlement Benefit:

Liability towards Post Retirement Settlement Benefit to employees as at the end of the year is recognized on the basis of actuarial valuation.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. Re-measurements comprising actuarial gains or losses and return on plan assets are not reclassified to profit or loss in subsequent periods.

v) Earnings per share:

(i) Basic earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the Company by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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w) Bond Redemption Reserve:

Bond Redemption Reserve for redemption of Non-convertible Bonds is created out of the profits, if any, every year until the date of redemption of first installment.

x) Rounding off amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III to the Companies Act, 2013 unless otherwise stated.

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Note - 2 : Property, Plant and Equipment -

(₹ in lakh)

	Opening gross carrying amount as on 01.04.2019	Additions / Adjustments	Disposals / Adjustments	Closing gross carrying amount as on 31.03.2020	Opening accumulated depreciation as on 01.04.2019	Depreciation charged during the year	Disposals / Adjustments	Closing accumulated depreciation as on 31.03.2020	Closing net carrying amount as on 31.03.2020	Closing net carrying amount as on 31.03.2019
Freehold Land	17.42	-	-	17.42	-	-	-	-	17.42	17.42
Railway Lines & Sidings	1,872.11	-	-	1,872.11	947.25	61.14	-	1,008.39	863.72	924.86
Roads, Bridges & Culverts	1,481.02	-	-	1,481.02	191.44	55.07	-	246.51	1,234.51	1,289.58
Buildings	7,958.16	-	-	7,958.16	1,490.63	375.95	-	1,866.57	6,091.59	6,467.54
Water Supply	3,152.16	-	-	3,152.16	2,490.85	8.83	-	2,499.68	652.48	661.31
Plant & Machinery	2,79,523.30	37.83	-	2,79,561.13	52,288.32	15,727.45	-	68,015.77	2,11,545.36	2,27,234.98
Spare Parts, Stand-by & Servicing Equipments	3,388.58	-	-	3,388.58	364.54	216.29	-	580.83	2,807.75	3,024.04
Power Supply & Distribution	7,776.70	-	-	7,776.70	1,915.50	576.60	-	2,492.10	5,284.60	5,861.20
Furniture & Fittings	39.02	-	-	39.02	23.01	0.40	-	23.41	15.61	16.01
Vehicles	2,266.69	-	-	2,266.69	1,059.31	220.09	-	1,279.40	987.29	1,207.37
Compound Wall, Water Supply & Sewerage	726.81	-	-	726.81	75.25	350.23	-	425.47	301.33	651.56
Office Equipments	143.12	-	-	143.12	85.09	25.36	-	110.46	32.66	58.03
Miscellaneous Equipments	334.97	3.44	-	338.41	109.93	19.86	-	129.79	208.62	225.05
Total	**3,08,680.06**	**41.27**	-	**3,08,721.33**	**61,041.12**	**17,637.26**	-	**78,678.39**	**2,30,042.94**	**2,47,638.94**
Figures for the previous year	3,00,564.41	8,123.30	7.65	3,08,680.06	45,995.78	15,052.58	7.27	61,041.09	2,47,638.97	2,54,568.63

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Note - 3 : Capital work-in-progress -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Construction and Erection work in progress		13,918.15	13,466.36
Stock of Construction Material		364.83	335.63
	Total	14,282.99	13,801.99

Note - 3a : Right of use assets -

(₹ in lakh)

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	As at 01.04.2019	Additions / Adjustments	Disposals / Adjustments	As at 31.03.2020	As at 01.04.2019	For the year	Disposals / Adjustments	Upto 31.03.2020	As at 31.03.2020	As at 01.04.2019
Right of use assets	6,522.19	626.28	-	7,148.46	336.91	117.74	-	454.65	6,693.82	6,185.28
Total	6,522.19	626.28	-	7,148.46	336.91	117.74	-	454.65	6,693.82	6,185.28
Figures for the previous year	-	-	-	-	-	-	-	-	-	-

Note - 4 : Intangible assets -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Captive iron ore mines#		15,554.39	17,987.19
	Total	15,554.39	17,987.19

Borrowing cost capitalised during the year amounting to ₹ Nil (31.03.2019 - ₹1,369.67 lakh).

Note - 5 : Other Financial Assets (Non-current) -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Bank deposits with more than 12 months maturity#		480.13	371.30
Prepaid Leasehold Premium		-	3,388.52
	Total	480.13	3,759.82

Includes margin money for LC / BG amounting to ₹471.00 lakh (31.03.2019-₹369.00 lakh) and security money with Govt. Deptt. ₹9.13 lakh(31.03.2019- ₹2.30 lakh).

Note - 6 : Deferred Tax Assets (net) -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Deferred Tax Assets:			
Tax losses		-	68,545.93
Tax credits		-	4,207.28
	Total (a)	-	72,753.21
Deferred Tax Liabilities:			
Tax on differences in WDV of PPE due to depreciation		-	(11,788.06)
Tax effect of transaction cost on loan		-	(288.05)
	Total (b)	-	(12,076.11)
	Net (a-b)	-	60,677.10

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Movement in deferred tax asset / liability

(₹ in lakh)

Particulars	Tax losses	On diff. on WDV of PPE due to depn.	On transaction cost on loan	Tax credits	Total
At 31st March, 2019	68,545.93	(11,788.06)	(288.05)	4,207.28	60,677.10
(Debited)/credited to profit or loss	-	-	-	-	-
Derecognition of deferred tax asset	(68,545.93)	11,788.06	288.05	(4,207.28)	(60,677.10)
At 31st March, 2020	-	-	-	-	-

Note - 7 : Other non-current assets -

	(₹ in lakh) As at 31st. March,2020	*(₹ in lakh)* As at 31st. March,2019
(i) Capital Advances :		
Advance to contractors for capital works	**336.84**	371.45
(ii) Advances other than capital advances :		
Security Deposit -		
Deposit with Govt. Departments	**1,993.68**	1,992.27
Deposit with others	**1,337.45**	1,315.01
Total	**3,667.96**	3,678.73

Note - 8 : Inventories -

	(₹ in lakh) As at 31st. March,2020	*(₹ in lakh)* As at 31st. March,2019
(a) i) Raw Materials	**2,797.18**	9,020.68
ii) Raw material in transit	**-**	1,551.98
(b) Work-in-progress	**473.14**	1,148.21
(c) Finished goods	**25,804.13**	29,167.86
(d) i) Stores and spares	**4,367.87**	3,021.38
ii) Stores and spares in transit	**23.72**	726.01
Total	**33,466.05**	44,636.12

Mode of valuation - Inventories have been valued at lower of cost and net realisable value.

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Note - 9 : Cash and Cash equivalents -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
a. Balances with Banks*		3,493.30	5,540.52
b. Cheques, drafts on hand		1.90	46.28
c. Cash on hand		0.81	0.20
	Total	3,496.01	5,587.00

*Includes margin money for LC / BG amounting to ₹2,372.42 lakh (31.03.2019 - ₹2,856.58 lakh) and security money with Govt. Deptt. amounting to ₹227.47 lakh (31.03.2019 - ₹218.96 lakh), security against borrowing from bank amounting to ₹ NIL (31.03.2019 - ₹Nil) and deposit under employees' family benefit scheme amounting ₹148.19 lakh (31.03.2019- ₹ 64.36 lakh)

Note - 10 : Other Financial Assets (Current) -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Prepaid Leasehold Premium		-	52.36
	Total	-	52.36

Note - 11 : Other current assets -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Advance to Employees		-	3.08
Advance to Suppliers for Stores, Spares & Raw Materials		390.86	797.52
Advance to Others		100.30	105.23
Prepaid Expenses		324.60	513.97
Claims Receivable		4,038.48	1,720.20
Export Incentive Receivable		-	795.09
Income tax paid in advance / recoverable		92.40	267.57
Interest accrued but not due on term deposits		144.06	120.36
	Total	5,090.70	4,323.02

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Note - 12 : Equity Share capital -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Authorised :			
190,00,00,000 (previous year 190,00,00,000) Equity Shares of ₹10/- each		1,90,000.00	1,90,000.00
Issued :			
74,76,40,143 (previous year 58,82,20,143) Equity Shares of ₹10/- each		74,764.01	58,822.01
Subscribed:			
74,76,40,143 (previous year 58,82,20,143) Equity Shares of ₹10/- each		74,764.01	58,822.01
Paid up :			
73,37,88,143 (previous year 57,43,68,143) Equity Shares of ₹10/- each		73,378.81	57,436.81
1,38,52,000 (previous year 1,38,52,000) Equity Shares of ₹10 each are allotted as partly paid-up of ₹5/-		692.60	692.60
	Total	74,071.41	58,129.41

a) All the equity shares rank equally with regard to the repayment of capital in the event of liquidation of the company.
b) The company has neither issued bonus shares nor bought back any shares during the last five years.
c) The company does not have a holding company.
d) The details of equity share holders holding more than 5% shares :

Name of the shareholders	As at 31st. March,2020		As at 31st. March,2019	
	No. of shares	% held	No. of shares	% held
MMTC Ltd.	368762744	49.78	289342744	49.78
Industrial Promotion & Investment Corporation of Orissa Ltd.	88868389	12.00	88868389	15.29
NMDC Ltd.	74799878	10.10	74799878	12.87
The Odisha Mining Corporation Ltd.	151598530	20.47	71598530	12.32

e) The reconciliation of the number of shares outstanding is set out below :

Issued :			
Equity Shares at the beginning of the year	588220143	588220143	
Add Issued during the year	159420000	-	
Equity Shares at the end of the year	747640143	588220143	
Subscribed :			
Equity Shares at the beginning of the year	588220143	588220143	
Add Subscribed during the year	159420000	-	
Equity Shares at the end of the year	747640143	588220143	
Paid up & partly paid up :			
Equity Shares at the beginning of the year (fully paid up)	574368143	574368143	
Equity Shares at the beginning of the year (partly paid up)	13852000	13852000	
Add Paid-up during the year	159420000	-	
Equity Shares at the end of the year (fully paid up)	733788143	574368143	
Equity Shares at the end of the year (partly paid up)	13852000	13852000	

f) 1,38,52,000 equity shares of ₹10/- each on which ₹5/- has already been paid up shall not be called up except in the event of and for the purpose of the company being wound up.

Note 13 : Other Equity -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Securities Premium Account			
As per last Balance Sheet		18,150.00	18,150.00
	Sub-total	18,150.00	18,150.00
Bond Redemption Reserve			
As per last Balance Sheet		500.00	1,666.67
	Sub-total	500.00	1,666.67
Retained Earnings			
Opening Balance		(1,73,595.05)	(1,33,236.69)
Add Adjustments		1,039.27	-
Add Total Comprehensive Income for the year		(1,76,636.79)	(40,358.36)
	Sub-total	(3,49,192.57)	(1,73,595.05)
	Total	(3,30,542.57)	(1,53,778.38)

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Note - 14 : Borrowings (Non-current):

			(₹ in lakh)	*(₹ in lakh)*
			As at 31st. March,2020	As at 31st. March,2019
Secured Loans -				
Bonds/debentures	**Rate of Interest**	**Date of redemption**		
11.90% Bond	11.90% p.a.	27.03.2021	**15,000.00**	20,000.00
10.45% Bond	10.45% p.a.	19.02.2018	**-**	5,000.00
Term Loans				
from banks			**85,057.02**	99,145.93
from other parties - related parties			**5,608.29**	11,214.45
- others			**2,727.68**	4,421.71
Unsecured Loans -				
from other parties - related parties			**18,727.00**	-
		Total	**1,27,119.99**	1,39,782.09

a) Each bond is having face value of ₹10 lakh. Bonds carrying rate of interest of 10.45% p.a. are redeemable in 4 equal annual installments commencing from 19.02.2018 without put and call option and Bonds carrying rate of interest of 11.90% p.a. issued on 27.03.2014 are redeemable in 4 equal annual installments commencing from 27.03.2021 without put and call option. 10.45% bonds and 11.90% bonds are secured by registered mortgage on 1463.30 sq. mtrs. of land situated in the state of Gujarat and also secured by charge on the entire immovable property and plant & machinery attached to the earth or permanently fastened to anything attached to the earth of the company with Indian Bank as Trustee for 10.45% Bond Holders and SBI Caps Trustee Company Ltd. as trustee for 11.90% Bond Holders ranking pari passu with other parties and banks.

b) Bonds & loans amounting to ₹82,152.00 lakh (31.03.2019 - ₹96,133.00 lakh) are guaranteed by corporate guarantee of MMTC Ltd.

c) The term loan from banks amounting to ₹76,233.15 lakh (31.03.2019 - ₹82,178.15 lakh)are secured by pari passu first charge on the fixed assets of the company both present and future and second charge on current assets of the company present and future. The short term corporate loan of ₹625.00 lakh (31.03.2019 - ₹2,312.50 lakh) is secured by pari passu first charge on fixed assets and pari passu second charge on current assets.The medium term loan of ₹4,243.81 lakh (31.03.2019 - ₹7,169.92 lakh) is secured by second pari passu charge on movable fixed assets and current assets pending pari passu permission from other consortium lenders .
Short term loan of ₹16,050.07 lakh (31.03.2019 - ₹17,000.00 lakh) is secured by corporate guarantee of MMTC Ltd.
Corporate loan of ₹ 17,613.72 lakh (31.03.2019 - ₹24,606.70 lakh) is secured by way of first charge on fixed assets and second charge on current assets pending pari passu permission from other consortium lenders.
Creation of securities in favour of corporate loan of ₹9,581.24 lakh (31.03.2019 - ₹9,974.99 lakh) is in process.

d) The company has not paid principal instalment amounting to ₹3,443.31 lakh (31.03.2019 - ₹Nil) and interest amounting to ₹ 2,914.69 la (31.03.2019 -₹1,054.52 lakh) to banks and principal amounting to ₹5,172.22(31.03.2019 - ₹Nil) and interest amounting to ₹1,527.52 lakh (31.03.2019 - ₹133.19 lakh) to other parties as on 31.03.2020.

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e) Terms of repayment of loan and rate of interest are set out below :

Name of the lender	Outstanding as on 31.03.2020 (₹ in lakh)	Maturity Date	Terms of repayment	Rate of interest
UNION BANK OF INDIA	3,883.00	31.03.2023	0.25% per qrt. from 30.9.15 to 31.3.18 (for 11 qrts.), 2% per qrt. from 30.6.18 to 31.3.19 (for 4 qrts.), 4% per qrt. from 30.6.19 to 31.3.21 (for 8 qrts.), 6 % per qrt. from 30.6.21 to 31.3.22 (for 4 qrts.), 8.31 % per qrt. from 30.6.22 to 31.3.23 (for 4 qrts.)	9.85%
INDIAN BANK	3,858.52	31.03.2023	-do-	10.35%
OBC	1,450.45	31.03.2023	-do-	9.46%
ALLAHABAD BANK	7,713.29	31.03.2023	0.253% per qrt. from 30.9.15 to 31.03.18 (for 11 qrts.), 2.021% per qrt. from 30.6.18 to 31.3.19 (for 4 qrts.), 4 .042% per qrt. from 30.6.19 to 31.3.21 (for 8 qrts.), 6.063% per 4qrt. from 30.6.21 to 31.3.22 (for 4 qrts.), 8.337% from 30.6.22 to 31.12.22 (for 3 qrts.) and 7.54 % for the qrt. ended 31.03.23.	9.15%
DENA BANK(PH-II)	8,313.49	31.03.2033	0.25% per qrt. from 30.6.15 to 31.03.17 (for 8 qrts.), 0.32 % per qrt. from 30.6.17 to 31.3.18 (for 4 qrts.), 0.63 % per qrt. from 30.6.18 to 31.3.19 (for 4 qrts.), 1 % per qrt. from 30.6.19 to 31.3.24 (for 20 qrts.) , 1.25 % per qrt. from 30.6.24 to 31.3.25 (4 qrts.), 2% per qrt. from 30.6.25 to 31.3.29 (for 16 qrts.), 2.12 % per qrt. from 30.6.28 to 31.3.30 (for 4 qrts.), 2.5% per qrt. from 30.6.30 to 31.3.31 (for 4 qrts.), 2.57% per qrt. from 30.6.31 to 31.3.32 (for 4 qrts.), 2.13 % per qrt. from 30.6.32 to 31.3.33 (for 4 qrts.)	13.35%
ALLAHABAD BANK--(PH-II)	4,787.23	31.03.2033	0.25% per qrt. from 30.9.15 to 31.03.18 (for 11 qrts.), 0.50% per qrt. from 30.6.18 to 31.3.19 (for 4 qrts.), 1.00% per qrt. from 30.6.19 to 31.3.25 (for 24 qrts.) , 2 % per qrt. from 30.6.25 to 31.3.30 (for 20 qrts.), 2.5 % per qrt. from 30.6.30 to 31.03.32 (for 8 qrts.) , 2.75 % per qrt. from 30.06.32 to 31.12.32 (for 3 qrts.) and 3% for the qrt. ended 31.03.33.	13.35%
UBI(PH-II)	7,000.00	31.03.2033	-do-	12.75%
SBI(PH-II)	18,119.78	31.03.2033	-do-	12.65%
CBI(PH-II)	6,076.15	31.03.2033	-do-	13.20%
SBH(PH-II)	1,801.14	31.03.2033	-do-	13.60%
SBM(PH-II)	1,342.86	31.03.2033	-do-	13.55%
SBI-9393	4,221.75	31.03.2023	0.25% per qrt. from 30.9.15 to 31.03.18 (for 11 qrts.), 2% per qrt. from 30.6.18 to 31.3.19(for 4 qrts.), 4% per qrt. from 30.6.19 to 31.3.21(for 8 qrts.) , 6% per qrt. from 30.6.21 to 31.3.22 (for 4 qrts.), 8% per qrt. from 30.6.22 to 31.12.22 (for 3 qrts.) and 9.25% for the qrt. ended 31.03.23.	12.75%
SBI-5293	3,843.16	31.03.2023	-do-	12.75%
SBI-3205	3,822.33	31.03.2023	-do-	9.05%
SBI(CORPORATE LOAN)	625.00	31.03.2021	1.25% per qrt. from 31.12.14 to 31.3.16 (for 6 qrts.), 4.5% per qrt. from 30.6.16 to 31.3.20 (for 16 qrt.), 5.125% per qrt. from 30.6.20 to 31.3.21 (for 4 qrts.)	11.75%
SBI (MINES)	9,581.24	31.12.2026	1.25% per qrt. from 30.06.18 to 31.3.21 (for 12 qrts.), 2.5% per qrt. from 30.6.21 to 31.3.22 (for 4 qrts.), 3.75% per qrt. from 30.6.22 to 31.3.26 (for 16 qrts.), 5% per qrt. From 30.06.26 to 31.12.26 (for 3 qrts.)	11.55%
VIJAYA BANK	3,300.00	31.12.2021	5% per qrt. from 30.09.18 to 31.12.18 (for 2 qrts.), 6% per qrt. from 01.01.19 to 31.12.19 (for 4 qrts.), 7% per qrt. from 01.01.20 to 31.12.20 (for 4 qrts.) and 9.5% per qrt. from 01.01.21 to 31.12.21 (for 4 qrts.)	12.45%
IFCI	5,200.00	30.09.2022	1.25% per qrt. from 30.6.16 to 30.9.17 (for 6 qrts.), 4.5% from 31.12.17 to 30.9.21 (for 16 qrts.), 5.125% per qrt. from 31.12.21 to 30.9.22 (for 4 qrts.)	13.55%
OMC	16,050.07	31.03.2022	36 monthly instalments starting from April-2019	10.25%
ALLAHABAD BANK (CORPORATE Loan)	9,113.72	31.03.2028	2.5% per qrt. from 30.9.18 to 31.03.19 (for 2 qrts.), 1.25% per qrt. from 01.04.19 to 31.3.20 (for 4 qrts.), 2.5% per qrt. from 01.04.20 to 31.03.26 (for 24 qrts.), & 3.75% per qrt. from 01.04.26 to 31.3.28 (for 8qrts.),	11.70%
INDUSIND BANK	2,000.00	30.10.2022	OD limit to be reduced by Rs. 1.25 crores per month from November 2018 at the end of every month.	11.05%
INDUSIND BANK	2,243.81	30.10.2022	OD limit to be reduced by Rs. 1.41 crores per month from November 2018 at the end of every month.	11.15%
OMC CL - II	15,727.00	27.01.2024	The interest accrued on loan during the moratorium period shall be treated as principal for all purpose. The revised principal amount shall be repaid in monthly instal,emts of Rs.6 crore each.	9.00%
NMDC	6,000.00	27.01.2024	The loan amount of ₹60 crore shall be repaid in equal monthly installments of ₹3 crs. Each.	9.00%

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Note - 15 : Provisions (Non-current) -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Provision for employee benefits			
Accrued Leave Liability		6,240.08	4,939.69
Gratuity Liability		4,270.62	2,979.43
Post Retirement Settlement Expenses Liability		190.78	160.16
Employees' Family Benefit Scheme		510.67	394.64
	Total	11,212.14	8,473.92

Note - 16 : Other non-current laibilities -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Retention money on contracts		9,528.67	9,399.72
Security deposit		1,421.90	1,303.34
	Total	10,950.56	10,703.06

Note - 17 : Borrowings (Current) -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Secured Loans -			
Loans repayable on demand			
Working capital borrowings from banks		13,648.19	11,714.21
Unsecured Loans -			
Working capital borrowing from related party		1,42,500.00	1,42,500.00
	Total	1,56,148.19	1,54,214.21

a) Working capital borrowings from banks are secured by hypothecation of company's inventories, book debts and other current assets and also secured by extension of mortgage / charge on the entire immovable properties and plant & machinery attached to the earth or permanently fastened to anything attached to the earth of the company on second charge basis. Corporate guarantee has been issued towards working capital borrowing from related party.

b) Corporate guarantee has been issued towards working capital borrowing from related party.

Note - 18 : Trade payables (Current) -

		(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Sundry Creditors - Due to Micro and Small Enterprises		965.76	383.19
Sundry Creditors - Other than Micro and Small Enterprises		26,440.33	23,249.53
	Total	27,406.09	23,632.72

a) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to such enterprises are as under:

Description	(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
1) The principal amount remaining unpaid to the suppliers as at the end of accounting year	965.76	383.19
2) The interest due thereon remaining unpaid to the suppliers as at the end of the accounting year	-	-
3) The amount of interest paid in terms of section 16, alongwith the amount of the payment made to the suppliers beyond the appointed day during the year.	-	-
4) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
5) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
6) 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 enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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Note - 19 : Other financial liabilities (Current) -

	(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Current maturities of long-term debt (Term loan from banks/other parties)	43,385.39	32,588.57
Interest accrued and due on loans	4,442.21	1,187.72
Interest accrued but not due on loans	336.93	181.94
Total	48,164.53	33,958.23

Note - 20 : Other current liabilities -

	(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Trade finance / revenue received in advance	1,79,853.01	1,17,750.24
Others :		
Earnest money deposit	230.45	245.42
Payable towards capital works	1,868.11	2,235.79
Others	5,782.72	6,465.10
Total	1,87,734.29	1,26,696.55

Note - 21 : Provisions (Current) -

	(₹ in lakh) As at 31st. March,2020	(₹ in lakh) As at 31st. March,2019
Provision for employee benefits		
Accrued Leave Liability	223.50	111.69
Gratuity Liability	232.60	125.66
Post Retirement Settlement Expenses Liability	0.41	0.40
Employees' Family Benefit Scheme	53.84	92.74
Total	510.35	330.49

Note - 15.1, 21.1 & 26.1 : Employee Benefits -

Gratuity	Payable on separation @ 15 days for each completed year of service or part thereof in excess of six months to eligible employees on death or who have rendered continuous service of 5 years or more subject to a maximum of ₹ 20 lakh.
Leave Encashment	Payable on separation to eligible employees who have accumulated earned and half pay leave. Encashment of accumulated earned leave is also allowed upto 30 days every year.
Post Retirement Settlement Benefits	Payable to retiring employees for settlement at their home town and reimbursement of 50% of mediclaim premium subject to maximum ₹ 3,000/ p.a..
Employees' Family Benefit Scheme	Monthly payments to disabled separated employees / legal heirs of deceased employees in lieu of prescribed deposit till the notional date of superannuation.

Other disclosures, as required under Indian Accounting Standards (IndAS) – 19 on 'Employee Benefits', in respect of defined benefit obligations are:

(a) The provision towards gratuity, accrued leave, post retirement settlement scheme are made by actuarial valuation in terms of provisions of IndAS–19.

(b) Reconciliation of Present Value of Defined Benefit Obligations:

(₹ in lakh)

Sl. No.	Gratuity	Leave Encashment	Post Retirement Settlement Benefit	Employee Family Benefit Scheme
Present value of projected benefit obligations as at 01.04.2019	5,500.66	5,051.38	160.56	487.37
Current Service Cost	514.27	1,121.44	-	-
Interest Cost	361.71	329.56	10.63	31.27
Actuarial Gains(-) / Losses (+) due to change in Financial Assumption	736.05	676.24	19.84	59.10
Actuarial Gains(-) / Losses (+) due to Unexpected Experience	67.88	(553.81)	0.55	18.10
Benefits Paid	89.89	161.24	0.39	31.34
Present value of projected benefit obligations as on 31.03.2020	7,090.68	6,463.58	191.19	564.51

(c) As against gratuity liability of ₹7,090.68 lakh as at 31.03.2020, the company has plan assets of the fund amounting to ₹2,587.47 lakh as at 31.03.2020. The other defined benefit obligations are unfunded.

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(d) Table showing changes in Fair Value of Plan Assets in respect of Gratuity:

	(₹ in lakh)
	As at 31.03.2020
Fair Value of Plan Asset at the beginning of the year	2,395.57
Interest Income	158.83
Employer's Contributions	130.00
Benefits Paid	89.89
Return on Plan Assets excluding Interest Income	(7.04)
Fair Value of Plan Asset at the end of the year	**2,587.47**

(e) Table showing funded status in respect of Gratuity:

(f) Table showing funded status:

	Gratuity	Leave Encashment	Post Retirement Settlement Benefit	(₹ in lakh) Employee Family Benefit Scheme
Present Value of Obligation at the end of the year	7,090.68	6,463.58	191.19	564.51
Fair Value of Plan Asset at the end of the year	2,587.47	-	-	-
Funded Status	(4,503.21)	(6,463.58)	(191.19)	(564.51)
Net Asset / (Liability) Recognised in Balance Sheet	**(4,503.21)**	**(6,463.58)**	**(191.19)**	**(564.51)**

(g) Expenses recognized in the statement of Profit & Loss Account for the year ended 31.03.2020:

Particulars	Gratuity	Leave Encashment	Post Retirement Settlement Benefit	(₹ in lakh) Employee Family Benefit Scheme
Current Service Cost	514.27	1,121.44	-	-
Net Interest Cost	202.89	329.56	10.63	31.27
Actuarial Gain/Loss applicable only for last year	-	122.43	-	77.20
Benefit cost (Expense recognised in Statement of Profit/Loss)	717.16	1,573.43	10.63	108.47
Amount charged to				
- Employee benefits expense (Note-26)	**717.16**	**1,573.43**	**10.63**	**108.47**
	-	-	-	-

(h) Expenses recognised in Other Comprehensive Income for the year ended 31.03.2020:

Particulars	Gratuity	(₹ in lakh) Post Retirement Settlement Benefit
Actuarial Gains(-) / Losses (+) due to change in Financial Assumption	736.05	19.84
Actuarial Gains(-) / Losses (+) due to Unexpected Experience	67.88	0.55
Total Acturial (Gain)/Loss	803.93	20.39
Return on Plan Assets excluding Interest Income	(7.04)	-
Balance at the end of the period	810.97	20.39
Net (Income)/Expense for the period recognised in OCI	**810.97**	**20.39**
	-	-

(i) Actuarial assumptions

Description	
Mortality Table	As at 31.03.2020
Superannuation Age	IALM 2006-2008 Ultimate
Attrition Rate	60
Early Retirement & Disablement (All Causes Combined)	1%
above age 45	0.10%
Between 29-45	0.06%
Below age 29	0.03%
Discount Rate	0.01%
Inflation Rate	6.63%
Return on Capital (for gratuity)	7.00%
Remaining Working Life	6.63%
Formula Used	14
	Projected Unit Credit Method

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Note 22 : Revenue from operations -

		(₹ in lakh) For the year ended 31st. March, 2020	(₹ in lakh) For the year ended 31st. March, 2019
Sale of Products (including Excise Duty)			
Domestic		**84,186.20**	1,55,741.17
Exports		**6,544.61**	37,899.61
	Sub-Total	**90,730.80**	1,93,640.78
Other Operating Revenues		**3,376.66**	6,902.31
	Total	**94,107.47**	2,00,543.09

Note 23 : Other income

	(₹ in lakh) For the year ended 31st. March, 2020	(₹ in lakh) For the year ended 31st. March, 2019
Sale of Misc. Scrap	**73.79**	35.15
Interest on Term / Other Deposit	**325.58**	747.32
Miscellaneous Receipts	**4.69**	17.01
Export Incentives	**391.79**	1,189.17
Total	**795.86**	1,988.65

Note 24 : Cost of materials consumed

	(₹ in lakh) For the year ended 31st. March, 2020	(₹ in lakh) For the year ended 31st. March, 2019
Iron Ore	**10,651.40**	39,936.49
Coke	**-**	5,292.02
Coking Coal	**95,507.29**	1,20,206.66
Dolomite	**596.26**	2,136.10
Limestone	**499.15**	2,031.78
Sand	**9.89**	27.18
Quartzite	**56.31**	282.13
Manganese	**-**	0.35
Sulphuric Acid	**245.67**	431.73
Ferro Manganese	**2.35**	74.40
Ferro Silicon	**21.42**	228.03
Silico Manganese	**96.85**	976.50
Aluminium	**5.90**	56.09
Others	**353.19**	1,331.36
Total	**1,08,045.67**	1,73,010.82

Note 25 : Changes in inventories of finished goods and work-in-progress

	(₹ in lakh) For the year ended 31st. March, 2020		(₹ in lakh) For the year ended 31st. March, 2019	
Opening Stock				
- Finished Goods	**29,167.86**		23,923.18	
- Work-in-Progress	**1,148.21**	**30,316.07**	444.22	24,367.40
Less: Closing Stock				
- Finished Goods	**25,804.13**		29,167.86	
- Work-in-Progress	**473.14**	**26,277.28**	1,148.21	30,316.07
Changes in inventories of finished goods and work-in-progress		**4,038.80**		(5,948.67)

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Note 26 : Employee benefits expense

	(₹ in lakh) For the year ended 31st. March, 2020	(₹ in lakh) For the year ended 31st. March, 2019
Salaries, Wages and Allowances	12,274.55	11,422.43
Leave Encashment	1,573.43	1,347.61
Company's Contribution to Provident & Other Funds	1,384.98	1,285.84
Staff Welfare Expenses	821.66	867.26
Gratuity	717.16	617.38
Total	16,771.78	15,540.52

Note 27 : Finance costs

	(₹ in lakh) For the year ended 31st. March. 2020	(₹ in lakh) For the year ended 31st. March. 2019
Interest cost		
- Bonds	3,375.69	3,890.24
- Working Capital	1,662.86	1,212.73
- Term Loan	16,430.46	18,048.95
Other borrowing costs	28,402.58	23,473.64
Total	49,871.58	46,625.56

Note 28 : Depreciation and amortization expense

	(₹ in lakh) For the year ended 31st. March. 2020	(₹ in lakh) For the year ended 31st. March. 2019
Depreciation on tangible assets	17,637.26	15,052.58
Depreciation on Right of Use Assets	117.74	-
Total	17,755.00	15,052.58

Note 29 : Other expenses

	(₹ in lakh) For the year ended 31st. March. 2020	(₹ in lakh) For the year ended 31st. March. 2019
Consumption of stores and spare parts	3,132.36	4,144.29
Power and fuel	2,923.83	4,564.44
Rent	24.07	74.60
Repairs to buildings	188.39	153.07
Repairs to machinery	1,931.37	2,311.01
Insurance	199.09	140.16
Rates and taxes, excluding taxes on income	60.89	168.82
Office & Administrative Expenses	905.44	999.94
Trade Margin on Sales and Other Selling Expenses	783.29	58.68
Water Charges	848.47	756.71
Material handling charges & outsourcing expenses	2,930.89	3,502.94
Remuneration to auditors#	8.25	7.50
Miscellaneous Expenses	170.44	60.96
Differential liability on loan material	(557.98)	1,281.06
Total	13,548.82	18,224.18

 # Remuneration to auditors -

	(₹ in lakh) For the year ended 31st. March. 2020	(₹ in lakh) For the year ended 31st. March. 2019
As Auditor	7.25	6.50
For Taxation Matters	1.00	1.00
Total	8.25	7.50

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Note 30 : Tax expense

		(₹ in lakh) For the year ended 31st. March, 2020	(₹ in lakh) For the year ended 31st. March, 2019
a)	Current tax		
	Current tax on profits for the year	-	-
	Adjustments for current tax of prior periods	-	-
	Total current tax expense	-	-
	Deferred tax		
	Decrease /(increase) in deferred tax assets	**60,677.11**	(19,828.59)
	Decrease / (increase) in deferred tax liabilities	-	-
	Income tax relating to items that will not be reclassified to Profit or Loss	-	-
	Total deferred tax expense/(benefit)	**60,677.11**	(19,828.59)

b) Reconciliation of tax expense and the accounting profit/loss multiplied by tax rate:

		(₹ in lakh) For the year ended 31st. March, 2020	(₹ in lakh) For the year ended 31st. March, 2019
Profit/(loss) from continuing operation before tax expense		-	(59,973.18)
Items that will not be reclassified to profit or loss - Remeasurement of the defined benefit plans-OCI		-	(213.70)
Profit/(loss) from discontinuing operation before tax expense		-	-
	Total	-	(60,186.88)
Tax at the rate of 34.944% for 2018-19		-	(21,031.70)
Tax effect of amounts not deductible (taxable) in calculating taxable income:			
Differences in WDV of PPE due to depreciation		-	39.64
Disallowance u/s 43B for current financial year		-	771.43
Pre-existing liability of Section 43B		-	(96.00)
Disallowance u/s 36(1)(va) for late deposit of Employee's share of PF		-	488.04
Tax expense		-	(19,828.59)

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Note 31: Other notes on financial statements

a) Contingent liabilities

i. Claims against Company not acknowledged as debts ₹1,19,685.82 lakh (Previous year ₹50,706.57 lakh)

ii. Estimated commitment amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) ₹11,891.42 lakh (Previous year ₹12,167.65 lakh).

b) Foreign Currency outgo during the year is ₹1,366.92 lakh (Previous year ₹554.71 lakh).

c) The balances shown under secured loans, loans and advances, receivables including sundry debtors, creditors, and capital stores are reconciled as per accounts. The company is in process of obtaining confirmation of balances from the concerned parties and hence these are subject to consequential adjustments, if any.

d) Segment reporting

The company is domicile in India. The amount of its revenue broken down by location of the customers is shown in the table below:

Particulars	**2019-20 (₹ in lakh)**	**2018-19 (₹ in lakh)**
Sales Revenue		
India	87,562.86	1,62,643.48
Foreign Countries	6,544.61	37,899.61

Productwise revenue is as under:

Particulars	**2019-20 (₹ in lakh)**	**2018-19 (₹ in lakh)**
Pig Iron	47,344.43	1,58,526.42
Billets	9,449.27	10,771.85
Granulated Slag	286.69	994.22
Scrap	3,376.66	6,902.31
BF Coke	25,751.87	11,466.94
Crude Tar	3,150.02	5,518.72
Ammonium Sulphate	323.77	441.33
Others	4,424.76	5921.30

e) Impairment of assets

The entire plant has been considered as a Cash Generating Unit. As recoverable amount of Cash Generating Unit, being its fair value less cost to sales is in excess of its carrying amount, there is no impairment loss in terms of the Ind AS 36 (Impairment of Assets) issued under the Companies (Indian Accounting Standards) Rules, 2015.

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f) Related party

As per Ind AS 24 (Related Party disclosures) issued under the Companies (Indian Accounting Standards) Rules, 2015, details of Related party transactions are as under:

i) The company has following related entities:

Name	Nature of Relationship	Place of incorporation	Ownership interest	
			31.03.2020	31.03.2019
MMTC Limited	Control	India	49.78%	49.78%
OMC Limited	Significant Influence	India	20.47%	12.32%

ii) Details of transactions with related parties:

(₹ in lakh)

Particulars	2019-20	2018-19
Purchase of goods from MMTC Ltd.	91,645.96	1,34,555.93
Sale of goods to MMTC Ltd.	1,04,264.03	2,27,909.08
Equity participation by MMTC Ltd. as on 31.03.2020 / 31.03.2019 (excluding security premium)	36,876.27	28,934.27
Corporate Guarantee issued to MMTC Ltd. as on 31.03.2020 / 31.03.2019	2,80,000.00	1,97,500.00
Corporate Guarantee issued by MMTC in favour of banks / FIs for securing the loans of the company as on 31.03.2020 / 31.03.2019	1,29,582.00	1,34,582.00
Working Capital Borrowing from MMTC Ltd. as on 31.03.2020 / 31.03.2019	1,42,500.00	1,42,500.00
Trade finance from MMTC Ltd. as on 31.03.2020 / 31.03.2019	1,79,600.14*	1,16,723.11
Interest on working capital borrowing and trade finance from MMTC Limited	25,221.16	20,821.07
Purchase of goods from OMC Ltd.	6,716.92	25,767.95
Equity participation by OMC Ltd. as on 31.03.2020 / 31.03.2019 (excluding security premium)	15,159.85	7,159.85
Inter Corporate Loan by OMC Ltd. as on 31.03.2020 / 31.03.2019	31,724.25	16,881.12
Interest on Inter Corporate Loan from OMC Limited	1,837.62	1,979.81
Interest on Raw Material Outstanding from OMC	852.65	1,330.47

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Limited			
Payable to OMC on account of trade as on 31.03.2020 / 31.03.2019	9,128.78		7,429.49

*Excludes ₹143.25 lakh receivable from MMTC Limited on receipt of refund of service tax claimed for 2014-15 and 2015-16.

iii) Key management personnel compensation:

(₹ in lakh)

	2019-20	2018-19
Short-term employee benefits	97.36	87.97
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

iv) Loans from related party:

(₹ in lakh)

	2019-20	2018-19
Beginning of the year – Principal	1,59,381.12	1,59,450.00
- Interest	147.99	1,578.97
- Total	1,59,529.11	1,61,028.97
Loan received	15,727.00	-
Loan repayment made	949.81	-
Ind AS adjustment	65.94	(68.88)
Interest charged	27,058.78	22,800.88
Interest paid	25,651.31	24,231.86
End of the year – Principal	1,74,224.25	1,59,381.12
- Interest	1,555.46	147.99
- Total	1,75,779.71	1,59,529.11

g) Calculation of earnings per share for the year as required by Ind AS 33 (Earnings per Share) issued under the Companies (Indian Accounting Standards) Rules, 2015:

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Type of Share	No. of equity shares	Period of Outstanding (Days)	Amount paid-up per share (₹)	Weighted Average No. of Shares
Equity Share	57,43,68,143	366	10.00	57,43,68,143
	15,94,20,000	349	10.00	15,20,15,246
	1,38,52,000	366	5.00	69,26,000
Total	74,76,40,143		(A)	73,33,09,389
Profit / (loss) after tax as per Statement of Profit & Loss (₹/ lakh) (B)				(1,76,636.79)
Basic & Diluted Earnings Per Share (B/A) (₹)				(24.09)

h) Disinvestment of Neelachal Ispat Nigam Limited

The Cabinet Committee on Economic Affairs has given 'in principle' approval on 08.01.2020 for strategic disinvestment of equity shareholding of Minerals & Metals Trading Corporation Limited (MMTC) (49.78%), National Mineral Development Corporation (NMDC) (10.10%), MECON (0.68%) and Bharat Heavy Electricals Ltd. (BHEL) (0.68%) and two Odisha State Government PSUs namely; Industrial Promotion and Investment Corporation of Odisha Ltd.(IPICOL) (12.00%) and Odisha Mining Corporation (OMC) (20.47%) in Neelachal Ispat Nigam Limited (NINL) to a strategic buyer, identified through a two-stage auction procedure. The proposed strategic disinvestment of NINL would unlock resources to be used to finance the social sector/developmental programmes of the Government benefiting the public. It is also expected that the successful strategic buyer may bring in new management/technology/investment for the growth of the company and may use innovative methods for the development of the business operations of the company, which may generate more employment opportunities.

In this regard, the Transaction Advisor, Legal Advisor and Asset Valuer have been appointed to guide the Govt. and to carry forward the process of Disinvestment. EOI / PIM has been issued on 25.01.2021.

i) Going Concern

Assessing the changed scenario of plant with present iron & steel market, NINL's post COVID restart plan is the key to overcome prevailing financial crisis. The captive iron ore mines is ready to be operational in two months' time and the Blast Furnace can be restarted with 100% CLO from captive mines without operating the high cost consuming units like Coke Oven, Sinter Plant & SMS with the leverage to make these operational in due course through self-sustaining revenue generation.

Further, Ministry of Mines, Govt. of India (vide order dated 5th January, 2021) has granted permission to sell up to 25% of the annual iron ore production of NINL as per the Mine Development and Production Agreement executed by the Company for a period of one year or till the completion of disinvestment of the Company, whichever is earlier.

Bank consortium has been requested along with detailed proposal on 17.12.2020 to extend a loan of ₹350 crore required to crystalize aforesaid restart plan.

As per latest valuation report of MECON, the total value of NINL has been assessed at ₹8,271.46 crore which includes ₹2,500 crore of land and ₹2,487.27 crore of mines.

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Moreover, RBI has announced measures for restructuring loans to give relief to the borrowers vide circular no. RBI/2020-21/16/DOR no BP/BC/3/21.04.048/2020-21 dated 06.08.2020 under which Banks have been allowed one time restructuring of loans without downgrading and changing the interest rates.

In view of above, the financial statements have been prepared on "Going Concern" basis.

j) The Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of current and noncurrent assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the impact of COVID-19 and expects the carrying amount of these assets will be recovered. As per the Company's current assessment, no significant impact on carrying amounts of property, plant and equipment, right-of-use assets, inventories intangible assets, trade receivables, investments and other financial assets is expected and it continues to monitor changes in future economic conditions. The Company has adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements is appropriate. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of these financial statements in view of uncertain situation.

k) Salary / Wage Revision Arrear

Employees' pay structure and pay revision are in line with that of Steel Authority of India Limited (SAIL) as approved vide 5th meeting of Board of Directors held on 23rd December, 1983. Since then, NINL implements the revision of salary, wages, allowances and benefits after the same is implemented by SAIL. Accordingly, salary / wage revision is due w.e.f. 01.01.2017 in line with SAIL. However, no provision has been made in the financial statements for such revision since SAIL is yet to implement the same on the ground of affordability and other factors.

l) Inventories

Contaminated hard coking coal stock of 3,204 t as on 31.03.2020 has been recognised at salvage value as determined by the Insurance Company and resultant loss of ₹71.97 lakh has been recognized as expense in the statement of profit & loss. Further, due to expiry of shelf life of SMS lime and calcined dolomite, such inventory valuing ₹248.07 lakh as on 31.03.2020 has been written off. Similarly, assessed accumulated coking coal of 5,267 t since inception spreading over the bed of plot at Paradeep Port in compact and embedded form over and above the vessel quantity and recognised in the books of account at a provisional value of ₹886.98 lakh, has been written off considering the same as irrecoverable.

m) Deferred Tax

Keeping in view uncertainty with regard to availability of sufficient future taxable profit to allow the benefit of part or all of the deferred tax asset to be utilized, net deferred tax assets recognized upto 31st March, 2019 amounting to ₹60,677.10 lakh has been charged to the statement of profit and loss for the year ended 31st March, 2020.

Net deferred tax asset (i.e., deferred tax assets net of deferred tax liabilities) has not been recognized in the balance sheet considering uncertainties associated with availability of sufficient future taxable profit. The amount and expiry date of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet are as under:

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Financial Year	Unused Tax Losses (₹ / lakh)	Expiry Date
Business Loss -		
2012-13	521.07	31.03.2021
2013-14	9.745.15	31.03.2022
2014-15	12,626.71	31.03.2023
2015-16	22,175.82	31.03.2024
2016-17	34,453.80	31.03.2025
2017-18	35,702.12	31.03.2026
2018-19	42,020.33	31.03.2027
MAT Credit -		
2007-08	1,364.60	31.03.2023
2008-09	993.95	31.03.2024
2009-10	976.67	31.03.2025
2011-12	872.06	31.03.2027
Unabsorbed Depreciation -		
Upto 31.03.2020	1,76,772.46	No expiry date
Total	**3,38,224.74**	

n) Leases

With effect from 1st April, 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1st April, 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹626.28 lakh and corresponding amount as right of use asset. Accordingly, comparatives for the year ended 31st March, 2019 have not been restated.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS116.

Consequent upto adoption of aforesaid Ind AS, ₹68.89 lakh towards interest and ₹117.74 lakh towards depreciation have been charged as expenses in the statement of profit & loss. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised is 11%.

o) Due to non-payment to suppliers within 180 days from the date of invoice, CGST / SGST input tax credit availed amounting to ₹18.89 lakh will be reversed during the financial year 2020-21 and corresponding interest of ₹1.90 lakh together with unpaid IGST input tax credit amounting to ₹5.32 lakh will be discharged from cash ledger.

p) The Company is providing employment to the displaced persons against land acquisition in a phased manner as per the rules, instructions and guidelines issued by the Government of Odisha. Remaining number of displaced families to be given employment by the company as on 31.03.2020 is 31.

q) Disclosure of sale of finished goods under broad heads:

(₹ in lakh)

Major Products	Sales	Closing Stock	Opening Stock
Pig Iron	47,344.43	1,174.56	5,843.39
	(1,58,526.42)	(5,843.39)	(3,146.00)

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Billets	9,449.27 (10,771.85)	203.13 (9,162.58)	9,162.58 (173.01)
Granulated Slag	286.69 (994.22)	471.33 (1,290.84)	1,290.84 (173.99)
Scrap	3,376.66 (6,902.31)	254.27 (3,083.67)	3,083.67 (649.78)
BF Coke	25,751.87 (11,466.94)	10,732.55 (340.73)	340.73 (8,883.50)
Crude Tar	3,150.02 (5,518.72)	496.71 (113.36)	113.36 (548.75)
Ammonium Sulphate	323.77 (441.33)	47.94 (74.73)	74.73 (76.31)
Others	4,424.76 (5,921.30)	12,423.64 (9,258.56)	9,258.56 (10,271.84)
Total	**94,107.47** (2,00,543.09)	**25,804.13** (29,167.86)	**29,167.86** (23,923.18)

r) Expenditure incurred in foreign currency on account of

(₹ in lakh)

	2019-20	2018-19
Know-how	-	-
Interest	-	-
Training expenses & payments to -		
Foreign Technicians	-	22.07
Others	-	Nil
Total	**Nil**	**22.07**

s) Value of imports during the period (Calculated on CIF basis):

(₹ in lakh)

	2019-20	2018-19
Raw Materials	17,452.03	73,694.50
Total	**17,452.03**	**73,694.50**

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t) Value of raw materials consumed during the year

(₹ in lakh)

	2019-20		2018-19	
	₹ in lakh	%	₹ in lakh	%
Imported	95,507.29	88.40	1,20,206.66	69.48
Indigenous	12,538.38	11.60	52,804.16	30.52
Total	1,08,045.67	100.00	1,73,010.82	100.00

u) Value of stores / spares & components consumed during the year

(₹ in lakh)

	2019-20		2018-19	
	₹ in lakh	%	₹ in lakh	%
Imported	338.14	10.80	244.43	5.90
Indigenous	2,794.22	89.20	3,899.86	94.10
Total	3,132.36	100.00	4,144.29	100.00

v) Particulars of Directors' Remuneration

(₹ in lakh)

	2019-20	2018-19
Salaries	88.40	79.96
Company's contribution to provident & other funds	8.96	8.01
Total	97.36	87.97

w) Previous year's figures have been re-arranged / re-grouped / re-cast wherever felt necessary to make the figures comparable with the current year's figure.

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Bhubaneswar.