ANNUAL REPORT 2019 – 20

ORISSA SPONGE IRON & STEEL LIMITED

Board of Director

Mr. S.K.Kar	Nominee Director (up to 01.11.2019)
Mr .D.K.Senapati	Nominee Director (From 06.01.2020)
Mr. Munir Kamal Mohanty	Director
Mr. A.K.Mukherjee	Independent Director (Up to 14.06.2019)
Ms. Renu Singal	Independent Director (Up to 10.01.2020)
Mr. Chitranjan Aggarwal	Independent Director (Up to 19.10.2019)
Mr. Neeraj Kumar	Whole-time Director (From 16.09.2019)
Mr. Subhash Mishra	Whole-time Director (From 30.09.2020)
Mr. Dheeraj Singh Negi	Independent Director (From 05.09.2020)
Ms. Ekta Sharma	Independent Director (From 06.01.2020)
Dr. P.K.Mohanty	Chairman & Managing Director

Chief Financial Officer
Mr.Chandan Kumar Mishra

Company Secretary
Mr. Vikal Madan

Auditors
A.K.Bhardwaj & Co
Chartered Accountants
60 Bentinck Street
Kolkata - 700061

Registered Office
OSIL House
Gangadhar Meher Marg
Bhubaneswar - 751024

Plant
P.O.Palaspanga
Dist. Keonjhar – 758 031
Odisha

Registrar & Share Transfer Agent
Link Intime India Private Limited
Room No. 502 & 503
5th Floor Vaishno Chamber
6 Brabourne Road
Kolkata – 700001

Corporate Office
A-201, First Floor
Okhla Industrial Area, Phase I
New Delhi 110020

Kolkata Office
CIC Building, 11th Floor
33A, Jawaharlal Nehru Road
Kolkata - 700071

Bankers
IDBI Bank

Contents

DIRECTORS' REPORT

Your Directors submit the following report on Financial Results for the year ended 31st March 2020:

Financial Results

	For the year ended 31st March 2020 (Rs in lacs)	For the year ended 31st March 2019 (Rs in lacs)
Revenue/Other income	173.03	3972.42
Profit / (Loss) before depreciation	(849.72)	(3763.21)
Depreciation & Amortization	566.74	13607.77
Profit / (Loss) before tax	(1416.46)	(17370.98)
De-recognition of Deferred Tax-Assets	-	(10019.28)
Profit /(Loss) after tax	(1416.46)	(27390.23)
Surplus(Deficit) brought forward from previous year	(93434.02)	(66073.27)
Surplus(Deficit) carried forward to next year	(94850.48)	(93434.02)

State of Affairs

As reported in the previous years, the Company suspended production in June 2012 due to unviable cost economics and continuing losses. The plant operations continues to remain suspended till the date of this report. The loss for the financial year 2019-20 before tax amount to Rs. 1416.46 lakhs, In the present scenario resumption of plant operations and viability of the Company is largely dependent on availability of raw material from captive sources.

Dividend

Your Directors regret their inability to recommend any dividend for the year in view of losses.

Reserves

The Reserves and Surplus as on 31.03.2020 stands negative at Rs. 2,020.23 lakhs.

Future Outlook

The Company was allotted Iron Ore Mines by the Central Government and the State Government of Odisha. Commencement of mining operations from the mines requires several approvals, clearances and fulfilment of conditions as specified in the respective documents. The Company has received all approvals and clearances including Stage I Clearance from the Ministry of Environment and Forest vide Letter dated 21st September, 2016 and Compliance Certificate under the Scheduled Tribes and Other Traditional Dwellers (Recognition of Forest Rights Act) 2006 vide Letter dated 23rd June, 2016. The Company has also received approval under Section 2 (iii) of the Forest Conservation Act, 1980 for proceeding to execute the Mining Lease. However the matter has gone to the Court. The Company is hopeful of getting favourable judgement for execution of mining lease in the near future.

Availability of iron ore from captive mines will permit production at higher capacity and significantly improve profitability of the Company.

Changes in Capital Structure

There is no change in the Equity Capital Structure and Preference Capital Structure of the Company during the year. However during the year the Authorised Equity Share Capital was increased to Rs. 200 crores (last year Rs. 60 crores) and Preference Share Capital was increased to Rs. 50 crores (last year Rs. 20 crores) as approved by the shareholders at the last Annual General Meeting held on 15.11.2019

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The Company has no unclaimed dividend for transfer to Investor Education and Protection Fund

Subsidiary Company

The Company has no subsidiary on the reporting date.

Directors and Key Managerial Personnel

(1) Independent Directors

The Company had two Independent Directors, Mr. Subhash Mishra (DIN 08728903) and Mrs. Ekta Sharma (DIN 08772631) on the reporting date. Mr. Dheeraj Singh Negi (DIN 00304928) was appointed as Independent Director w.e.f 05.09.2020. Proposal for confirmation of their appointment as Independent Director is being placed before the shareholders at the ensuing Annual General Meeting.

Mr. Chitranjan Aggarwal (DIN 00823166) resigned from the Board on 20.10.2019 and Mrs. Renu Singal (DIN 05286398) resigned from the Board w.e.f. 11.01.2020. Post the reporting date, Mr. Subhash Mishra (DIN 08728903) relinquished his position as Independent Director.

Your Directors place on record their appreciation for the valuable contribution of the aforesaid Directors as Directors as well as member of the Committees of the Board during their tenure of office.

(2) Nominee Directors

Mr. S.K.Kar (DIN 07220972) resigned from the Board w.e.f. 02.11.2019 and Mr. D.K. Senapati (DIN 03449031) was appointed as Additional Director in the Capacity of Nominee Director on the Board w.e.f. 06.01.2020 having been nominated by the promoters' viz. Industrial Promotion and Investment Corporation of Orissa Limited. Resolution for confirmation of his appointment by the Shareholders has been included in the notice of the forthcoming AGM

(3) Executive Directors

Mr. Munir Mohanty (DIN 00264239) relinquished his position as Whole-time Director and CFO on 16.09.2019, which was taken on record at the Board Meeting held on 24.09.2019. He however continues as Non-Executive Director.

Mr. Neeraj Kumar (DIN 08138085) who was appointed as Whole-time Director in the previous Annual General Meeting being nominated by Torsteel Research Foundation in India, the Promoters of the Company continues as Whole Time Director in the current financial year.

Mr. Subhash Mishra (DIN 08728903) was appointed as Additional Director in the category of Whole-time Director at the Board Meeting held on 30.09.2020. Proposal for confirmation of his appointment as Whole-time Director is being placed before the shareholders at the ensuing Annual General Meeting.

(4) Retirement by Rotation

In accordance with the provisions of Section 152 (6) (c) of the Companies Act, 2013, Mr. Munir Kamal Mohanty (DIN: 00264239), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

(5) Key Managerial Personnel

The Managing Director, the Whole-time Directors, Chief Financial Officer and Company Secretary are the Key Managerial personals on the reporting date.

Meetings

(1) Meeting of the Board of Directors

During the financial year 2019-20, six Meetings were held the details of which are given in the Corporate Governance Report. The intervening gap has not exceeded the period prescribed under the Companies Act, 2013.

(2) Meeting of the Independent Directors

In terms of Schedule IV of the Companies Act, 2013 and revised Regulation 25 (3) of SEBI (LODR) Regulation, 2015, a meeting of the Independent Directors was held on 28.02.2020 wherein the performance of the non-independent Directors including the Chairman and the Board as a whole was reviewed. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

Corporate Governance

(1) Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

a) In the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures from the standards.

b) Accounting policies were selected are applied consistently. Judgments and estimates that are reasonable and prudent are made, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the Loss of the Company for the year ended on that date.

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The Accounts for the financial year ended 31st March 2020 have been prepared on a 'going concern' basis.

e) The laid down internal financial controls to be followed by the company are adequate and are operating effectively

f) Proper system devised by the company to ensure compliance with the provisions of all applicable laws were adequate and are operating effectively

(2) Management Discussion and Analysis

A detailed report on the Management Discussion and Analysis for the year under review as stipulated under Regulation 34 (2) (e) read with Section B of Schedule V of SEBI (LODR) Regulation, 2015 is provided as a separate Section in the Annual Report which forms part of this Directors Report

(3) Corporate Governance Report

A detailed report on Corporate Governance as stipulated under Regulation 34(3) read with Section C of Schedule V to SEBI (LODR) Regulation, 2015 is provided in a separate section and forms part of this Directors Report

A Certificate from M/s A.K.Labh & Co., Practicing Company Secretaries confirming the status of compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation is attached to the Report on Corporate Governance.

(4) CEO & CFO Certification

As required under Regulation 17(8) read with Part B of Schedule II to SEBI (LODR) Regulation, 2015, the Whole-time Director and the Chief Financial Officer have provided Compliance Certificate to the Board of Directors.

Related Parties

Related Party transactions are disclosed in Note No. 32 of the Notes on Accounts and forms part of this report.

There are no materially significant related party transaction made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large

Committees of the Board

(1) Audit Committee

The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report forming part of this Report. There has been no instance where the Board has not accepted the recommendation of the Audit Committee

(2) Nomination and Remuneration Committee

The composition and terms of reference of the Nomination and Remuneration Committee have been furnished in the Corporate Governance Report forming part of this Report.

(3) Stakeholders Relationship Committee

The composition and terms of reference of the Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming part of this Report.

(4) Ethics Committee

The composition and terms of reference of the Ethics Committee have been furnished in the Corporate Governance Report forming part of this Report.

(5) Risk Management Committee

The composition and terms of reference of the Risk Management Committee have been furnished in the Corporate Governance Report forming part of this Report.

Policies and Codes

(1) Remuneration Policy

The Policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel including criteria for determining qualification, positive attributes, independence of a Director and other matters provided in Section 178 (3) of the Companies Act, 2013, is dealt in detail in the Report on Corporate Governance

(2) Whistle Blowers Policy

The Company has formed a Whistle Blower Policy/Vigil Mechanism as required under Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulation, 2015 A Vigil (Whistle Blower) Mechanism provides a channel to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct / business ethics that provides for adequate safeguards against victimization of the director(s) and employee (s) who avail of the mechanism. No director / employee have been denied access to the Chairman of the Audit Committee. The said Policy may be referred to at the Company's Website.

(3) Risk Management Policy

The process of identification and evaluation of various risks inherent in the business environment and the operations of the company and initiation of appropriate measures for prevention and /or mitigation of the same are dealt with by the concerned operational heads under the overall supervision of the Managing Director of the Company. The Risk Management Committee periodically reviews the adequacy and efficacy of the overall risk management system.

(4) Policy on prevention of Sexual Harassment

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee has been set up for the purpose. No complaint was received during the year. The Audit Committee periodically reviews the adequacy of the system on prevention of sexual harassment overall risk management system.

(5) Policy on Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company. However the internal CSR Policy encompasses the Company's philosophy for giving back to the society as a corporate citizen. CSR activities in the Company are carried through OSIL TRFI Community Services Trust.

(6) Policy on determining Material Subsidiaries

As the Company has no subsidiary, the requirement of Regulation 34(3) read with Schedule V Part C (10) (e) of SEBI (LODR) Regulations 2015, is not applicable to the Company

(7) Policy on Materiality of and Dealing with Related Party Transactions

As required under Regulation 23 of SEBI (LODR) Regulation, 2015 the company has formulated a Policy on Materiality of and Dealing with Related Party Transaction and the same has been put up on the Company's Website.

(8) Code of Conduct

Code of conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices for prevention of Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading), Regulations, 1992, as amended from time to time, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers, Which lays down guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company so as to preserve the confidentiality and prevent misuse of unpublished price sensitive information by Directors and specified employees of the Company. This policy also provides for periodical disclosures from designated employees as well as pre clearance of transactions by such persons so that they may not use their position or knowledge of the company to gain personal benefit or to provide benefit to any third party.

Corporate Social Responsibility

Your Company could not provide financial assistance to Green Field School, located in Palaspanga, Dist. Keonjhar, Odisha for Children education in view of the financial losses suffered by the Company for the year under review.

Quality

Your Company continues to follow the Quality Management System for Production and supply of Sponge Iron and Steel Billets and possesses Certificate of Registration of ISO 9001:2008 from British Certification Inc. Your Company is proud of maintaining the clean environment in the vicinity of the Plant and your Company's Environmental Management System applicable to production and supply of Sponge Iron and Steel Billets has been certified under ISO 14001:2004 by British Certification Inc. The occupational Health and Safety Management System of your Company has also been certified by the same Agency and your Company complies with the requirements of OHSAS 18001:2007.

Listing with Stock Exchanges

The Company has been subjected to the consequences of SEBI (Delisting) Regulations, 2009 as the listed equity shares of Bilati (Orissa) Limited, which was promoted by the Company was compulsorily de-listed vide Bombay Stock Exchange (BSE) pursuant to the aforesaid provisions. As a result, the company could not pursue it's "in principle approval" for revocation of suspension from trading on its shares. As a consequence, BSE proceeded to initiate action for compulsory delisting under the provisions of SEBI (Delisting) Regulations, 2009. In fact a public announcement was also made by BSE in leading newspapers on 08.06.2019. However the whole matter of delisting has been put on hold by BSE following the instructions from SEBI, having regard to the shareholding in the company by Industrial Promotion and Investment Corporation of Orissa Limited, being a Government Company, which was informed to the Company vide letter dated 14.01.2020

The annual listing fees have been paid to the Stock Exchanges up to 2019-20 where the Company's shares are listed. However the annual listing fee for 2020-21 has not been paid in view of the action initiated by BSE for delisting of shares. Your Company's application to National Stock Exchange (NSE) for listing and Calcutta Stock Exchanges for de-listing is pending before the respective Exchanges.

Reconciliation of Share Capital

In compliance of the directions of Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital is being carried out quarterly by a Practising Company Secretary. The findings of the Reconciliation of Share Capital were satisfactory.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since the plant operations are closed from June 2012, no figures are available for conservation of energy; technology absorption etc as required under the provisions of the Act read with Rule 8 (3) of the Companies (Accounts) Rules 2014.The relevant information applicable to the company under these circumstances are given below:

(1) During the year the Company has purchased electricity 259800 Units (last year 496080 units) from NESCO amounting to Rs. 30.33 lakhs (last year Rs. 44.47 lakhs)

(2) During the year the Company has neither earned nor spent in foreign currency.

Particulars of Employees

There were no employees drawing the requisite remuneration whose names are required to be disclosed as required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

Industrial Relations

Industrial relations have by and large remained cordial during the year.

Audit/Auditors

(1) Statutory Auditors

M/s A. K.Bhardwaj & Co., Chartered Accountants FRN 316085E Membership No 052723, was appointed as Statutory Auditors at the Annual General Meeting of the Company held on 19.02.2016 to hold office for a period of five years up to the conclusion of the Annual General meeting in 2020. His term of office would expire on conclusion of the ensuing AGM.

Having regard to the instant Rules and Regulations concerning rotation of Auditors, the Board of Directors appointed M/s B D S & Co., Chartered Accountants (FRN 326264E) for a period of three years commencing from Financial Year 2020-21, subject to approval of the members at the ensuring Annual General Meeting.

(2) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remunerations of Managerial Personnel) Rule 2014, the Company appointed Ms. Disha Dugar, Practicing Company Secretary PCS) to conduct Secretarial Audit for the financial year ended 31st March, 2020. The Report on Secretarial Audit is provided in the Annexure and forms part of this Report.

(3) Cost Auditors

Pursuant to the provision of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. B. Ray & Associates, Cost Accountants, Kolkata was re-appointed as Cost Auditor of the Company for the year 2019-20 to conduct audit of cost records maintained by the Company.

Auditors' Report

Explanation to remarks made in the Statutory Auditors Report and Secretarial Auditors Report pursuant to Section 134(3)(f) of the Companies Act, 2013 is given in Annexure I forming part of the Directors Report.

Extract of Annual Return

The extract of the Annual Return in Form MGT 9 is provided in the Annexure and forms part of this Report.

Significant and Material Orders Passed by the Regulators/Courts/Tribunals

There are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

Acknowledgement and Appreciation

The Directors acknowledge with gratitude the co-operation extended by Central Government, State Government, Local and District Administration, Suppliers, Customers and Shareholders and solicit their continued support. The Directors also wish to place on records their sincere appreciation of the dedicated services put in by the Company's workers, staff and executives under difficult conditions.

For and on behalf of the Board

Place: New Delhi
Dated: 06.11.2020

Neeraj Kumar, Whole-time Director
Subhash Mishra, Whole-time Director

Annexure I to the Director's Report

Explanation to the Auditors' Report and Secretarial Auditors' Report pursuant to Section 134 (3) (f) of the Companies Act, 2013

(1) Explanation to Statutory Auditor's Report

a) Reference to Annexure B to the Audit Report vide Para 7 (a) & (b) of, your Directors submit that due to shut down of plant operations since 2012 and in the absence of regular flow of funds, fund situation continues to be critical. Consequently the undisputed liability on account of Central Sales Tax, Orissa Sales Tax, Entry Tax, and Provident Fund dues could not be paid and efforts are being made to settle the issues. The other claims made by various departments are disputed and contested by the Company in the appropriate forum.

b) There are no other observation or adverse remarks in the Auditors' Report which require any clarification/explanation in the Directors Report. The Notes on Accounts forming part of the financial statements are self-explanatory and needs no further explanation.

(2) Explanation to Secretarial Auditor's Report

c) Reference to para (I) A) (i) of the Report, your Directors submit that the position of company secretary was vacant in the first two quarters till appointment of new company secretary on 23rd September, 2019. Consequently no company secretary was present at the meeting.

a) Reference to para (I) A) (ii) of the Report, your Directors submit that, in spite of the efforts taken, the Company could not find a suitable candidate for filling up the position of Company Secretary caused by the resignation of the earlier Company Secretary within a short period of time. However the position has been filled up and a new Company Secretary was appointed w.e.f. 23.09.2019.

b) Reference to para (I) A) (iii) of the Report, your Directors submit that the Committee Meeting could not be held for the 1st and 3rd quarter as the committee was reduced to one member only due to resignation of Independent Director. However, the Board discharged the functions of the Audit Committee at the Board Meeting.

c) Reference to Para (I) A (iv) of the Report, your Directors submit that due to resignation of Independent Directors the Audit Committee and Nomination Committee was reduced below the required minimum. Efforts are being taken to include other Directors in the respective committees for proper constitution.

d) Reference to the Audit Report vide Para I B (i), xiii A (i) & (ii) and ix B, your Director submit that the claim/allegations made by the parties is disputed and being contested by the Company in the appropriate forums

e) Reference to Para (d) (A) & (D) of the Report, your Directors submit that the Company has been subjected to the consequences of SEBI (Delisting) Regulations, 2009 as the listed equity shares of Bilati (Orissa) Limited, which was promoted by the Company was subjected to compulsory delisting of its shares by BSE pursuant to the aforesaid provisions. As a result, the company could not pursue it's "in principle approval" for revocation of suspension from trading on its shares. Having regard to these facts, the Company was subjected to compulsory delisting process initiated by BSE so much that Public Notice in this regard was given by BSE on 08.06.19. However the whole matter was subsequently put on hold by BSE on the advice of SEBI due to the shareholding in the company by Industrial Promotion and Investment Corporation of Orissa Limited, being a Government Company. The matter has been taken up with BSE for a resolution to the issue. As the company was already suffering on all counts of delisting as mentioned above and further having regard to initiation of similar action against the company was delisting, compliance under SEBI (LODR) Regulations, 2015 was not found to be appropriate.

f) Reference to Para (ix) A and the concluding Para vide serial no I of the Audit Report, your Directors submit that due to shut down of plant operations since 2012 and in the absence of regular flow of funds, fund situation continues to be critical. Consequently the undisputed liability on account of Central Sales Tax, Orissa Sales Tax, Entry Tax, Provident Fund dues, Employee Pension Fund dues could not be fully paid.

g) Reference to the second last para of the Audit Report, your Directors submit that on the reporting date, the company had 6 Directors out of which two were whole-time directors, two were independent directors, one nominee director and one non-executive director. While the balance in the board composition was well maintained under the Companies Act, 2013, the Board is short of one independent directors required under SEBI (LODR) Regulations, 2015. This shortfall happened due to the resignation of one independent director in the last quarter of the financial year which could not be filed up within the financial year.

h) Other than the above observations of the Auditors in their Report which have been specifically addressed, no explanation is given on other observations as all of them comprise of statement of facts.

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended 31st March, 2020

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

1. REGISTRATION AND OTHER DETAILS

i	CIN	L27102OR1979PLC000819
ii	Registration Date	9th April,1979
iii	Name of the Company	ORISSA SPONGE IRON AND STEEL LIMITED
iv	Category /Sub-Category of the Company	Public Listed Company having Share Capital
v	Address of the Registered office and contact details	OSIL House, Gangadhar Meher Marg,Bhubaneswar-751024, Phone: 0674-3016500 to 503, Fax: 0674-3016505/535 E-mail:corporate@orissasponge.com Website: www.orissasponge.com
vi	Whether listed company Yes/ No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Ltd, Room No 502 & 503, 5th Floor, Vaishno Chamber, 6 Brabourne Road, Kolkata 700001 Phone No:033-40049728 & 40731698 E-mail: kolkata@linkintime.co.in Website:www.linkintime.co.in

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated. There is no business activity during the year due to shut down of plant operations since June 2012

SL. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sponge Iron	24102	NA
2	Power generated from waste heat	35102	NA
3.	Sale of Technology & Engineering Services	71100	NA

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
Not Applicable					

4. SHARE HOLDING PATTERN

i) Equity share Capital Breakup as percentage of Total Equity

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.Promoter									
1. Indian									
a) Individual/HUF	154155	-	154155	0.517	154155	-	154155	8.614	-
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.	1455999	-	1455999	4.888	1455999	-	1455999	4.888	-
d) Bodies Corporate	3682190	-	3682190	12.361	3682190	-	3682190	12.361	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f)Any Other	2550589	-	2550589	8.561	2550589	-	2550589	0.465	-
Sub- Total (A)(1)	7842933	-	7842933	26.327	7842933	-	7842933	26.327	
2. Foreign									
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	-	-	-	-	-	-	-	-	-
d)Banks/FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	7842933	-	7842933	26.327	7842933	-	7842933	26.327	-

B.Public Shareholding									
1. Institutions									
a)Mutual Funds/UTI	3775	11837	15612	0.052	3775	11837	15612	0.052	-
b) Banks/FI	2000000	1240	2001240	6.718	2000000	1240	2001240	6.718	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	200	-	200	0.001	200	-	200	0.001	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	
NBFC registered with RBI	1187	-	1187	0.004	1187	-	1187	0.004	
Foreign Bank	5500000	-	5500000	18.462	-	-	-	-	-18.462
Sub-Total (B)(1)	7505162	13077	7518239	25.237	2005162	13077	2018239	6.775	-18.462
2. Non-Institution									
a) Bodies Corporate									
i) Indian	6448871	2805924	9254795	31.067	15776867	2864592	18641459	62.576	31.509
ii)Overseas	-	-	-	-	-	-	-	-	
b) individuals									
i) individual Shareholders holding nominal share capital up to Rs.1 lakh	321053	427698	748751	2.513	431075	308877	739952	2.484	-0.029
ii)Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	49850	4340076	4389926	14.737	512596	-	512596	1.721	-13.016
b) Others (specify)	35356	-	35356	0.119	34821	-	34821	0.117	.002
Sub –Total(B)(2)	6855130	7573698	14428828	48.435	16755359	3173469	19928828	66.897	18.462
Total Public Shareholding (B)=(B)(1)+(B)(2)	14360292	7586775	21947067	73.673	18760521	3186546	21947067	73.673	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	22203225	7586775	29790000	100	26603454	3186546	29790000	100	
D.Non Promoter-Non Public	-	-	-		-	-	-		
Custodian /DR Holder	-	-	-	-	-	-	-	-	
Employee Benefit Trust Under SEBI (Share based Employee Benefit) Regulations, 2014	-	-	-	-	-	-	-	-	
Total(A) +(B)+(C)+(D)	22203225	7586775	29790000	100	26603454	3186546	29790000	100	

ii) Shareholding of Promoters

Sr. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			
		No.of shares	**% of total Shares of the company**	**% of Shares Pledged/ Encumber-ed to total shares**	**No.of shares**	**% of total Shares of the company**	**% of Shares Pledged/ Encumber-ed to total shares**	**%change in share holding during the year**
1.	Torsteel Research Foundation In India	2550589	8.562	1.863	2550589	8.562	1.863	-
2.	TRFI Investment Pvt. Ltd	3682190	12.361	-	3682190	12.361	-	-
3.	Industrial Promotion & Investment Corp. of Odisha Ltd.	1455999	4.888	-	1455999	4.888	-	-
4.	Dr. Prasanta Kumar Mohanty	115555	0.387	0.386	115555	0.387	0.386	-
5.	Mrs. M.Mohanty	38600	0.129	-	38600	0.129	-	-
	Total	7842933	26.327	2.249	7842933	26.327	2.249	-

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

SL. No.		Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year(31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7842933	26.32	7842933 (No Change)	26.32 No Change in %)
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase .decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	NA.		NA.	
	At the End of the year	7842933	26.32	7842933	26.32

There is no change in Promoters' Shareholding between 01.04.2019 and 31.03.2020

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

SL. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	BKM Mining Private Limited	-	-	5500000	18.463
2.	Standard Chartered Bank	5500000	18.463	-	-
3.	SRN Minerals and Mining Private Limited	-	-	3554692	11.932
4.	Saini Alloys Pvt.Ltd.	2790000	9.366	2790000	9.366
5.	ICICI Bank Ltd.	2000000	6.714	2000000	6.714
6.	Monnet Ispat & Energy Ltd.	1994633	6.696	1994633	6.696
7	Nitesh Bindal	1280000	4.297	-	-
8.	Akshita Bindal	1275000	4.280	-	-
9.	Hitesh Goel	1272480	4.272	-	-
10..	Ultra Modern Exports Private Ltd.	999900	3.357	999900	3.357
11.	Multistar Construction Pvt.Ltd.	999900	3.357	999900	3.357
12.	Matchless Infrastructure Private Limited	803298	2.697	803298	2.697
13.	Brightsun Merchants Private Limited	647936	2.175	647936	2.175
14	BNS Tours & Travels Private Limited	513951	1.725	513951	1.725

(v) Shareholding of Directors and Key Managerial Personnel

		Shareholding at the beginning of the year		Shareholding at the end of the year	
1.	Dr.Prasanta Kumar Mohanty, Chairman & Managing Director	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the Beginning of the year	115555	0.387	115555	0.387
	Date –wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/sweat equity etc)	None		None	
	At the end of the year	115555	0.387	115555	0.387

vi) Indebtness

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans, Excluding deposits (Rs. In lacs)	Unsecured Loans (Rs. In lacs)	Deposits (Rs. In lacs)	Total Indebtedness (Rs.in Lacs)
Indebtness at the beginning of the financial year				
I) Principal Amount	7370.45	232.53	-	7602.98
ii)Interest due but not paid	77.48	-	-	77.48
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7448.43	232.53	-	7680.96
Change in indebtness during the financial year				
Addition	964.96	-	-	964.96
Reduction	-	-	-	-
Net Change	964.96	-	-	964.96
Indebt ness at the end of the financial year				
i) Principal Amount	8237.95	232.53	-	8470.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	175.44	-	-	175.44
Total (i+ii+iii)	8413.39	-	-	8413.39

I REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

SL.No.	Particulars of Remuneration	Dr.P.K.Mohanty	Mr. Neeraj Kumar	Total
1.	Gross Salary (a) Salary as per provision contained in Section17(1) of the Income –taxAct,1961 (b) Value of perquisites u/s 17(2) of the Income tax, Act,1961 (c) Profits in lieu of salary under Section 17(3) of the Income –tax Act,1961	NIL	7,74,000	7,74,000
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	- as % of profit - others, specify	NA	NA	NA
5.	Others, please specify (Contribution to Provident Fund, Pension , Gratuity and Superannuation Funds	NA	NA	NA
6.	Total(A)	NIL	NIL	NIL
	Ceiling as approved by the Central Government (exclusive of exempted items)	NIL	NIL	NIL

B. Remuneration to other Directors:

No remuneration has been paid to non-executive directors including independent directors during the year.

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

SL. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Vikal Madan (Company Secretary)	Mr. Chandan Kumar Mishra (CFO)
1.	Gross Salary (a) Salary as per provisions contained in Section17(1)	3,72,000	3,78,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	-	-
	(c) Profit in lieu of salary under Section 17(3) of the Income-tax Act,1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit - other , specify	-	-
5.	Others, please specify (Contribution to provident Fund, Pension, Gratuity & Superannuation Fund	-	-
6.	Total	3,72,000	3,78,000

II PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the companies Act**	**Brief description**	**Details of Penalty/ Punishment/Compounding fees imposed**	**Authority[RD /NCLT/Court]**	**Appeal made. If any(give details)**
NIL	NIL	NIL	NIL	NIL	NIL

MANAGEMENT DISCUSSIONS AND ANALYSIS

i) Industry structure and developments:

The Company operates coal based Sponge Iron Plant (250,000 TPY), Waste Energy Recovery based Power Plants (36 MW) and a Billet making Plant (100,000 TPY). Growth in this sector of the Industry has slowed down for the last couple of years due to weak demand but gradually undergoing a transformation for the better. Sponge Iron is one of the sources of metallic used for steel making. For better capacity utilization and for desired quality of Sponge Iron it is important to use the right qualities of raw materials i.e. iron ore and coal. Performance of Waste Energy Recovery based Power Plant depends on capacity utilization of the Sponge Iron Plants. Surplus power is sold generating revenue. Many Sponge Iron Plants are closed or facing the threat of closure due to shortfall in the supply of iron ore and coal as well as high cost of such inputs.

ii) Opportunities and threats:

Opportunities:

The Company was allotted Iron Ore Mines by the Central Government and the State Government of Odisha. Commencement of mining operations from the mines requires several approvals, clearances and fulfilment of conditions as specified in the respective documents. The Company has received all approvals and clearances including Stage I Clearance from the Ministry of Environment and Forest vide Letter dated 21st September, 2016 and Compliance Certificate under the Scheduled Tribes and Other Traditional Dwellers (Recognition of Forest Rights Act) 2006 vide Letter dated 23rd June, 2016. The Company has also received approval under Section 2 (iii) of the Forest Conservation Act, 1980 for proceeding to execute the Mining Lease. However the matter has gone to the Court. The Company is hopeful of getting favourable judgement for execution of mining lease in the near future.

Threats:

Cost of iron ore and coal i.e. the basic raw material has a direct impact on the profitability. Iron Ore price of the required grade has become un-remunerative and availability has suffered to a great extent due to various restrictions imposed by the authorities. Coal India's New Coal Distribution Policy has disrupted coal linkages forcing producers to procure more e-auction coal and use imported coal. Coal India has also increased the price of coal substantially. The situation is expected to change for the better in the near future.

iii) Segment-wise or product-wise performance:

The Company's business activities falls within a single primary business segment viz. "Iron & Steel" in accordance with the Accounting Standard 17. Since June 2012, the plant has been shut down due to various difficulties. Efforts are being made to restart the plant operations on commencement of mining operations when iron ore from own mines will be available for captive use.

During the year production of sponge iron, steel billets and power was Nil (Last year Nil) as the Plant as a whole was shut down. During the year the Company has purchased electricity 259800 (last year 496080 units) from NESCO amounting to Rs. 30.33 lakhs (last year Rs. 44.47 lakhs). The Company has neither earned any income nor incurred any expenses in foreign exchange during the year.

iv) Outlook:

Company's goal is to first do all that is necessary to obtain mining clearances so that mining operations from captive mines could commence as soon as possible. On achieving this goal efforts would be made to set up the project for production of one million tonne of steel.

v) Risks and concerns:

Sponge Iron industry is compelled to operate where basic raw material prices i.e. iron ore and coal are dictated. This totally shatters the cost effectiveness and the industry operates under a razor thin margin or with no or negative margin. Price of sponge iron is sensitive to demand supply position of steel scrap and selling prices of long products.

Contingent liabilities have been disclosed under Note No.39 of Notes on Financial Statements.

vi) Internal control system and its adequacy:

The Company has an adequate system of Internal Control commensurate with its size and nature of operations. It provides reasonable controls that all assets are safeguarded; transactions are authorized, recorded and reported properly. Internal Auditors, a firm of Chartered Accountants, conduct audit on various activities of the Company and reports to the Audit Committee constituted by the Board which Committee meets regularly and reviews audit issues and follows up implementation of corrective actions. A Cost Auditor has been appointed for reviewing Cost Accounting records.

vii) Discussions on financial performance with respect to operational performance:

Due to continuing shut down of plant operations since June 2012, the Company suffered loss of Rs. 1416.46 lakhs before tax for the year under review (last year Rs. 17,370.98 lakhs). Total income stood at Rs. 173.03 lakhs (last year Rs. 3972.42 lakhs). Earnings in foreign exchange on sale of technology amounted to Rs. Nil (last year Rs.Nil). Loss after considering deferred tax this year amounted to Rs. 1416.46 lakhs as compared to Rs. 27390.23 lakhs last year. There was neither any production nor sale of power during the year as well as the previous year.

viii) Material developments in Human Resources / Industrial Relations front including number of people employed:

The man power strength of the Company reduced to 186 as on 31.03.20 as compared to 222 employees as on 31.03.2019 due to resignation, retirement, termination and death of some employees. Lockout of the plant declared on 14.10.2012 due to illegal strike by the Workers' union was lifted on 30.12.2013 following settlement with them on 27.12.2013.

ix) Cautionary Statement:

The Management Discussions and Analysis describing Industry Structure, Developments, Opportunities, Threats etc. aims at a forward looking approach based on present applicable Laws & Regulations. Actual Results may differ from such expectations, projections etc. whether expressed or implied. Important factors that can influence and can make a difference in Company's operations include effect of demand and supply leading to price differentials in both domestic and international markets, changes in the regulations, tax laws and other statutes and other factors like infrastructure facilities, natural calamities etc. over which the Company do not have a direct control.

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulations 34(3) of the SEBI (LODR) Regulations, 2015 read with the disclosure requirements relating to the Corporate Governance Report contained in Schedule V of SEBI (LODR) Regulations, 2015 the details of compliance by the company with the norms on Corporate Governance are as under:

1. Company's Philosophy on Code of Corporate Governance:

The Company's philosophy on Corporate Governance is to conduct its business with responsibility, honesty, integrity and fairness and in a transparent manner to meet its obligations to shareholders' and all other stakeholders' value with best practices of Corporate Governance. This code is also a tool in carrying the corporate social responsibility in an ethical and effective manner.

2. Board of Directors:

The Company on the reporting date (31.03.20) has a Whole Time Executive Chairman & Managing Director and a Whole Time Executive Director both representing the promoters' viz Torsteel Research Foundation in India (TRFI). Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) has nominated a Non-Executive Director on the Board as Nominee Director. The promoters i.e. TRFI and IPICOL have nominated three and one Directors respectively on the Board. The number of Independent Directors is one third of the total number of Directors on the Board on the reporting date (31.03.20)

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees in accordance with Regulation 26 of SEBI (LODR) Regulations, 2015, across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other Companies as on 31.03.2020 are given below:

(A) Composition & Category of Directors is as follows:

Name of Directors	Category	Attendance in Board Meeting	Whether attended the last AGM held on 15th November, 2019	Directorship in Other Public Limited Companies #	No. of membership / chairmanship of the Committees held in other Public Ltd. Companies #
1. Dr. P.K. Mohanty DIN 00238329	Chairman and Managing Director (Promoter Director)	2	Yes	5	-
2. D.K. Senapati DIN 03449031 (from 06.01.20)	Non-Executive (IPICOL Nominee)	0	NA	-	-
3. Mr. M. Mohanty DIN 00264239	Non-Executive Director (Promoter Director)	2	No	6	-
4. A.K.Mukherjee DIN 00047844 (upto 14.06.19)	Non-Executive (Independent)	0	NA	2	-
5. Mr. S.K.Kar DIN 07220972 (upto 02.11.19)	Non-Executive (IPICOL Nominee)	0	NA	-	-
6. Mr.Chitranjan Aggarwal DIN 00823166 (upto 20.10.19)	Non-Executive (Independent)	2	NA	3	-
7. Ms.Renu Singhal DIN 05286398 (upto 11.01.20)	Non-Executive (Independent)	4	No	-	-
8. Mr. Neeraj Kumar DIN 08138085 (from 16.09.19)	Executive Director (Promoter Director)	5	No	-	-
9. Mr. Subhash Mishra DIN 08728903 (from 06.01.20)	Non-Executive (Independent)	2	NA	-	-
10. Mrs. Ekta Sharma DIN 08772631 (from 06.01.20)	Non-Executive (Independent)	1	NA	-	-

\# Number of Directorships/ Memberships held in other companies excludes Directorship/ Membership in private limited companies, foreign companies, membership of various committees of various chambers / bodies and Companies under Section 8 of the Companies Act, 2013 and Alternate Directorship whereas the Membership or Chairmanship of any Committee includes Audit Committee and Stakeholders' Relationship Committees only.

Notes:

1. Dr. P. K. Mohanty and Mr. M. Mohanty are related to each other.
2. Changes in directorship during the financial year is given in subsequent notes
3. All the Directors are above 21 years of age.
4. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
5. None of the Director is on the Board of any other listed company as on 31.03.20
6. Details of Directors seeking appointment / re-appointment in 40th Annual General Meeting are given with the Notice to the Annual General Meeting.

The meetings of the Board are governed by a structured agenda. The agenda papers are circulated in advance before each meeting to all the Directors. All Board members have access to accurate, relevant and timely information to fulfil their responsibilities. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings.

Necessary information as required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 have been placed before and reviewed by the Board from time to time. The Board also periodically reviews compliance by the Company with the applicable laws /statutory requirements concerning the business and affairs of the Company.

(B) Details of Board Meeting held during the financial year 2019-20 :

Sl. No.	Date	Board Strength	No. of Directors present
1.	29.06.2019	5	4
2	24.09.2019	6	3
3.	19.12.2019	4	2
4.	06.01.2020	4	4
5.	28.02.2020	6	3
6.	13.03.2020	6	2

(C) Change in Directorship during the financial year 2019-20:

1. Dr. P.K.Mohanty continues as Managing Director
2. Mr. Munir Mohanty relinquished his position as Whole-time Director & CFO with effect from 16.09.2019 but continues as Non-Executive Director
3. Mr. D.K. Senapati was nominated by (IPICOL) as Nominee Director w.e.f. 06.01.2020
4. Mr. S.K. Kar, earlier nominated by IPICOL as Nominee Director resigned w.e.f. 02.11.2019
5. Mr. Chitranjan Aggarwal resigned w.e.f. 20.10.2019
6. Mrs. Renu Singal resigned w.e.f 11.01.2020
7. Mr. A.K.Mukherjee resigned w.e.f 14.06.19
8. Mr. Neeraj Kumar was appointed as Whole-time Director w.e.f.16.09.2019
9. Mr. Subhash Mishra was appointed as Independent Director on 06.01.20 but relinquished his position and was appointed as Whole-time Director post the reporting date.
10. Ms. Ekta Sharama was appointed as Independent Director w.e.f. 06.01.20.

Post the reporting date the following are the changes in the directorship

1. Mr. Dheeraj Singh Negi (DIN 00304928) was appointed as Independent Director w.e.f. 05.09.20
2. Mr. Subhash Mishra (DIN 08728903) was appointed as Whole-time Director w.e.f. 30.09.20

(D) Additional Information

1. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) and Regulation 25(8) of the SEBI Listing Regulations and that they are independent of the management.
2. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.
3. During the year Mr. A.K.Mukherjee, Mr. Chitranjan Aggarwal and Mrs. Renu Singal, Independent Directors tendered their resignation due to personal reasons and engagements. Other than the reason mentioned above there is no other reason for their resignation.
4. Director qualifications, skills, expertise, competencies and attributes

Name of Directors	Engineering & Technology	Marketing & Sales	Finance, Accounts & Tax	Operations	Governance & Administration
1. Dr. P.K. Mohanty	Yes	Yes	Yes	Yes	Yes
2.D.K. Senapati	Yes		Yes		Yes
3. Mr. M. Mohanty	Yes	Yes	Yes		Yes
4. Mr. Neeraj Kumar		Yes	Yes		Yes
5. Mr. Subhash Mishra	Yes	Yes		Yes	Yes
6. Ms. Ekta Sharma			Yes		Yes

3 Audit Committee:

The Board of Directors has reconstituted the Audit Committee at the Board Meeting held on 24.09.2019 to exercise powers and discharge functions as stipulated in Section 177 of the Companies Act, 2013, provisions of Regulation 18 of SEBI (LODR) Regulations 2015 and other relevant statutory / regulatory provisions besides other terms as referred by the Board of Directors which includes review of Financial Results, Audit Reports, reviewing with Internal Auditors and Statutory Auditors about the nature and scope of Audits and of the adequacy of internal control system.

During the Financial Year 2019-20, two meetings of the Audit Committee were held on 24.09.2019 and 28.02.2020.

Mr. Chitranjan Aggarwal, an Independent Director was the Chairman of the Audit Committee at the meeting held on 24.09.2019. Mr. Subhash Mishra chaired the meeting held on 28.02.2020.

The composition of the Audit Committee and the attendance of each committee member during the year is as given here under:

Name of the Director	Category	No. of Audit Committee Meeting held	No. of Audit Committee Meeting Attended
Ms. Renu Singhal	Non-Executive & Independent	1	1
Mr. Chitranjan Aggarwal	Non-Executive & Independent	1	1
Mr. A.K.Mukherjee (up to 14.06.19)	Non-Executive & Independent	0	0

The Audit Committee was reconstituted with the following members as on 06.01.2020 and accordingly, the composition of the Committee is as follows:

Name of the Director	Category	No. of Audit Committee Meeting held	No. of Audit Committee Meeting Attended
Mr. Subhash Mishra	Non-Executive & Independent	1	1
Mrs. Ekta Sharma	Non-Executive & Independent	1	1
Mrs. Renu Singal (up to 11.01.2020)	Non-Executive & Independent	1	0

Mr. Vikal Madan, Company Secretary acted as the Secretary to the committee w.e.f. the date of his appointment on 23.09.2019

4. Nomination and Remuneration Committee:

The Board at its meeting held on 24th September 2019, reconstituted the "Nomination and Remuneration Committee" (NRC) with the scope as prescribed under the provisions of Section 178 (1) of the Companies Act,2013 read with Regulation 19 of the SEBI (LODR) Regulations 2015 besides other terms as referred by the Board of Directors. The broad terms of reference of the Nomination and Remuneration Committee are to recommend to the Board appointment / reappointment of Managing / Whole–time Directors, other Directors and Key Managerial Personnel and Senior Managerial Personnel and decide on the salary, perquisites and commission to be paid to them etc. along with evaluation of the remuneration policy of the Company.

Mr. Chitranjan Aggarwal was the Chairman of the Nomination and Remuneration Committee up to the date of his resignation on 20.10.2019.

During the year ended 31st March, 2020, only one meeting of the Committee was held on 24th September, 2019.

The composition of the Nomination and Remuneration Committee during the year and the details of meetings attended by the Directors are given below:

Name of the Director	Category	No. of Remuneration Committee Meetings held	No. of Remuneration Committee Meeting Attended
Mr. Chitranjan Aggarwal	Non-Executive & Independent	1	1
Mrs. Renu Singal	Non-Executive & Independent	1	1
Mr. A.K.Mukherjee (upto 14.06.19)	Non-Executive & Independent	0	0

The Nomination and Remuneration Committee was reconstituted with the following members as on 06.01.2020 and accordingly, the composition of the Committee as on 31.03.2020 is as follows:

Name of the Director	Category	No. of Remuneration Committee Meetings held	No. of Remuneration Committee Meeting Attended
Mr. Subhash Mishra (From 06.01.20)	Non-Executive & Independent	0	0
Mrs. Renu Singal (Upto 11.01.2020)	Non-Executive & Independent	1	1
Mrs. Ekta Sharma (From 06.01.20)	Non-Executive & Independent	0	0

Mr. Subhash Mishra was appointed as the Chairman of the Nomination and Remuneration Committee

5. Ethics Committee:

In accordance with the Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015, as amended (the Regulations), the Board of Directors of the company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The Code is based on the principle that Directors and Employees of the company owe a fiduciary duty to, among others, the shareholders of the company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the company to enable them to take informed investment decisions with regard to the company's securities. The Company Secretary is the Compliance Officer under the above mentioned Code.

No meeting of the Committee was held during the year 2019-20.

There was no change in the composition of the Ethics Committee during the year.

6. Stakeholders Relationship Committee:

The Board at its meeting held on 24th September, 2019 reconstituted the Stakeholders Relationship Committee to exercise powers and discharge functions as stipulated in Section 178(5) of the Companies Act, 2013, read with the provisions of Regulations 20 of SEBI (LODR) Regulations, 2015 and other relevant statutory / regulatory provisions besides other terms as referred by the Board of Directors. This committee primarily looks after the redressal of investors' grievances like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc.

Stakeholders' Relationship Committee held One meeting during the financial year 2019-20, on 14.12.2019

Mr. Chitranjan Aggarwal an Independent Director was the Chairman of Stakeholders Relationship Committee.

The composition of the Stakeholders Relationship Committee during the year and the attendance of each committee member are as under

Name of the Director	Category	No. of Committee Meeting held	No. of Committee Meeting Attended
Mr. Neeraj Kumar	Whole-time Director	1	-
Mr. Chitranjan Aggarwal	Non-Executive & Independent	1	-
Ms. Renu Singhal	Non-Executive & Independent	1	1
Dr. P.K Mohanty	Executive Chairman & Managing Director	1	1
Mr. M. Mohanty	Non-Executive Director	1	1

The Stakeholders Relationship Committee was reconstituted with the following members as on 06.01.2020 and accordingly, the composition of the Committee as on 31.03.2020 is as follows:

Name of the Director	Category	No. of Committee Meeting held	No. of Committee Meeting Attended
Ms. Renu Singhal (Upto 11.01.2020)	Non-Executive & Independent	1	1
Mr. Subhash Mishra (from 06.01.20)	Non-Executive & Independent	0	-
Mrs. Ekta Sharma (from 06.01.20)	Non-Executive & Independent	0	-
Mr. M. Mohanty	Non-Executive Director	1	1

Mr. Subhash Mishra was appointed as the Chairman of the Stakeholders Relationship Committee

Mr. Munir Mohanty has relinquished his position as Whole-time Director & CFO w.e.f. 16.09.2019. He however continues as Non-Executive Director

7. Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015.

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The composition of the Risk Management Committee as on 31.03.2020 is as given hereunder:

Name of the Director	Category
Dr. P.K.Mohanty	Chairman & Managing Director
Mr. M.Mohanty	Director

Dr. P. K. Mohanty, Chairman & Managing Director is the Chairman of the Risk Management Committee. No meeting of the Committee was held during the year 2019-20.

8. Board Evaluation

(1) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and in compliance with the requirements of SEBI (LODR) Regulations, 2015 and in accordance with the guidance note issued by SEBI on 5th January, 2017, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committee, 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 Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel. The Directors expressed their satisfaction with the evaluation process.

Meeting of Independent Directors was held on 28.02.2020 for evaluation of the Board as a whole, the Chairperson and the Non Independent Directors including the functioning of the Committees and flow of information for proper functioning of the Board.

(2) Appointment and remuneration policy for Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration Committee (NRC) has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director/Executive Directors, other Key Managerial Personnel and Senior Management Personnel and their remuneration.

1. (i) Criteria of selection of Non-Executive Directors

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the Independent nature of the Directors Vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.

c. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

d. The NRC shall consider qualification, expertise and experience of the Directors in their respective fields; personal, professional or business standing; diversity of the Board etc, whilst recommending to the Board the candidature for appointment as Director.

e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration of the performance evaluation of the Director and his engagement level.

f. At the first meeting attended by the newly appointed Director, a brief training session in the form of familiarization with the business activities of the Company is imparted. The Company Secretary also briefs the Directors about the prevailing provisions of the Companies Act, 2013; the Rules made there under provisions of the SEBI (LODR) Regulations, 2015 in respect of corporate governance, SEBI Guidelines etc. concerning the Directors. The Company has laid down a detailed programme for familiarization of Independent Directors after their appointment which is displayed on the website of the company, viz, www.orissasponge.com.

(ii) Remuneration to Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in the Board/Committee Meetings

2. Criteria for selection and appointment of the Managing Director (MD)/ the Executive Director (ED)

For the purpose of selection of the MD/ED, the NRC Committee shall identify persons of integrity, who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration Policy for the Managing Director/Executive Director

i. At the time of appointment or re-appointment, the MD/ED shall be paid such remuneration as may be permitted under the Companies Act, 2013 and mutually agreed between the Company (which includes the NRC Committee and the Board of Directors) and the MD/ED within the overall limits prescribed under the Companies Act, 2013 read with relevant Rules and Schedules framed there under.

ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

iii. The remuneration of the MD/ED is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises commission.

iv. In determining the remuneration (including the fixed increment and performance bonus) the NRC shall ensure/consider the following:

a. the relationship of remuneration and performance benchmarks is clear;

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

c. responsibility required to be shouldered by the MD/ED, the industry benchmarks and the current trends;

d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.

3. Remuneration Policy for the Key Managerial Personnel/Senior Management Employees

I. In determining the remuneration of the Senior Management Employees (i.e. KMP's and Executive Committee Members) the NRC shall ensure/consider the following:

i. the relationship of remuneration and performance benchmark is clear.

ii. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals

iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs/KPIs, industry benchmark and current compensation trends in the market.

II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC for its review and approval.

9. Payment to Directors:

The Directors of the Company excluding Whole-time Directors and Managing Director have been paid sitting fees for attending meetings of the Board of Directors and Committee of Directors. The details of the payment made to the Directors during the financial year 2019-20 are as follows:

Name of the Director	Executive/ Non- Executive	Sitting Fees `	Remuneration `
Mr. S. K. Kar*	Non-Executive	–	_
Mr. A.K.Mukherjee	Non-Executive	–	_
Mr.D.K. Senapati*	Non-Executive	–	_
Mr. Chitranjan Aggarwal	Non-Executive	–	_
Mrs. Renu Singal	Non- Executive	–	_
Dr. P.K. Mohanty	Executive	–	_
Mr. M. Mohanty	Non-Executive	–	_
Mr. Neeraj Kumar	Executive	–	**7,74,000/-**
Mr. Subhash Mishra	Non-Executive	–	_
Mrs Ekta Sharma	Non-Executive	–	

* Being IPICOL Nominee, sitting Fees are payable to IPICOL.

* The total remuneration paid to the Directors during the period is within the threshold as prescribed under Regulation 17 of the SEBI (LODR) Regulations, 2015, as amended.

10. Compliance Officer

Name	Mr. Vikal Madan, Company Secretary (w.e.f. 23.09.2019)
Address	A 201, Okhla Industrial Area, Phase I New Delhi 110020
Phone No.	011 40079317
Fax No.	-
E-mail	corporate @orissasponge.com
Company Website	www.orissasponge.com

11. Shareholder's Complaints:

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	Number of Complaints	Resolved	Pending
Non-Receipt of Share Certificates	0	0	0
Non-Receipt of Annual Report	2	2	0
Non-Trading of Shares at BSE	3	0	3

12. General Body Meetings:

Location and the time where last three AGM/ EGM of the Company were held:

Year	Type	Location	Date	Time	No. of Special Resolutions
2016-17	37th AGM	Bhubaneswar	23.09.2017	11.00a.m	Two
2017-18	38th AGM	Bhubaneswar	28.09.2018	11.00 a.m.	One
2018-19	39th AGM	Bhubaneswar	15.11.2019	11:00 a.m.	Four

Special Resolution passed in previous three AGM/ EGM: Seven

The Shareholders were provided the facility for remote e-voting and physical ballots at the venue of AGM. Mr. A.K.Labh, Practicing Company Secretary, Membership No FCS 4848 CP No 3238 was appointed as the Scrutinizer for duly conducting the Postal Ballot.

None of the resolutions propose for the ensuing Annual General Meeting need to be passed by Postal Ballot.

13. Disclosures:

(a) Related party disclosure:

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in Note 32 of the Notes to the Financial Statement. However these transactions are not likely to have any conflict with the Company's business interest. The related party policy is displayed on the website of the Company, viz, www.orissasponge.com.

(b) Matters relating to stock Exchange , SEBI, Capital Market:

i. Listing fee to BSE for the financial year 2019-20 has been paid.

ii. As on date all the issued and paid up capital are listed.

iii. The Company has been subjected to the consequences of SEBI (Delisting) Regulations, 2009 due to its association as a promoter of Bilati (Orissa) Limited, whose shares were delisted vide BSE pursuant to the aforesaid provisions. As a result, the company could not pursue its "in principle approval" for revocation of suspension from trading on its shares.

iv. For the reason mentioned in the previous para, BSE proceeded to take action for compulsory delisting under Regulation 24 of SEBI (Delisting) Regulations, 2009. Public notice was issued by BSE to this effect on 08.06.19. However BSE vide its letter dated 14.01.2020 informed that after receiving guidance from SEBI with regard to our subject matter and having regard to shareholding in the company by IPICOL being a Government controlled entity, the exchange cannot proceed with delisting of the shares of the company. As on date the whole matter is kept on hold.

(c) Disclosure of Accounting Treatment:

Company has adopted Indian Accounting Standard ("Ind AS") from 1st April, 2017 and accordingly the financial statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 financial reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules made there under

(d) The Company has formed a Vigil Mechanism as required under Regulation 22 of SEBI (LODR) Regulations, 2015 . No personnel has been denied access to the Audit Committee. The said Policy is displayed on the Website of the Company viz, www.orissasponge.com. No case was reported during the year.

(e) Proceeds from public issues, right issues, preferential issues etc.

The company has not made any capital issues during the year.

(f) Commodity price risk or foreign exchange risk and hedging activities: Nil

(g) Adoption of discretionary requirements

The Internal Auditor is free to report directly to the Audit Committee

(h) There has been no instance where the Board has not accepted the recommendation of the Audit Committee

(i) Credit Rating: No credit rating was requisitioned during the year

14. Means of Communication:

The quarterly financial results are generally published in Business Standard in English and in Odia Bhaskar in Odia. The Financial Results are also uploaded on the Company's website **www.orissasponge.com** for the information of shareholders and public at large. The website is updated from time to time to incorporate therein the details as required by Regulation 46 of SEBI (LODR) Regulations, 2015.

15. General Shareholder Information:

(a)	40th Annual General Meeting	Day: Friday Date: 04.12.2020 Time: 03.00 p.m.
(b)	Financial Calendar for 2020-21 (Tentative):	
	Board Meeting for un audited financial results for the quarter ending 30th June, 2020	2nd week of August, 2020
	Board Meeting for un audited financial results for the quarter ending 30th September, 2020	2nd week of November, 2020
	Board Meeting for un audited financial results for the quarter ending 31st December, 2020	2nd week of February, 2021
	Board Meeting for audited financial results for the quarter ending 31st March, 2021	4th week of May, 2021
(c)	Annual Accounts 2020-21	May, 2021
(d)	Date of Book Closure	28.11.20 to 04.12.20 (both days inclusive)
(e)	Listing on Stock Exchange	Bombay Stock Exchange Calcutta Stock Exchange (Applied for de-listing) National Stock Exchange (Applied for listing)
(f)	Stock Code	Bombay Stock Exchange-504864 Calcutta Stock Exchange - 025083
(g)	Demat ISIN in NSDL & CDSL for Equity Shares Demat ISIN in NSDL & CDSL for Preference Shares	INE 228D01013 INE 228D04017
(h)	Website	The Company has a website www.orissasponge.com which is updated from time to time to incorporate therein the details as required by Regulation 46 of SEBI (LODR) Regulations, 2015.

(i) Stock Market Data:

Trading of OSISL's share was suspended w.e.f. 25th February, 2016, no trading occurred during the year 2019-20.

(j) Registrar and Transfer Agents:

The share management work, both physical and demat, is being handled by the Registrar and Share Transfer Agent of the Company whose name and address is given below:

Link Intime India Pvt. Limited, Room No 502 & 503, 5th Floor, Vaishno Chamber, 6, Brabournee Road, Kolkata 700001. Phone No: 033-40049728; 40731698, E-mail: kolkata @ linkintime .co. in.

All communication regarding share transactions, change of address, bank mandate, nominations etc. should be addressed to the Registrar and Share Transfer Agents at the above address.

(k) Share Transfer System:

Share Transfer requests valid and complete in all respects are normally, processed within fifteen days. All efforts are made by the Company and the Registrar and Share Transfer Agents for expediting share transfers. Valid requests for demat of shares are completed within 15 days.

The Company received 5 cases of Share Transmission comprising of 1347 shares. Request for dematerialisation was received from 20 members for 2643 shares

(l) Distribution of share holdings as on 31.03.2020

No. of Shareholding	Share Holders		Total Share	
	Number	% to total	Number	% to total
1-500	4913	93.80	450659	1.51
501-1000	163	3.10	119994	0.40
1001-2000	82	1.57	109678	0.37
2001-3000	21	0.40	51962	0.17
3001-4000	6	0.12	20950	0.07
4001-5000	11	0.21	50934	0.17
5001-10000	11	0.21	76925	0.26
10001 and above	31	0.59	28908898	97.05
Total	**5238**	**100.00**	**29790000**	**100.00**

Shareholding pattern as on 31-03-2020

	No. of Shares	Holding %
Promoter & Promoter Group	78,42,933	26.33
Public		
-Financial Institutions (Indian & Foreign) & Mutual Funds	20,18,239	6.77
-Non-Institutions	1,99,28,828	66.90
Total	2,97,90,000	100.00

(m) Shares held by Non-Executive Directors:

Non-Executive Directors do not hold any shares in the Company.

(n) Subsidiary Company:

The Company has no subsidiary on the Reporting date.

(o) Dematerialization of Shares

As per SEBI's direction, the Company has signed tripartite agreements with both NSDL & CDSL and Registrar & Transfer Agent. Accordingly, dematerialization facility for the shares of the Company is available and it is in the interest of all the shareholders to convert their physical holdings into the electronic holdings by dematerialization.

Number of Dematerialisation cases received during the year was 20 comprising of 2643 shares.

(p) Outstanding GDRs / ADRs/ warrants or any convertible instruments, conversion date and likely impact on equity: NIL

16. Key locations of the Company with the activities carried on:

Registered Office:
OSIL House, Gangadhar Meher Marg, Bhubaneswar 751 024.
Phone: 0674-3016500 to 503 Fax: 0674- 3016505/535
E-mail: orisponge@gmail.com.
Company Website: www.orissasponge.com

Plant:
P.O. : Palaspanga, District – Keonjhar, Pin: 758031, Odisha
Phone No. 06766 – 235223 / 225 / 227 / 229, Fax No. 06766 – 235205
E-mail: osilsite.2009@rediffmail.com

The manufacturing facility is situated here.

Corporate Office: (w.e.f. 16.06.20)
A 201, 1st Floor, Okhla Industrial Area, Phase I, New Delhi – 110020
Phone:01140079317
E-mail: corporate @orissasponge.com

Corporate Office: (upto 16.06.20)
CIC Building, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata – 700071
Phone: 033– 2288-3910 to 3916 Fax : 033– 22272511
E-mail: corporate @orissasponge.com

17. Additional Information:

i) Code of Conduct:

Company has always encouraged and supported compliance to ethical business practices in personal and corporate behaviour by its employees. Company in order to further strengthen corporate practices has framed a specific code of conduct for the members of the Board of Directors and Senior Management personal of the Company, who have affirmed compliance thereof. A declaration to this effect signed by the Whole-time Director of the Company is annexed to this report. The Code of Conduct is displayed on the website of the Company ,viz, www.orissasponge.com.

ii) Risk Management:

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures, which are periodically reviewed.

iii) Reconciliation of Share Capital Audit:

Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital is carried out by a practicing Company Secretary and his report is placed to the Board periodically. The audit confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held in electronic mode with NSDL and CDSL.

iv) Management Discussion and Analysis:

Management Discussions and Analysis forms part of the Annual Report which is posted to the shareholders of the Company.

v) Certificate on Corporate Governance:

Compliance of Corporate Governance by the Company as stipulated under SEBI (LODR) Regulations, 2015 is examined and reviewed by M/s. A. K. Labh & Co., Company Secretaries, 40, Weston Street, 3rd Floor, Kolkata-700013 and his report is annexed.

vi) CEO/CFO Certificate:

A Certificate duly signed by the Whole-time Director and CFO relating to financial statements and Internal Control Systems for financial reporting, accounting policy etc. for the year ended 31.03.2020 as stipulated under SEBI (LODR) Regulations, 2015 was placed before the Board and the same was taken on record.

vii) Compliance by Company Secretary:

The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the Meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules and Regulations issued there under and to the extent feasible and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

viii) Cautionary Statement:

Details given relating to various activities and future plans may be "forward looking Statement" within the meaning of applicable laws and regulations. The actual performance may differ from those expressed or implied.

ix) Certificate:

All material requirements with respect to Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 have been complied with.

x) Contact Person for any query on Annual Report/ Investor Communication:

Mr. Vikal Madan, Company Secretary, Orissa Sponge Iron & Steel Limited, A 201, Okhla Industrial Area, Phase I, New Delhi 110020. Phone 01140079317; E-mail: corporate@orissasponge.com

xi) Statement of Compliance in relation to the Sexual Harassment to women at the workplace (Prevention, Prohibition and Redressal) Act, 2013 - Nil

xii) Details of fees for all services paid/payable by the company on a consolidated basis to the Statutory Auditors other than Statutory Audit

Particulars	Fees
Audit of Interim Financial Statement for the 9 months period ended 31.12.19	25000
Limited Review Report/Audit Report on Unaudited/Audited financial statement	5000 per quarter

Certificate on Compliance with terms and conditions of Corporate Governance as stipulated under Regulation 15(2) of SEBI (LODR) Regulations, 2015

To the Members of Orissa Sponge Iron & Steel Limited

We have examined the compliance of conditions of Corporate Governance by ***Orissa Sponge Iron & Steel Limited*** ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") for the year ended 31.03.2020.

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 of 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 the explanations given to us, we certify that:

1. ***The Company has not made any compliance / submissions to the Stock Exchange pursuant to the provisions of the Listing Regulations since November, 2018 and hence the Company is in default in compliance of all the regulations of the Listing Regulations as applicable to it.***

2. ***The Company has not paid listing fees to BSE Limited for the Financial Year 2020-21.***

3. ***The Company has applied for delisting of its shares from the Calcutta Stock Exchange ("CSE") vide letter dated 25.03.2009 and the same is still pending at CSE.***

4. ***The trading in the shares of the Company has been suspended w.e.f. 25th February, 2016. The Company, its Promoters and Whole-time Directors have been subjected to the consequences of SEBI (Delisting) Regulations, 2009 due to its association as a promoter of Bilati (Orissa) Limited, whose shares were delisted under the aforesaid Regulations. As a result, the Company could not pursue its "in principle approval" for revocation of suspension from trading on its shares.***

5. ***For the reason mentioned in the previous Point No. 4, BSE proceeded to take action for compulsory delisting under Regulation 24 of SEBI (Delisting) Regulations, 2009. Public notice was issued by BSE to this effect on 08.06.19. However, BSE vide its letter dated 14.01.2020 informed that after receiving guidance from SEBI with regard to the aforesaid subject matter and having regard to shareholding in the company by Industrial Promotion and Investment Corporation of Odisha Limited ("IPICOL"), being a Government controlled entity, the exchange cannot proceed with delisting of the shares of the Company. As on date the whole matter is kept on hold.***

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

For **A. K. LABH & Co.**
Company Secretaries

(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No - 3238
UDIN: F004848B001172069

Place: Kolkata
Dated 06.11.2020

Certificate of Compliance of the Code of Conduct of the Company

The Members of
Orissa Sponge Iron & Steel Limited

In compliance with the requirements as stipulated under Schedule V (Part D) of SEBI (LODR) Regulation 2015, relating to Corporate Governance, I confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct framed by the Company.

Place: New Delhi
Dated 06.11.2020

Neeraj Kumar
Whole-time Director

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

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

To,
The Members,
ORISSA SPONGE IRON & STEEL LIMITED
OSIL HOUSE GANGADHAR
MEHER MARG KIITI
BHUBANESWAR- 751024

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ORISSA SPONGE IRON & STEEL LIMITED,** hereinafter called the (Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **ORISSA SPONGE IRON & STEEL LIMITED**, 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ORISSA SPONGE IRON & STEEL LIMITED,** ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

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

A) Non- Compliance :

(i) The Company Secretary was not present at first meeting of the Board of Directors for the Financial Year 2019-20.
(ii) There was no Company Secretary from 1st April, 2019 until appointment of Company Secretary on 23rd September, 2019.
(iii) Audit Committee meeting not held for 1st and 3rd quarter.
(iv) The Composition of Audit Committee and Nomination and Remuneration Committee are not as per the provisions of the Act.

B) Litigations:

(i) COPET filed by Paradeep Oxygen Pvt. Ltd. u/s 433, 434 & 439 of the Companies Act 1956 but there is no progress in the Case.

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

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

(d) SEBI Act, 1992.

A) The Company has not done any Listing Compliances under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from November 2018.

B) The Company has sought for De-listing from the Calcutta Stock Exchange vide letter dtd 25.03.09 and thus has not been complying with the Listing requirements of CSE.

C) Audit under regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been done for FY 2019-20.

D) In term of Regulation 22(3) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Regulations") and as per the rules made under Section 21A of the Securities Contracts (Regulation) Act, 1956 and the Rules, Bye-Laws and Regulations of BSE Limited ("the Exchange"), The Exchange has given PUBLIC NOTICE proposing delisting of the Company. Subsequently, in term of Regulation 22(1) of the Regulations, the Company has been given an opportunity to represent its case before the Delisting committee of the Exchange.

Further, the Exchange had vide letter dated August 6, 2019, requested the Company to confirm whether Industrial Promotion and Investment Corporation of Orissa Ltd. (IPICOL) a wholly owned company of the Govt. of Orissa, continues to be one of the promoters of the company. In reply thereof the Company had confirmed that IPICOL continues to remain as one of the promoters of the company holding 14,55,999 equity shares amounting to 4.89% of the present equity shares of the company. On a guidance sought by the Exchange from SEBI, the SEBI has advised the Exchange to keep on hold the compulsory delisting of all such companies where either the Government or a Government controlled / owned entity (ies) is (are) disclosed as part of promoter.

(v) Corporate Governance Voluntary Guidelines- 2009 issued by the Ministry of Corporate Affairs, Government of India;

(vi) Minimum Wages Act, 1948;

(vii) Payment of Bonus Act, 1965;

(viii) Payment of Gratuity Act, 1972;

(ix) Employees Provident Fund and Miscellaneous Provisions Act, 1952;

A) Non- Compliance- : Provident Fund dues including pension dues as on 31.03.2020 amounting to Rs. 910.02 lakhs are unpaid.

B) Litigation- Regional Provident Fund Commissioner, Keonjhar has initiated case against Company demanding Rs. 1099.12 lakhs u/s 7Q, 14 B, & 7A of the Act.

(x) Employees State Insurance Act, 1948;

(xi) Competition Act, 2002;

(xii) Factories Act, 1948;

(xiii) Industrial Dispute Act, 1947;

A) Litigations:

(i) Petition filed by Company at the Orissa High Court against Order of Industrial Tribunal in the matter of claim amount u/s 17 (B) of the Act filed by an Employee is being contested by the Company.

(ii) Writ Petition filed by 11 Officers of the Company in the Orissa High Court u/s 25N and 25F of the Act. Case being contested by the Company.

(xiv) Workmen's Compensation Act, 1923;

(xv) Contract Labour (Regulation and Abolition) Act, 1970;

(xvi) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002:

(xvii) Insolvency & Bankruptcy Code, 2016:

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange, Calcutta Stock Exchange and the non-compliances:

All the Clauses of Listing Agreements have been complied with except those mentioned below:

A) The Company has not done any Listing Compliances from November 2018 till date.

B) The Company has sought for De-listing from the Calcutta Stock Exchange vide letter dtd 25.03.09 and thus has not been complying with the Listing requirements of CSE.

C) Audit under regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been done since November, 2018.

During the period under review the Company has complied with the provisions of the Co. Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company is not duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for a few notices sent on short notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except with the following Statutory Dues Outstanding as on 31st March 2020:

I. Dues of Central Sales Tax, Orissa Sales Tax, ad Entry Tax amounting to INR 30.91 Lakhs and Provident Fund Dues to the extent of INR 910.02 Lakhs.

Name of Company Secretary in practice:
Disha Dugar
FCS No. 8128
C P No.: 10895
UDIN: F008128B001026728

Place: Kolkata
Dated: 21.10.2020

ANNEXURE A

To,
The Members,
ORISSA SPONGE IRON AND STEEL LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter

Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, devise proper system to ensure compliance to the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. Our Responsibility is to express an opinion on these secretarial records, standard and procedure followed by the company with respect to secretarial compliances.

2. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion

3. Where ever required, we have obtained the management representation about the compliances of laws, rule and regulation and happening of events etc.

Disclaimer

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

2. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

Name of Company Secretary in practice:
Disha Dugar
FCS No. 8128
C P No.: 10895
UDIN: F008128B001026728

Place: Kolkata
Dated 21.10.2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ORISSA SPONGE IRON & STEEL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Orissa Sponge Iron & Steel Limited("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Key Audit Matters

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

Reference to Note 19, as per the assessment made by the management, liabilities appearing in the books of account for considerably long period of time and on which there is no movement amounting to Rs. 168.70 lakhs were written back as no longer required. Similarly Sundry Debtors, Advances and claims receivables amounting to Rs 12.17 lakhs were written off as they were found to be no longer recoverable. The net effect of Rs. 156.53 is shown under other Income.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

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

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.

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

In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

On the basis of the written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

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

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, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A.K.Bhardwaj & Co
Chartered Accountants
FRN 316085E

(A.K.Bhardwaj)
Partner
Membership No. 052723
UDIN: 20052723AAAABJ7183

Place : New Delhi/Kolkata
Dated: 15.10.2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our independent Auditors Report of even date to the members of Orissa Sponge Iron & Steel Limited on the Standalone Ind AS financial statements for the year ended 31st March, 2020)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ORISSA SPONGE IRON & STEEL LIMITED** ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone Ind AS 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, 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 A.K.Bhardwaj & Co
Chartered Accountants
FRN 316085E

(A.K.Bhardwaj)
Partner
Membership No. 052723
UDIN: 20052723AAAABJ7183

Place : New Delhi/Kolkata
Dated: 15.10.2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Orissa Sponge Iron & Steel Limited on the Standalone Ind AS financial statements as of and for the year ended 31st March, 2020)

1. In respect of fixed assets (Property, plant and equipment):
   (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets
   (b) The Fixed Assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of such verification is reasonable
   (c) According to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that the title deed comprising all the immovable properties of land and building which are freehold, are held on the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement
2. In respect of Inventories
   a) The inventory of the Company has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable.
   b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
   c) On the basis of our examination of the records of inventory we are of the opinion that the company is maintaining proper records of inventories. The discrepancies noted on physical verification between the physical stocks and the book records were not material.
3. The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore the provisions of Clause (3) (iii) (a), (b) and (c) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investments made, Guarantee and Security provided by it. The Company has not given any loan but has provided guarantee for loans taken by a related party from banks or financial institutions, terms and conditions whereof are not prejudicial to the interest of the company.
5. According to the information and explanation given to us, the Company has not accepted any deposit from the public and hence reporting under Clause (v) of the CARO 2016 is not applicable
6. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. However we have not made a detailed examination of such records.
7. (a) According to the information and explanation given to us except Central Sales Tax, Orissa Sales Tax and Entry Tax Liability totaling Rs. 30.91 lakhs and Provident Fund dues to the extent of Rs. 910.02 lakhs no undisputed dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs duty, Excise duty, value added tax, cess and other material statutory dues were outstanding at the year-end for a period of more than six months from the date they became payable.
   (b) There are no disputed dues which have remained unpaid as on 31st March, 2020 on account of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, value added tax, cess except as follows:

Nature of Dues	Amount (Rs in Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax	13.55	2007-08 to 2013-14	TDS assessing authority
Orissa Sales Tax & VAT	817.44	1985-86 to 2006-07	Various Authorities
Central Sales Tax	2495.87	1985-86 to 2006-07	Various Authorities
Provident Fund & Pension Fund	1099.12	2007-08 to 2018-19	Regional Provident Fund Commissioner, Keonjhar, Orissa High court & Tribunal

8. In our opinion and according to the information and explanation given to us money raised by the Company by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which it was raised.
9. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officer or employees has been noticed or reported during the year
10. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013
11. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the CARO 2016 is not applicable
12. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 201, where applicable, for all transactions with the related parties and the details of the related party transactions have been disclosed in the Standalone Ind AS financial statements etc. as required under Ind AS 24, Related party disclosures specified under Section 133 of the Act.
13. During the year the Company has not made any preferential allotment or private placement of the shares or fully or party convertible debentures and hence reporting under Clause (xiv) of CARO 2016 is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its Directors or associate companies as applicable or persons connected with them and hence the provisions of Section 192 of the Companies Act, 2013 and Clause 3 (xv) of the Order are not applicable. The Company has no Subsidiary on the reporting date.
15. The company is not required to be registered under Section 45-IA of the Reserve bank of India Act, 1934.

For A.K.Bhardwaj & Co
Chartered Accountants
FRN 316085E

(A.K.Bhardwaj)
Partner
Membership No. 052723
UDIN: 20052723AAAABJ7183

Place : New Delhi/Kolkata
Dated: 15.10.2020

Balance Sheet as at 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

		Particulars	Notes	As at 31 March 2020	As at 31 March 2019
I		**ASSETS**			
	(1)	**Non-current assets**			
		Property, plant and equipment	**3**	14,698.18	15,189.82
		Capital Work-in-Progress	**4**	2,931.87	2,911.91
		Financial assets			
		(i) Investments	**5A**	2.83	2.83
		(ii) Loans & Deposits	**5B**	239.77	228.70
		(iii) Others	**5C**	9.93	10.16
		Other non-current assets	**6**	21.64	24.77
				17,904.22	**18,368.19**
	(2)	**Current assets**			
		Inventories	**7**	79.46	79.46
		Financial assets			
		(i) Investments	**5A**	-	-
		(ii) Cash and cash equivalents	**9.**	39.18	44.46
		(iii) Other bank balances	**10**	13.00	3.00
		(iv) Others	**5C**	415.84	78.43
		Current tax assets (Net)	**16**	23.71	26.52
		Other current assets	**6**	34.73	26.79
				605.92	**258.65**
		Total Assets		**18,510.13**	**18,626.84**
II		**EQUITY AND LIABILITIES**			
	(1)	**Equity**			
		Equity share capital	**12.**	4,979.00	4,979.00
		Other Equity	**13.**	(2,049.72)	(650.49)
				2,929.28	**4,328.51**
	(2)	**LIABILITIES**			
	(a)	**Non-current liabilities**			
		Financial liabilities			
		(i) Borrowings	**14A**	8,470.47	7,602.97
		(i) Other financial liabilities	**15**	38.66	-
		Provisions	**17a**	452.40	524.79
				8,961.53	**8,127.76**
	(b)	**Current liabilities**			
		Financial liabilities			
		(i) Borrowings	**14A**	297.13	218.94
		(ii) Trade Payables	**14B**	11.21	141.30
		(iii) Other financial liabilities	**15**	4,497.80	4,197.48
		Provisions	**17a**	202.91	99.04
		Other current liabilities	**17**	1,610.28	1,513.81
				6,619.33	**6,170.57**
		Total Equity and Liabilities		**18,510.13**	**18,626.84**
		Significant Accounting Policies			
		Notes on Finanacial Statements	**1 to 45**		

The accompanying Notes form and integral part of the Standalone Balance Sheet
This is the Standalone Balance Sheet referred to our Report of even date

For A. K. BHARDWAJ & CO
Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO	**Vikal Madan**	**Chandan Kumar Mishra**	**Neeraj Kumar**	**Subhash Mishra**
Partner	Company Secretary	Chief Financial Officer	Wholetime Director	Wholetime Director

Membership No.052723
UDIN: 20052723AAAABJ7183
Place : New Delhi/Kolkata
Dated: 15.10.2020

Statement of Profit and Loss for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

	Particulars	Notes	For the Year ended 31 March 2020	For the Year ended 31 March 2019
I	**REVENUE**			
	Revenue from operations	**18**	-	-
	Other income	**19**	173.03	3,972.42
	Total Revenue (I)		**173.03**	**3,972.42**
II	**EXPENSES**			
	Cost of material consumed	**20**	-	-
	Employee benefits expenses	**21**	211.00	452.65
	Finance costs	**22**	241.14	596.71
	Depreciation and amortization expenses	**23**	566.74	13,607.77
	Other expenses	**24**	570.60	5,478.02
	Increase Decrease Finished Stock	**25**	-	1,208.23
	Total expenses (II)		**1,589.48**	**21,343.38**
III	**Profit before exceptional items and tax from continuing operations (I-II)**		**(1,416.46)**	**(17,370.96)**
IV	Exceptional Items		-	-
V	**Profit/(loss) before tax from continuing operations (III-IV)**		**(1,416.46)**	**(17,370.96)**
VI	**Tax expense:**			
	(1) Current Tax		-	-
	(2) Deferred Tax			(10,019.28)
VII	**Profit (Loss) for the Year from continuing operations (V-VI)**		**(1,416.46)**	**(27,390.23)**
	Discontinued operations			
	Profit/(loss) before tax for the year from discontinued operations		-	-
	Tax Income/ (expense) of discontinued operations		-	-
VIII	**Profit/ (loss) for the year from discontinued operations**		-	**-**
IX	**Profit/ (loss) for the year (VII+VIII)**		**(1,416.46)**	**(27,390.23)**
X	**Other Comprehensive Income**			
	A Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		17.22	148.64
	Income tax effect			(51.43)
	Net (loss)/gain on FVTOCI equity securities			(143.34)
	Income tax effect		-	49.60
			17.22	**3.47**
XI	**Total Comprehensive Income for the Year (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the Year)**		**(1,399.24)**	**(27,386.77)**
	Earnings per equity share for continuing operations			
	(1) Basic, computed on the basis of profit from continuing operations	**26**	(4.75)	(91.94)
	(2) Diluted, computed on the basis of profit from continuing operations		-	-
	Significant Accounting Policies			
	Notes on Financial Statements	**1 to 45**		

The accompanying Notes form and integral part of the Standalone Statement of Profit & Loss
This is the Standalone Statement of Profit & Loss referred to our Report of even date

For A. K. BHARDWAJ & CO
Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO	**Vikal Madan**	**Chandan Kumar Mishra**	**Neeraj Kumar**	**Subhash Mishra**
Partner	Company Secretary	Chief Financial Officer	Wholetime Director	Wholetime Director

Membership No.052723
UDIN: 20052723AAAABJ7183
Place : New Delhi/Kolkata
Dated: 15.10.2020

Statement of Change in Equity for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

(a) Equity Share Capital

		Rs in Lakhs
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At 31 March 2019	29,790,000	2,979.00
At 31 March 2020	29,790,000	2,979.00
Preference shares of Rs 10 each, issued, subscribed and fully paid		
At 31 March 2019		
At 31 March 2020	20,000,000	2,000.00

(b) Other equity

	Reserves and Surplus						Items of Other Comprehensive Income		
	Securities Premium	**Capital Reserve**	**Revaluation Reserve**	**General Reserve**	**Forfeiture of Share Warrant**	**Retained Earning**	**Defined Benefit Obligation**	**FVTOCI reserve**	**Total**
At March 31, 2019	**26,767.84**	**51,880.64**	**11,845.81**	**1,672.23**	**159.75**	**(93,434.02)**	**550.38**	**(93.12)**	**(650.49)**
Profit/(Loss) for the period				**(1,416.46)**					**(1,416.46)**
Other Comprehensive Income							**17.22**		**17.22**
Adjustment for Depreciation			**(29.49)**			**29.49**			**-**
	-	**-**	**(29.49)**	**(1,416.46)**	**-**	**29.49**	**17.22**	**-**	**(1,399.24)**
								-	-
At March 31, 2020	**26,767.84**	**51,880.64**	**11,816.32**	**255.77**	**159.75**	**(93,404.53)**	**567.60**	**(93.12)**	**(2,049.72)**

The accompanying Notes form and integral part of the Standalone Statement of Changes in Equity
This is the Standalone Statement of Changes in Equity referred to our Report of even date

For A. K. BHARDWAJ & CO
Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO
Partner
Membership No.052723
UDIN: 20052723AAAABJ7183

Vikal Madan
Company Secretary

Chandan Kumar Mishra
Chief Financial Officer

Neeraj Kumar
Wholetime Director

Subhash Mishra
Wholetime Director

Place : New Delhi/Kolkata
Dated: 15.10.2020

Orissa Sponge Iron & Steel Limited

Statement of Cash Flow for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

Sl No	Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
A	**Cash Flow from Operating Activities**		
1	**Profit Before Tax**		
	Profit Before Tax	(1,416.46)	(17,370.96)
2	**Adjustments for :**		
	Liability written back since no longer payable	156.53	3,944.50
	Intangible Asset charged to Other Expenses		281.00
	Write off of Capital Work in Progress	-	3,858.40
	Write off of Inventory	-	1,360.47
	Depreciation and impairment of property, plant and equipment	566.74	13,607.77
	Diminution in the Value of Investment	-	0.15
	Finance income	(14.30)	(14.42)
	Finance costs	241.14	596.71
3	**Operating Profit before Working Capital Changes (1+2)**	(466.34)	6,263.62
4	**Change in Working Capital:** (Excluding Cash & Bank Balances)		
	Inventories	-	1,208.23
	Other Financial Assets	(337.18)	141.93
	Other Assets	(4.81)	2,913.77
	Loans & Deposits	2.67	(7.64)
	Provisions	48.70	55.77
	Trade Payables	(32.78)	(4,342.25)
	Other Financial Liabilities	38.08	1,153.82
	Other Liabilities	96.47	(5,768.72)
	Change in Working Capital	(188.85)	(4,645.10)
5	**Cash Generated From Operations (3+4)**	**(655.19)**	**1,618.53**
6	**Taxes**	2.81	13.01
7	**Net Cash Flow from Operating Activities (5-6)**	**(652.39)**	**1,631.54**
B	**Cash Flow from Investing Activities:**		
	Purchase/Sale of Property, plant and equipment	(44.92)	-
	Purchase of Investments	-	
	Interest received (Finance Income)	0.57	14.42
	Dividend Income	-	-
	Investment in Bank Deposits	-	-
	Net Cash Generated/(Used) in Investing Activities:	(44.36)	14.42
C	**Net Cash Flow From Financing Activities:**		
	OTS Settlement Payment		(8,550.00)
	Proceeds/Repayments of Long-Term Borrowings (Including finance lease)	945.68	7,370.44
	Lease Payments	(6.30)	-
	Proceeds from/(Repayments of) Short-Term Borrowings		(8.70)
	Interest paid	(237.92)	(596.71)
	Net Cash Generated/(Used) from Financing Activities:	701.47	(1,784.97)
D	**Net Change in Cash & cash equivalents (A+B+C)**	4.72	(139.02)
E - 1	Cash & cash equivalents as at end of the Year	52.18	47.46
E - 2	Cash & cash equivalents as at the beginning of Year	47.46	186.48
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)	4.72	(139.02)
	Cash & cash equivalents comprises:-		
	Bank Balances - Current account	38.53	42.61
	Cheques, Drafts in hand	0.65	1.85
	Cash Balances, Including Imprest	13.00	3.00
	SBI no lien A/C	-	-
		52.18	47.46
	Reconciliation of cash and cash equivalents		
	Cash & cash equivalents as per statement of cash flows	52.18	47.46
	Adjustment: Cash credit/ Bank overdraft	-	
	Cash & cash equivalents as per Balance sheet	52.18	47.46

The accompanying Notes form and integral part of the Standalone Cash Flow Statement
This is the Standalone Cash Flow Statement referred to our Report of even date

For A. K. BHARDWAJ & CO
Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO	**Vikal Madan**	**Chandan Kumar Mishra**	**Neeraj Kumar**	**Subhash Mishra**
Partner	Company Secretary	Chief Financial Officer	Wholetime Director	Wholetime Director

Membership No.052723
UDIN: 20052723AAAABJ7183
Place : New Delhi/Kolkata
Dated: 15.10.2020

Notes to the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

ORISSA SPONGE IRON & STEEL LIMITED ('OSISL' or 'the Company') is a public Company and incorporated in India in the year 1979 under the provisions of the Companies Act, 1956 having CIN No. L27102OR1979PLC000819. OSISL established manufacturing facilities to produce Sponge Iron, Steel Billets and Power at its works at Palaspanga, Dist Keonjhar, Odisha. The Company suspended production from July 2012 due to unviable cost economics and continuing losses. In the present scenario viability of the Company is largely dependent on availability of raw material from captive sources.

The Registered Office is situated at OSIL House, Gangadhar Meher Marg, Bhubaneshwar, Odisha - 751024 and Corporate Office at A 201, First Floor, Okhla Industrial Area, Phase I, New Delhi 110020

The Company was allotted Iron Ore Mines by the Central Government and the State Government of Odisha. Commencement of mining operations from the mines requires several approvals, clearances and fulfilment of conditions as specified in the respective documents. The Company has received all approvals and clearances including Stage I Clearance from the Ministry of Environment and Forest vide Letter dated 21st September, 2016 and Compliance Certificate under the Scheduled Tribes and Other Traditional Dwellers (Recognition of Forest Rights Act) 2006 vide Letter dated 23rd June, 2016 as well as clearance from the Central Government under Section 2 (iii) of the Forest Conservation Act, 1980. Thereafter Company submitted its compliance of Terms & Conditions of Provisional Grant Order issued by Government of Odisha in 2004 for proceeding to execute the Mining Lease and also deposited a sum of Rs. 28.97 crores to the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) Fund of the Ministry of Environment and Forests (MOEF) towards NPV of afforestation cost. The Screening Committee of Steel and Mines Department of Government of Odisha recommended the case for issuance of Final Grant order and signing of mining lease. However as the deadline of 11th January, 2017 for execution of mining lease as mentioned under the Mines and Minerals (Development and Regulation) Act, 1957 as amended and Rules framed there under was fast approaching, the Company took the decision to move Court. The High court of Orissa by an Order dated 09.01.2017 passed an order making it clear that under the circumstances the cut-off date of 11.01.2017 will not come in the way of granting relief to the petitioners if it becomes necessary. By the same order, the court granted four weeks' time to the Central Government and the State Government to file counter affidavit and the petitioners will have two weeks thereafter to file rejoinder affidavit. The State Government of Odisha and its concerned departments have filed a counter affidavit on 12.05.2017. However no response has been received from the Central Government on the reference made by the Orissa High Court. The Hon'ble High Court of Orissa has deferred further hearing on this matter till disposal of similar case referred to the Hon'ble Supreme Court.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015.comprising of the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statements and the Statement of Changes in Equity for the year then ended and a summary of Significant Accounting Policies and other Explanatory Statements. The Company has uniformly applied the accounting policies during the periods presented. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017. Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016.

2.2 Basis of preparation

The financial statements are prepared in accordance with the historical cost convention on accrual basis, except for certain financial assets and liabilities and defined benefit plans which are measured at fair value as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

All amount disclosed in the financial statements including notes thereon have been rounded off to the nearest rupees in lakh as per the requirement of Schedule III to the Act, unless stated otherwise.

2.3 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and commitments at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

2.4 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. The Company has ascertained its operating cycle to be 12 months for the purpose of current, non-current classification of assets and liabilities.

2.5 Property, plant and equipment (PPE) and Depreciation/Amortisation

a) Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation/amortisation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PPE recognised as at 1st April, 2016 measured as per the previous GAAP.

b) Cost is inclusive of inward freight, non-refundable taxes and duties and directly attributable costs of bringing an asset to the location and condition of its intended use. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. The Present value of the expected cost for the decommissioning of an asset if the recognition criteria for a provision are met.

c) The cost and related accumulated depreciation are derecognised from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation on items of PPE is provided on a straight line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013 which in the view of the management best represents the period for which the asset is expected to be used. Additional charge of depreciation on amount added on revaluation is adjusted against revaluation reserve

For the estimated useful lives of PPE, the Company follows the useful life as specified in Schedule II to the Companies Act, 2013

Leased assets are depreciated over the shorter of the estimated useful life of the asset or the term of the relevant lease.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. Currently the residual life is considered as 5% of the value of PPE.

d) **Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any

2.6 Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.6.1 Company as a Lessee

The Company’s lease asset classes primarily consist of leases for offices. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease;

and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a **straight-line basis over the term of the lease.**

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.6.2 Leased Assets as a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.7 Intangible assets

a) Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP

b) Intangible assets are recognized when it is probable that future economic benefits that are attributable to asset will flow to the company and the cost of the asset can be measured reliably.

Cost (net of taxes) includes acquisition price, licence fees and costs of implementation/system integration services and any directly attributable expenses, wherever applicable for bringing the assets to its working condition and for their intended use.

Computer Software is amortized on a straight-line basis over their estimated useful lives of 3 years, from the date, the asset is available for use.

The estimated useful lives, residual values and amortization method are reviewed at-least at the end of each financial year and adjusted prospectively, if appropriate.

2.8 Impairment of Non-Financial Assets

As at each balance sheet date, the Company assesses 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, if any, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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 companies or other available fair value indicators.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

2.9 Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. 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 materials, stores and spares, packing materials and other products are determined on weighted average basis. By-products are valued at net realizable value.

2.10 Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers. Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment net of rebate and taxes.

The specific recognition criteria for revenue recognition are as follows:

a) Sale of goods and services.

I. Revenue from sale of products is recognized when the products are dispatched against orders from customers in accordance with the contract terms, which coincides with the transfer of risks and rewards. Sales are stated inclusive of GST or excise duty, wherever applicable, and net of rebates, trade discounts and sales tax, wherever applicable.

II. Revenue from Contracts with Customers will be adopted from the accounting period commencing from 1st April 2018 when the amendments as per notification of MCA comes into effect.

III. Revenue from services are recognized when services have been rendered in accordance with the contract terms.

IV. Revenue from the sale of power is recognized based on monthly bill raised as per month-end meter reading.

b) Interest income

Interest income is recorded on accrual basis.

c) Dividend Income

Dividend income is recognised when the Company's right to receive the dividend is established.

d) Revenue from Certified Emission Reduction

Revenue from Certified Emission Reductions (CER) is recognized in the financial statements only after certification by accredited agency i.e. United Nation Framework Convention on Climate Change (UNFCCC)

e) All other income are accounted for on accrual basis.

2.11 Research And Development

Revenue expenditure on research and development is charged to the Statement of Profit and Loss. Capital expenditure on tangible assets for research and development is shown as additions to Fixed Assets.

2.12 Relining Expenses

Expenditure on relining of kiln and cooler is charged to the Statement of Profit and Loss in the year in which it is incurred.

2.13 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss. Monetary assets or liabilities in currency other than the reporting currency and foreign exchange transaction remaining unsettled at the Balance sheet date are valued at the year end exchange rate.

2.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.15 Provisions, contingent liabilities and contingent assets

a) Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

b) Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c) Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

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

2.16 Employee benefits

a) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b) Defined contribution plans

Company's Contributions to Provident fund are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due. Shortfall in the funds, if any, is adequately provided by the Company.

c) Defined benefit plans

Gratuity is in the nature of a defined benefit plan. The cost of providing benefits under the defined benefit obligation is calculated on the basis of actuarial valuations carried out at reporting date by independent actuary using the projected unit credit method. The Company has taken a group policy with LICI to cover the gratuity liability to the employee and contribution paid to LICI is charged to the Statement of Profit and Loss. The difference between the actuarial valuation of gratuity of the employees at the year end and the balance of fund with LICI on account of re-measurements is recognised immediately through other comprehensive income in the period in which they occur.

Superannuation Fund for certain class of employees is a defined contribution scheme. Liability and contribution in respect of superannuation fund of the concerned employees is accounted as per company's scheme and paid to LICI every year. The contribution to the Fund is charged in the Statement of Profit and Loss for the year. He Company does not have any other obligation to the fund other than the contribution payable to LICI.

d) Other employee benefits

The employees of the Company are entitled to compensate leave which is recognised as an expense in the statement of profit and loss account as and when they accrue. The liability is calculated based on actuarial valuation using projected unit credit method. These benefits are unfunded.

2.17 Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

i) Financial Assets

(a) Recognition

Financial assets include Investments, Loans, Trade receivables, Advances, Security Deposits, Cash and cash equivalents, etc. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

(b) Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

1) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.

2) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

3) fair value through profit or loss (FVTPL), where the assets does not meet the criteria for categorization as at amortized cost or as FVTOCI. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Loans, Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

(c) Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort.

The Company recognizes loss allowances using the expected credit loss (ECL) model and ECL impairment loss allowance are measured at an amount equal to lifetime ECL.

Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(d) De-recognition

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. If the asset is one that is measured at:

(i) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(ii) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Financial liabilities are derecognised when the liabilities are extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

iii) Equity instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

iv) Derivatives

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

vi) Dividend distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

vii) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

2.18 Taxes

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income and tax credits for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses 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.

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

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

2.19 Earnings per Share

a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period.

b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

   The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share split and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.20 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM).

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

The Company's business activities falls within a single primary business segment viz. "Iron & Steel" in accordance with the Accounting Standard 17 and therefore segmental reporting is presently not applicable to the Company. The accounting policies to be adopted for segment reporting as and when applicable will be in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies will be followed for segment reporting.

a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers.

b) Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Segment results represent profits before finance charges, unallocated corporate expenses and taxes. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

2.21 Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management.

2.22 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.23 Significant Accounting Judgements, use of estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates due to market changes and circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to the following:

i) Revenue recognition

Contract revenue is recognised using the percentage of completion method as construction progresses. The percentage of completion is estimated by reference to the stage of the projects determined based on the proportion of costs incurred to date and the total estimated costs to complete.

ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii) Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment:

PPE represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology.

(ii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity 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 and mortality rates. 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 financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(iii) Provisions and contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the company including legal, contractual, 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. Where an outflow of funds is believed to be probable and are liable, estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

c) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on the quoted prices in active markets, their fair value is measured using valuation techniques. The input to these models is taken from observable markets where possible but where this is not feasible a degree of judgment is required in establishing fair value. Judgement includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments.

d) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount which is higher of its fair value less costs of disposal and is value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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 companies or other available fair value indicators.

As a Lessee:
The Company's lease asset classes primarily consist of leases for offices. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
(iii) the Company has the right to direct the use of the asset.
At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a **straight-line basis over the term of the lease.**

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor:
Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

3 Property, plant and equipment

	AT COST				DEPRECIATION			NET BLOCK	
	Gross Block as at 1 April 2019	**Additions during the Year**	**Disposals**	**Gross Block as at 31 March 2020**	**Total Depreciation as at 1 April 2019**	**Depreciation during the Year**	**Total Depreciation upto 31 March 2020**	**AS AT 31 March 2020**	**AS AT 31st March 2019**
i) Owned assets									
Land	2,211.25	-		2,211.25	-	-	-	2,211.25	2,211.25
Buildings	7,159.50	-		7,159.50	6,478.53	163.71	6,642.25	517.25	680.96
Computers	90.53	0.76		91.29	89.73	0.14	89.87	1.41	0.80
Plant and Machinery	32,985.07	-		32,985.07	30,368.21	397.35	30,765.55	2,219.52	2,616.87
Furniture & Fixtures	32.50	-		32.50	31.59	0.13	31.73	0.78	0.91
Office Equipments	72.11	7.03		79.14	70.07	1.19	71.26	7.88	2.04
Vehicles	228.85	17.17		246.03	225.45	0.04	225.50	20.53	3.40
Total - Owned assets (i)	42,779.81	24.96	-	42,804.77	37,263.59	562.56	37,826.15	4,978.63	5,516.22
ii) Leasehold assets									
Land	9,673.60	-	-	9,673.60	-		-	9,673.60	9,673.60
Right of Use		50.13		50.13		4.18	4.18	45.96	
Total - Leasehold assets (ii)	9,673.60	50.13	-	9,723.73	-	4.18	4.18	9,719.56	9,673.60
Total (i+ii)	**52,453.41**	**75.10**	**-**	**52,528.51**	**37,263.59**	**566.74**	**37,830.33**	**14,698.18**	**15,189.82**

4 Capital work in progress

	31.03.20	**31.03.19**
CWIP	2,931.87	2,911.91

Capital Work in Progress include Rs. 2911.91 Lakhs deposited in CAMPA Fund for mining clearances. It also include amount paid for project work including advance.

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

5 Financial assets

		Non Current		Current	
	Particulars	**31/03/2020**	**31/03/2019**	**31/03/2020**	**31/03/2019**
A.	**Investments measured at Fair Value Through OCI Equity Instruments**				
	Sponge Iron Employees' Consumer Co-operative 500 (500) Equity Shares @Rs.200/- each	1.00	1.00	-	-
	OSIL-TRFI Community Services. 5,000 (5,000) Equity Shares @Rs10/- each	0.50	0.50	-	-
	Keonjhar Infrastructure Development Company Ltd , Palaspanga 7,200 (7,200) Equity Shares of Rs. 10/- each	-	-	-	-
	Bilati Orissa Limited 1,419,930 (1,419,930)Equity Shares of Rs 10 each	-	-	-	-
	Rathi Steel & Power Limited. 63,524 (63,524)Equity Shares of Rs. 10/- each	1.33	1.33	-	-
		2.83	2.83	-	-
	Total FVTOCI Investments	**2.83**	**2.83**	**-**	**-**
	Aggregate book value of quoted investments	-	-	-	-
	Aggregate market value of quoted investments	2.83	1.50	-	-
	Aggregate value of unquoted investments	-	-	-	-
	Aggregate value of Fair Value adjustment	-	-	-	-

Equity Shares of Keonjhar Infrastructure Development Company Ltd and Bilati (Orissa) Ltd held by the Company as Investment is determined at fair value

		Non Current		Current	
	Particulars	**31/03/2020**	**31/03/2019**	**31/03/2020**	**31/03/2019**
B.	**Loans & Deposits at amotised cost**				
	a) Security Deposits				
	Unsecured, considered good	116.59	119.21	-	-
	Unsecured, considered doubtful	-	-	-	-
		116.59	119.21	-	-
	Total - Security Deposits (a)	116.59	119.21	-	-
	b) Investments in Preference Shares (at FVTPL)	123.18	109.49	-	-
	Total Loans - (a+b)	**239.77**	**228.70**	**-**	**-**

Preference Shares of Keonjhar Infrastructure Development Company Ltd held by the Company as Investment is considered to be a Debt instrument as defined in Ind AS 109- Financial Instruments and is determined at fair value thru PL.

		Non Current		Current	
	Particulars	**31/03/2020**	**31/03/2019**	**31/03/2020**	**31/03/2019**
C.	**Other financial assets**				
	Advances recoverable in cash				
	Unsecured, considered good	-	-	415.84	78.43
	Unsecured, considered doubtful	-	-	-	-
		-	**-**	**415.84**	**78.43**
	Less: Provision for doubtful advance	-	-	-	-
		-	**-**	**415.84**	**78.43**
	Claims Receivable	9.93	10.16	-	-
	Total Other financial assets	**9.93**	**10.16**	**415.84**	**78.43**

6. Other assets

	Particulars	Non Current		Current	
		31/03/2020	**31/03/2019**	**31/03/2020**	**31/03/2019**
a)	**Capital advance**				
	Unsecured, considered good	21.64	24.77	-	-
	Doubtful	-	-	-	-
		21.64	24.77	-	-
	Less: Provision	-	-	-	-
		21.64	24.77	-	-
b)	**Balance with statutory/government authorities**	-	-	31.58	-
c)	**Advances Recoverable in Cash or Kind**	-	-	-	24.06
d)	**Prepaid expenses**	-	-	3.15	2.74
e)	**Prepaid rentals**				
f)	**Deferred employee cost**				
	Total (a+b+c+d)	**21.64**	**24.77**	**34.73**	**26.79**

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

7. Inventories

Particulars	31/03/2020	31/03/2019
Valued at cost or net realisable value		
In Hand		
Finished Goods	2.78	2.78
Raw Materials	26.68	26.68
Stores and spares	50.00	50.00
Total	**79.46**	**79.46**

8. Trade receivables

Particulars	31/03/2020	31/03/2019
Trade receivables	-	-
	-	**-**
Breakup of Trade receivables:		
Unsecured, Considered Good	-	-
Doubtful	-	-
	-	-
Less: Provision for doubtful receivables	-	-
Less: Expected Credit Losses	-	-
	-	-
Total	**-**	**-**

9. Cash and cash equivalent

	Particulars	31/03/2020	31/03/2019
a)	Balance with banks		
	- In current accounts	38.53	42.61
b)	Cash in hand	0.65	1.85
		39.18	**44.46**

Short-term deposits are made for varying periods between 3 to 12 months, depending on the immediate cash requirements of the Company.

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

	Particulars	31/03/2020	31/03/2019
a)	Balance with banks		
	- In current accounts	38.53	42.61
b)	Cash in hand	0.65	1.85
		39.18	**44.46**

10. Other bank balances

Particulars	31/03/2020	31/03/2019
Deposit with original maturity of more than 3 months but less than 12 months*	13.00	3.00
SBI no lien A/C	-	-
	13.00	**3.00**

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

12. Share Capital

	Particulars	31-Mar-20	31-Mar-19
a)	**Authorized Share Capital**		
	i) Equity share capital		
	20,00,00,000 (March 31, 2019: 6,00,00,000) equity shares of Rs. 10/- each	20,000.00	6,000.00
	ii) Preference share capital		
	5,00,00,000 (March 31, 2019: 2,00,00,000)preference shares of Rs. 10/- each	5,000.00	2,000.00
	Total	**25,000.00**	**8,000.00**
b)	**Issued capital**		
	i)Equity share capital		
	2,97,90,000 (March 31, 2019: 2,97,90,000) equity shares of Rs. 10/- each	2,979.00	2,979.00
	ii) Preference share capital		
	2,00,00,000 (March 31, 2019: 2,00,00,000) equity shares of Rs. 10/- each	2,000.00	2,000.00
		4,979.00	**4,979.00**
c)	**Subscribed and paid up capital**		
	i)Equity share capital		
	2,97,90,000 (March 31, 2019: 2,97,90,000) equity shares of Rs. 10/- each	2,979.00	2,979.00
	ii) Preference share capital		
	2,00,00,000 (March 31, 2019: 2,00,00,000) equity shares of Rs. 10/- each	2,000.00	2,000.00
		4,979.00	**4,979.00**

d) **Reconciliation of number of shares outstanding and the amount of share capital**

i) Equity share capital

Particulars	31-Mar-20		31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	297.90	2,979.00	297.90	2,979.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**297.90**	**2,979.00**	**297.90**	**2,979.00**

ii) Preference share capital

Particulars	31-Mar-20		31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	200.00	2,000.00	-	-
Shares restored during the year	-	-	200.00	2,000.00
Shares cancelled during the year	-	-	-	-
Shares outstanding at the end of the year	**200.00**	**2,000.00**	**200.00**	**2,000.00**

The Authorized Equity Share Capital was increased to Rs. 200 crores and Authorized Preference Share Capital was increased to Rs. 50 crores as approved by the Shareholders at the AGM held on 15.11.2019

e) **Rights, preferences and restrictions attached to the equity shares**

Each Shareholder is eligible for one vote for every equity shares held and are entitled to dividend, if any, declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Rights, preferences and restrictions attached to the Preference shares

Each Shareholder is eligible for one vote for every preference shares held in the class Meeting of Preference share Holders and are entitled to dividend, if any, declared from time to time. If no dividend is declared by the company for two years, they shall have a right to vote on all the Resolutions placed before the Company in terms of section 47 of the Act.

f) **Details of the Shareholders holding more than 5% share in the Company**

Particulars	31-Mar-20		31-Mar-19	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of INR 10/- each fully paid up				
1. Standard Chartered Bank	-	-	5,500,000	18.46%
2. BKM Mining Private Limited	5,500,000	18.46%	-	-
3. TRFI Investment Private Limited	3,682,190	12.36%	3,682,190	12.36%
4. SRN Minerals and Mining Private Limited	3,554,692	11.93%	-	-
5. Saini Alloys Pvt Ltd	2,790,000	9.37%	2,790,000	9.37%
6. Torsteel Research Foundation of India	2,550,589	8.56%	2,550,589	8.56%
7. ICICI Bank Limited	2,000,000	6.71%	2,000,000	6.71%
8. Monet Ispat & Energy Ltd.	1,994,633	6.70%	1,994,633	6.70%

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

13. Other Equity

	Particulars	Amount
a)	**Security Premium Reserve**	
	At 01 April 2019	26,767.84
	Changes during the period	
	Closing balance	**26,767.84**
b)	**Revaluation Reserve**	
	At 01 April 2019	11,845.81
	Changes during the period	29.49
	Closing balance	**11,875.30**
c)	**Capital Reserve**	
	At 01 April 2019	51,880.64
	Changes during the period	-
	Closing balance	**51,880.64**
d)	**General Reserve**	
	At 01 April 2019	1,672.23
	Changes during the period	
	Closing balance	**1,672.23**
e)	**Retained Earnings**	
	At 01 April 2019	(93,434.02)
	Profit/(loss) during the period	(1,416.46)
	Adjustment	-
	Closing balance	**(94,850.48)**
f)	**Forfeiture of Share Warrant**	
	At 01 April 2019	159.75
	Adjustment	
	Closing balance	**159.75**
g)	**Other Comprehensive Income**	
	At 01 April 2019	457.26
	Profit/(loss) during the period	17.22
	Closing balance	**474.48**
	Grand Total	
	At 01 April 2019	(650.49)
	Closing balance	(2,020.23)

14 Financial liabilities

A Borrowings
Non-current borrowings

Particulars	31-Mar-20	31-Mar-19
Secured Loan		
From Bank		
From Other Parties		
BKM Mining Pvt Ltd	8,237.95	7,370.45
Other Loans and Advances		
Inter Corporate Deposit	232.53	232.53
	8,470.47	7,602.97
Less: Current portion of non-current borrowings	-	-
Total non-current borrowings	8,470.47	7,602.97

The Loan taken from BKM Mining Private Limited is secured by hypothecation of movable fixed assets and receivables both present and future and additionally pledge of promoters equity shares.

Current borrowings

Particulars	31-Mar-20	31-Mar-19
Loan from Related Parties		
- Related Parties	297.13	218.94
Total current borrowings	**297.13**	**218.94**
Aggregate Secured Borrowings	8,470.47	7,602.97
Aggregate Unsecured Borrowings	297.13	218.94

B Trade Payable

Particulars	Current	
	31-Mar-20	31-Mar-19
Sundry Creditors:		
Dues of Micro, Small and Medium Enterprises	-	-
Dues to others	11.21	141.30
	11.21	**141.30**

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

(All amounts in Lakhs Rupees except as otherwise stated)

15 Other Financial Liabilities

Particulars	Non-Current		Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial liabilities at amortized cost				
Interest accrued but not due		-	175.44	77.98
Lease Liabilities	38.66	-	8.40	-
Creditors for Capital Goods/ Expenditure	-	-	-	4.21
Security deposits	-	-		64.79
Liability for Expenses	-	-	21.17	497.77
Payable for Employee Expenses	-	-	2,453.23	1,944.34
Other payables	-	-	1,839.56	1,608.40
Total Other Financial Liabilities	**38.66**	**-**	**4,497.80**	**4,197.48**

16 Current tax assets and Current liabilities

Particulars	Non-Current	
	31-Mar-20	31-Mar-19
Current tax liabilities		
Provision for taxes	-	-
	-	-
Current tax assets		
Advance tax	23.71	26.52
	23.71	26.52
Net Non-current tax assets/(liabilities)	**23.71**	**26.52**

17 Other liabilities

Particulars	Non-Current		Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Statutory & Government Dues	-	-	1,610.28	1,513.81
	-	**-**	**1,610.28**	**1,513.81**

17a Provisions

Particulars	Non-Current		Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Provision for employee benefits				
(Refer Note **28** for Ind AS 19 disclosures)				
- Gratuity	406.73	470.96	182.92	75.08
- Leave Encashment	45.66	53.83	19.99	8.49
- Provision for Expenses				
Provision for Sales Tax & Entry Tax				15.47
Total	**452.40**	**524.79**	**202.91**	**99.04**

Provision for Gratuity and Leave encashment is made on the basis of actuarial valuation.

18 Revenue from operations

	31-Mar-20	31-Mar-19
Sale of Goods	-	-
Total sale of products	**-**	**-**

Operations of the plant are discontinued and no contracts are being entered with the customers. All performance obligations against the earlier customer contracts are complete and no amount is receivable or payable against that

19 Other Income

	31-Mar-20	31-Mar-19
Change in Long term investments	-	
Profit on sale of Assets	-	0.20
Miscellaneous income	2.20	13.30
Interest Income on:		
- From short term investments		-
-From banks on FDRs	0.21	0.20
-From others	14.09	14.21
Liability written back since no longer payable	156.53	3,944.50
	173.03	3,972.42

Liabilities no longer required were written back on the basis of reassessment done during the year as recommended by the Internal Auditors

20 Cost of materials consumed

	31-Mar-20	31-Mar-19
Opening Stock	26.68	877.24
Less : Loss in value for quality due to fire booked under Other Expenses		
Less : Recovery of insurance claim	-	-
Purchases	-	-
Less: Write off of materials adjusted in PL directly		850.56
Closing Stock	26.68	26.68
Raw Material Consumed	**-**	**-**

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

21 Employee benefit expense

	31-Mar-20	31-Mar-19
Salary, wages, bonus and allowance	144.34	314.78
Contribution to provident fund and other funds	64.53	113.81
Staff Welfare expenses	2.14	24.07
	211.00	452.65

22 Finance Costs

	31-Mar-20	31-Mar-19
Interest Cost	237.88	596.70
Other Borrowing Costs	0.03	0.01
Interest Cost on Lease Liabilities	3.23	-
	241.14	596.71

23 Depreciation and amortization expense

Particulars	31-Mar-20	31-Mar-19
Depreciation of property, plant and equipment	562.56	895.35
Depreciation on ROU	4.18	-
Impairment Loss of Property, Plant & Equipment	-	12,712.42
	566.74	13,607.77

24 Other Expenses

Particulars	31-Mar-20	31-Mar-19
Consumption of stores, spares and consumables	-	-
Power and fuel	34.96	38.32
Rent	8.56	8.48
Insurance	0.79	5.78
Rates and taxes	133.53	5.14
Repairs and maintenance:		-
- Machinery	-	0.47
- Others	3.19	1.80
Printing & Stationery	1.32	1.01
Bad Debts		-
Excise Duty	135.21	-
Statutory Audit fee	-	0.75
Tax Audit Fee	-	0.20
Other Services	-	0.25
Upkeep maintenance	8.34	5.48
Travelling and Conveyance	22.03	8.82
Postage & Telephone	4.85	4.20
Legal & Professional Expenses	164.13	125.99
Packing & forwarding	-	-
Other Miscellaneous Expenses	53.67	52.32
Loss of coal fines & coal char due to fire	-	-
Provision for diminution in value of investments	-	0.15
Write off of Capital Work in Progress	-	3,858.40
Write off of Inventory	-	1,360.47
Total	**570.60**	5,478.02

The Company settled its Excise Duty and Service Tax dues by making payment of the amount assessed by the Authorities under SVDLRS Scheme Rates and taxes include Rs. 127.54 Lakhs paid as registration fee to ROC for increase of Authorized Capital

25 Increase/Decrease in Finished Stock

	31-Mar-20	31-Mar-19
Opening Stock	2.78	1,211.01
Closing Stock	2.78	2.78
Increase /Decrease in Stock	-	1,208.23

26 Earnings per share

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 amounts are calculated by dividing the profit attributable to equity holders of the company by the 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-20	31-Mar-19
Profit attributable to equity holders of the Company:		
Continuing operations	(1,416.46)	(27,390.23)
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	**(1,416.46)**	**(27,390.23)**
Dilution effect		-
Profit attributable to equity holders adjusted for dilution effect	**(1,416.46)**	**(27,390.23)**
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	**29,790,000**	**29,790,000**

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorization of these financial statements.

Earnings Per Share - Continuing operations

	31-Mar-20	31-Mar-19
Basic	(4.75)	(91.94)
Diluted	-	-

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

27 Tax Reco

(a) Income tax expense:
The major components of income tax expenses for the year ended Mar 31, 2020 and March 31, 2019 are as follows:

(i) Profit or loss section

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense	-	-
Deferred tax expense	-	(10,019.28)
Total income tax expense recognized in statement of Profit & Loss	**-**	**(10,019.28)**

(ii) OCI Section

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net (gain) on remeasurement of defined benefit plans	-	(51.43)
Unrealized (gain)/loss on FVTOCI equity securities	-	49.60
Income tax charged to OCI	**-**	**(1.83)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 Mar 2020 and 31 March 2019:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit before tax from continuing operations	(1,416)	(17,371)
Accounting profit before tax from discontinuing operations	-	-
Accounting profit before income tax	**(1,416)**	**(17,371)**
At India's statutory income tax rate	-	-
Adjustments in respect of current income tax of previous years	-	-
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	-	-
At the effective income tax rate	-	-
Income tax expense reported in the statement of profit and loss	-	-
	-	-

In view of the time uncertainty over the availability of iron ore from captive mines; losses suffered by the company for the year as well as in the recent past and with no immediate avenue and visibility of profit from operations, possibility of utilizing the deferred tax asset out of future income was under serious doubt. Based on the opinion and advise of Consultants and the Internal Auditors, the company, therefore derecognized deferred tax in preparation of accounts last year. One-time adjustment to close the deferred tax assets was made last year. Hence the company continued to derecognize deferred tax in the current year also.

28 Employee benefits

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

Rs in Lakhs

	Gratuity	Leave Encashment
Defined benefit obligation at 31 March 2019:	**571.97**	**62.31**
Current service cost	22.80	-
Interest expense	39.84	4.33
Benefits paid	0.00	0.00
Actuarial (gain)/ loss on obligations	(17.22)	(0.99)
Defined benefit obligation at 31 March 2020	**617.39**	**65.65**

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

	2019-20		2018-19	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of plan assets at 31 March 2020	27.74	-	25.93	-
Defined benefit obligation at 31 March 2020	617.39	65.65	571.97	62.31
Amount appearing in the Balance Sheet at year end	**(589.65)**	**(65.65)**	**(546.04)**	**(62.31)**

Amount recognized in Statement of Profit and Loss:

	2019-20		2018-19	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	22.80	-	21.72	0.51
Interest Expense	39.84	-	47.82	-
Interest Income on Plan Assets	(1.80)	4.33	(1.50)	5.22
Remeasurement of Net Benefit Liability/ Asset	-	(0.99)	-	(14.01)
Amount recognized in Statement of Profit and Loss for year ended	**60.84**	**3.34**	**68.04**	**(8.28)**

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

Amount recognized in Other Comprehensive Income: **Rs in Lakhs**

	2019-20		2018-19	
	Gratuity	**Leave Encashment**	**Gratuity**	**Leave Encashment**
Actuarial (gain)/ loss on obligations	(17.21)	-	(148.67)	-
Return on plan assets (excluding amounts included in net interest expense)	-	-	0.03	-
Amount recognized in Other Comprehensive Income for year	**(17.21)**	**-**	**(148.64)**	**-**

The principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are shown below:

	31st March 2020	31st March 2019
Discount rate (in %)		
Gratuity	5.55%	6.95%
Leave Encashment	5.55%	6.95%
Salary Escalation (in %)		
Gratuity	9.00%	9.00%
Leave Encashment	9.00%	9.00%
_		

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Gratuity

	31-Mar-20		31-Mar-19	
Assumptions	**Discount rate**		**Salary escalation**	
Sensitivity Level	+ 1.00%	- 1.00%	+ 1.00%	- 1.00%
	INR Lakhs	**INR Lakhs**	**INR Lakhs**	**INR Lakhs**
Impact on defined benefit obligation	595.05	641.57	548.51	597.38

Leave Encashment

	31-Mar-20		31-Mar-19	
Assumptions	**Discount rate**		**Salary escalation**	
Sensitivity Level	+ 1.00%	- 1.00%	+ 1.00%	- 1.00%
	INR Lakhs	**INR Lakhs**	**INR Lakhs**	**INR Lakhs**
Impact on defined benefit obligation	62.55	69.08	59.11	65.84

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.

29 Dues to Micro, Small and Medium Enterprises

The dues to Micro, Small and Medium 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-20**	**31-Mar-19**
(a)	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	-	-
	Interest due on above	-	-
(b)	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		
(c)	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.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	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		

30 Exceptional / extraordinary items

Particulars	**31-Mar-20**	**31-Mar-19**
Write off of Capital Work in Progress	-	
Write off of Inventory	-	
Liability written back since no longer payable	156.53	3,944.50
	156.53	3,944.50

Liabilities no longer required written back as shown above is the net effect of advances and claim receivables etc and write back of sundry creditors, trade payables and other liabilities based on reassessment of the position as recommended by the Internal Auditors

31 Segment Reporting

The business activity of the company falls within one broad business segment viz. "Iron & Steel". The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

32 Related party disclosures
Names of related parties and description of relationship

Name of the related party

A Relationship

i) Associate Company:
Torstel Research Foundation in India
TRFI Investment Pvt Ltd
OSIL-TRFI Community Services
Bilati (Orissa) Limited
Torsteel Services Pvt Ltd
Keonjhar Infrastructure Development Co Ltd

ii) Relatives of Key Management Personnel
Dr P.K.Mohanty
Mr Munir Mohanty

iii) Enterprises over which Key Management Personnel are able to exercise significant influence
NIL

(Rs in Lakhs)

Particulars	**31/03/2020**	**31/03/2019**
I. Transactions with key managerial personnel:		
Remuneration		
Dr. P. K. Mohanty	-	-
Mr.M. Mohanty	-	-
II. Transactions with Associate Companies/ Entities :		
Torsteel Research Foundation in India		
Advance received / paid	**(78.18)**	8.70
Receivable / (Payable)	**(297.12)**	(218.94)

33 Significant accounting judgments, estimates and assumptions

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgments, 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 judgment 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. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans and other long term benefit plan (gratuity benefits and leave encashment)

The cost and present value of the defined benefit gratuity plan and leave encashment (other long term benfit plan) 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations and leave encashment are given in Note 32.

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. Judgments 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. See Note 38 and 39 for further disclosures.

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

34 Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	31.03.2020		31.03.2019	
	Carrying Value Rs. in Lakh	Fair Value Rs. in Lakh	Carrying Value Rs. in Lakh	Fair Value Rs. in Lakh
Financial assets				
Measured at amortized cost				
Loans	239.77	239.77	228.70	228.70
Other financial Assets	425.76	425.76	88.59	88.59
Trade receivables	-	-	-	-
Cash and cash equivalents	39.18	39.18	44.46	44.46
Bank balances other than cash and Cash equivalents	13.00	13.00	3.00	3.00
Current Investments	-	-	-	-
Total Financial assets at amortised cost (A)	**717.71**	**717.71**	**364.74**	**364.74**
Financial Assets				
Measured at fair value through other Comprehensive Income				
Non Current Investments	2.83	2.83	2.83	2.83
Total financial assets at fair value through other comprehensive Oncome (B)	**2.83**	**2.83**	**2.83**	**2.83**
Total financial assets (A+B)	**720.54**	**720.54**	**367.58**	**367.58**
Financial liabilities				
Long term borrowings	8,470.47	8,470.47	7,602.97	7,602.97
Short term borrowings	297.13	297.13	218.94	218.94
Trade payables	11.21	11.21	141.30	141.30
Other financial liabilities	4,497.80	4,497.80	4,197.48	4,197.48
Total	**13,276.62**	**13,276.62**	**12,160.70**	**12,160.70**

The management assessed that cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

35 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 2020:

	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					
FVOCI financial instruments:	31-Mar-20	2.83		2.83	
FVPL financial instruments	31-Mar-20	123.18		123.18	
Security Deposit	31-Mar-20	116.59		116.59	

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

	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					
FVOCI financial instruments:	31-Mar-19	2.83		2.83	
FVPL financial instruments	31-Mar-19	109.49		109.49	
Security Deposit	31-Mar-19	119.21		119.21	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2020:

	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 for which fair values are disclosed					
Obligation under finance lease	31-Mar-20	47.06		47.06	
Fixed rate borrowings	31-Mar-20	8,767.60		8,767.60	
Floating rate borrowings	31-Mar-20				

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019:

	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 for which fair values are disclosed					
Obligation under finance lease	31-Mar-19				
Fixed rate borrowings	31-Mar-19	7,821.91		7,821.91	
Floating rate borrowings	31-Mar-19				

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

36 Financial risk management objectives and policies

Financial Risk Management Framework
The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.
The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit Risk
Credit risk is the risk or potential of loss that may occur due to failure of borrower/counterparty to meet the obligation on agreed terms and conditions of the financial contract. Credit risk arises from financial assets such as cash and cash equivalents, loans, trade receivables, derivative financial instruments and financial guarantees. The company have a credit risk management policy in place to limit credit losses due to non-performance of financial counterparties and customers. We monitor our exposure to credit risk on an ongoing basis at various levels. We only deal with financial counterparties that have a sufficiently high credit rating.

Trade receivables:
The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade receivable credit risk exposure is limited. The management of the company regularly evaluate the individual customer receivables. This evaluation takes into consideration a customer's financial condition and credit history, as well as current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. Further the company also mitigate the risk of trade receivables by taking letter of credit and bank guarantees from the banks. The company regularly track the outstanding trade receivables and proper action is taken by the company for collection of overdue trade receivables.

Cash and cash equivalents, derivatives and financial guarantees
All of our cash equivalents and short-term available-for-sale investments are carried at fair value. Cash and cash equivalents are deposited with financial institutions that management believes are of high credit quality and accordingly, minimal credit risk exists. Our short-term investments
consist of corporate equity securities (common stock), with unrealized gains and losses recorded in accumulated other comprehensive income. The company mitigates the credit risk of its derivative and financial instruments by dealing with nationalized banks and reputed private banks with high credit rating.

B. Liquidity Risk
Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. Currently the company is facing liquidity crises due to huge interest cost.

The below table is based on the earliest date on which the company required to pay.

Year ended 31 March 2020

Particulars	**< 1 year**	**2-3** years	**> 3 years**	**Total**
Financial Liabilities				
Long term borrowings	-	-	8,470.47	**8,470.47**
Short term borrowings	297.13	-		**297.13**
Trade payables	11.21	-		**11.21**
Other financial liabilities	4,497.80	-	-	**4,497.80**
Total financial liabilities	**4,806.14**	**-**	**8,470.47**	**13,276.62**

Year ended 31 March 2019

Particulars	**< 1 year**	**2-3** years	**> 3 years**	**Total**
Financial Liabilities				
Long term borrowings	-	-	-	-
Short term borrowings	218.94			218.94
Trade payables	141.30			141.30
Other financial liabilities	4,197.48		-	4,197.48
Total financial liabilities	**4,557.73**	**-**	**-**	**4,557.73**

C. Market Risk
Market risk is the risk that the fair value or 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, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.
The sensitivity analysis in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2020
The analysis 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.
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 2020 and 31 March 2019: including the effect of hedge accounting

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

Interest rate risk
The company is financed by both the fixed and floating interest rate debt in order to obtain more efficient leverage. Fixed rate debt results in fair value interest rate risk. Floating rate debt results in cash flow interest rate risk. The company is open to interest rate risk with changes in LIBOR and lending base rate of the banks. The company has taken both interest rate risk debts for managing its liquidity and day to day requirement of the funds.
The below table depicts the breakup of company's floating rate and fixed rate borrowings.

	31 March 2020	31 March 2019
Fixed rate borrowing	8,768	7,822
Floating rate borrowing	-	-
Total borrowings	**8,768**	**7,822**
Total Net borrowings	-	-
Add- Upfront fee	-	-
Total Borrowings	**-**	**-**

The sensitivity analysis is determined on the basis of interest rates on floating liabilities. The outstanding liabilities at the year end are considered as a base for the whole year.

If all the other variable factors remain constant, the changes in 100 basis points in the interest rate (up and down), the results are in the below table.

	Increase		Decrease	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Floating rate borrowings	-	-	-	-

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency.

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

37 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

38 In compliance of amended clause 32 of the Listing Agreement with the Stock Exchanges, the required information is given as under:

Rs in Lakhs

		Amount as on		Maximum Amount outstanding during the year ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
I.	Loans and Advances in the nature of loans:				
A)	To Subsidiary Companies	-	-	-	-
B)	To Associates /Joint Venture	-	-	-	-
C)	To Firms/Companies in which directors are interested	-	-	-	-
D)	Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act.	-	-	-	-
II.	Investment by the loanee (as detailed above) in the shares of HFL and its subsidiaries	-	-	-	-

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

39 Commitments and Contingencies

A. Contingent Liabilities

		31 March 2020	31 March 2019
(a)	**Claims against the company not acknowledge as debts**		
(i)	**Disputed Sales Tax (under appeal)** Includes Rs.1369 lakh is for non-submission of declaration forms, out of which Rs.1357.79 lakh has since been collected / submitted and Rs.1962.31 lakh other disallowance items.	3,313.31	3,313.31
(ii)	Disputed Central Excise and Service Tax (under appeal)	-	155.33
(iii)	**Income Tax Demand (under appeal)**	13.55	22.22
	Provident & Pension Fund (under appeal)	1,099.12	830.70
	Other Claims not acknowledged as debt (NCLT Odisha has dismissed the petition filed by the party claiming Rs. 2029.69 lacs (gross) included last year. Consequently the Contingent Liability shown in the last year is reduced to NIL).	51.97	51.97
(iv)	Guarantee given to Keonjhar Central Co-Operative Bank Ltd. for cash credit facilities obtained by Bilati (Orissa) Ltd.	126.93	126.93
B.	**Commitments** Estimated amount of contracts (Net of advance) , (previous year Rs.111.83 lakh) remaining to be executed on Capital Account and not provided for.	39.04	111.83
		4,643.92	**4,612.29**

40 Exposure to Financial and Commodity Derivatives

1. The Company has not entered into any derivative instruments to hedge their foreign currency contracts.

2. Foreign currency exposure that are not hedged by a derivative instrument as at Balance Sheet are as follows

	Currency	Currency	March 31, 2020			March 31, 2019		
			Amount in Foreign Currency	Amount	Conversion Rate	Amount in Foreign Currency	Amount	Conversion Rate
Unhedged Payables								
Creditors			-	-	-	-	-	-
Loans/ Interest payables			-	-	-	-	-	-

41 CIF Value of Imports

	March 31, 2020	March 31, 2019
Raw Material	-	-
	-	-

42 Value of Imported/ Indigenous Fuel, Stores and Spare parts Consumed

	March 31, 2020		March 31, 2019	
	% of Total consumption	Rs. Lakhs	% of Total consumption	Rs. Lakhs
Fuel				
Imported	0.00%	-	0.00%	-
Indigenous	0.00%	-	0.00%	-
	0.00%	-	0.00%	-
Stores and Spares				
Imported	-	-	-	-
Indigenous	0.00%	-	0.00%	-
	0.00%	-	0.00%	-

43 Expenditure in Foreign currency on account of

	March 31, 2020	March 31, 2019
- Interest and finance charges	-	-
	-	-

Notes to the Financial Statements for the year ended 31st March 2020
(All amounts in Lakhs Rupees except as otherwise stated)

44 Lease disclosures:

a) Company as Lessor:

Company has not given any assets under any lease arrangement.

b) Company as Lessee:

i) Effective April 1, 2019, company has adopted "Ind AS 116- Leases" and has applied the same on all the leases existing on the transition date April 1, 2019 using modified retrospective approach. Comparative figures of March 2019 have not been retrospectively adjusted in the annual report.

ii) Applied the exemption provided on transition and have not recognized the Right of Use asset and Liability for leases which had less than 12months period on the transition date

iii) Applied the exemption and have not recognized the impact for leases which are not substantial in value

iv) This has resulted in recognition of Right of Use of Rs 50,13,489 in other leases and a corresponding liability of Rs. 50,13,489

v) Details of movement in Right of use Asset during the year is as follows:

(Amount in Lacs)

Particulars	Other Leases
Balance as on April 1, 2019	
Addition during the year	50.13
Deletion during the year	-
Accumulated Depreciation	4.18
Balance as on March 31, 2020	45.96

vi) Details of movement in Lease Liability during the year is as follows:

(Amount in Rupees)

Particulars	Other Leases
Balance as on April 1, 2019	-
Addition during the year	50.13
Payments during the year	6.30
Finance Cost for the year	3.23
Balance as on March 31, 2020	47.06

vii) Incremental borrowing rate applied to lease liability is 10%.

45 Figures for the previous years have been reclassified to conform to current year's classifications.

For A. K. BHARDWAJ & CO
Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO	Vikal Madan	Chandan Kumar Mishra	Neeraj Kumar	Subhash Mishra
Partner	Company Secretary	Chief Financial Officer	Wholetime Director	Wholetime Director

Membership No.052723
UDIN: 20052723AAAABJ7183
Place : New Delhi/Kolkata
Dated: 15.10.2020

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government in full measure,

Members who are holding shares in demat mode are requested to registered to register their e-mail id with their Depository Participant immediately, if not registered already.

Members who are holding shares in physical form should send their queries by e-mail to green@orissasponge.com with their name and folio no.

OR

Such members holding shares in physical form can also write to the Company at Orissa Sponge Iron & Steel Limited (Share Department) Chatterjee International Centre, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata 700 071 and inform their e-mail id quoting their name and folio no.

If undelivered. Please return to :

ORISSA SPONGE IRON & STEEL LIMITED

A-201, Okhla Industrial Area, Phase I, 1st Floor

New Delhi – 110 020