MSP STEEL & POWER LIMITED

(An ISO 9001 : 2008, 14001 : 2004 OHSAS 18001 : 2007Certified Company)

Corporate Office : 16/S, Block - A, New Alipore, Kolkata - 700 053, Ph. : +91-33-4005 7777, 4014 5678
Fax : +91-33-4005 7799, 2398 2239, Email : contactus@mspsteel.com, Web : www.mspsteel.com
CIN No. : L27109WB1968PLC027399

Date: 12th October, 2016

To
The Secretary
BSE Ltd.
P J Towers, Dalal Street,
Mumbai-400 001
Scrip Code: 532650

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051
NSE Symbol: MSPL

Dear Sir/Madam,

SUB: Submission of Annual Report for the F.Y. 2015-16 with respect to 47th Annual General Meeting

This is to inform you that in accordance with the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we hereby enclose, Annual Report for the Financial Year 2015-16, duly approved and adopted by the Members of the Company in the 47th Annual General Meeting (AGM), held on Thursday, 22nd September 2016, at 3:30 PM at Rotary Sadan, 94/2 Chowringhee Road, Kolkata – 700 020.

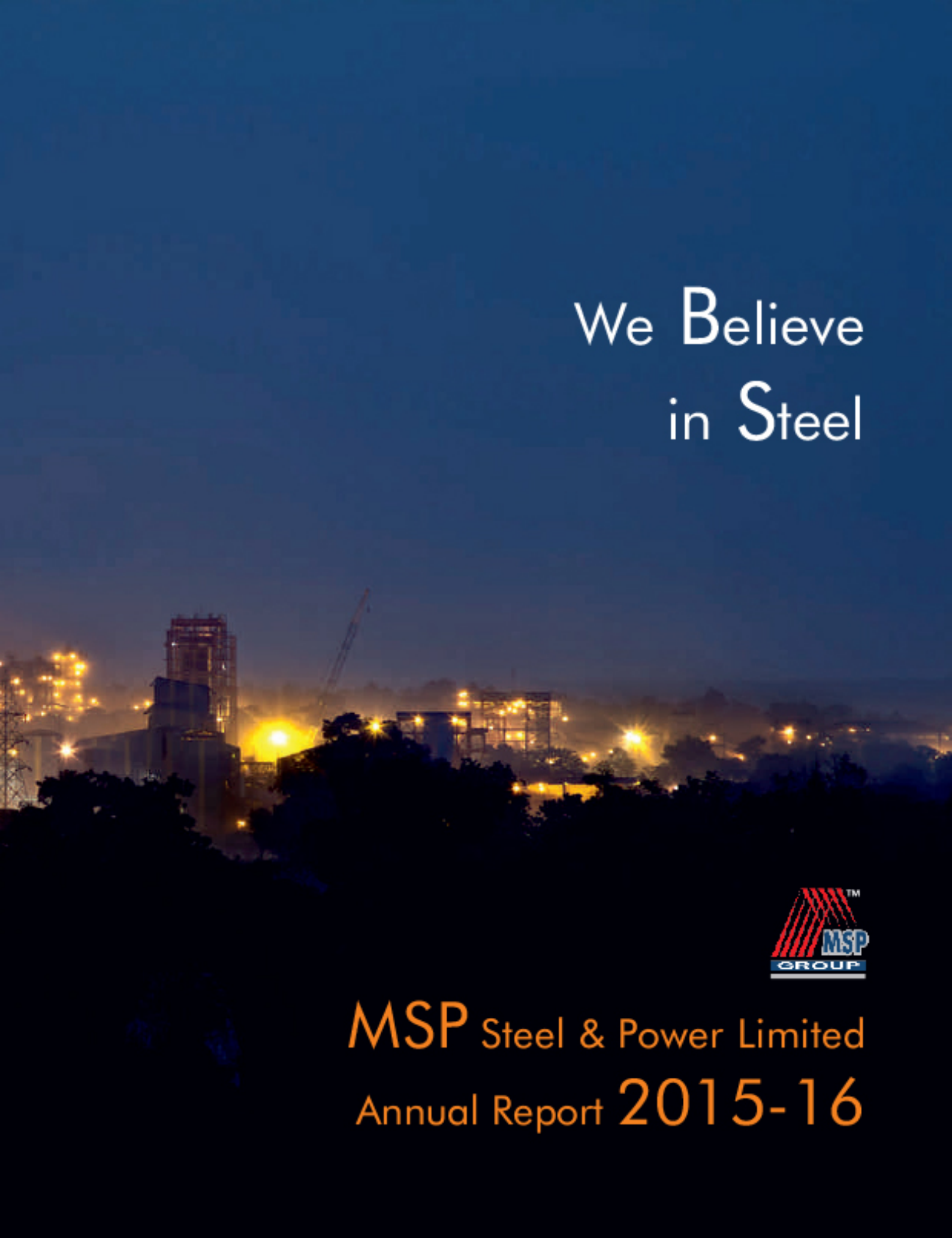
Thanking You,

Yours faithfully,
For MSP Steel & Power Limited

MSP STEEL & POWER LTD. Kolkata

Shreya Kar
Company Secretary
ACS Membership No.:41041

Encl. as above



We Believe
in Steel

MSP Steel & Power Limited
Annual Report 2015-16

MSP SYNOPSIS

MSP STEEL & POWER LIMITED is one of those manufacturers who irrespective of all the blockades is operating with better efficiency than ever before.

MSPL PRODUCT RANGE

- Pellets
- Sponge Iron
- TMT Bars
- M.S. Billet
- Power

STRUCTURALS

- Joints
- Angles
- Channels
- Beams

PLANT DIVISION

We have manufacturing facilities in Jamgaon , Raigarh in Chattisgarh

FORWARD-LOOKING STATEMENT

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

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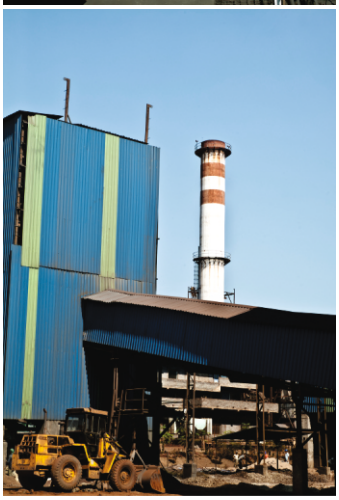


Corporate Information

THE MANAGEMENT

Chairman	:	Mr. Suresh Kumar Agrawal
Managing Director	:	Mr. Saket Agrawal
Executive Director	:	Mr. Dhananjay Uchit Singh
Non Executive Director	:	Mr. Manish Agrawal
Independent Directors	:	Mr. Kapil Deo Pandey Mr. Navneet Jagatramka Mr. Ashok Kumar Soin Mrs. Priyanka Tiwari
Company Secretary	:	Ms. Shreya Kar
Chief Financial Officer	:	Mr. Kamal Kumar Jain
Auditors		
Statutory	:	M/s. Sunil Kumar Agrawal & Associates
Internal	:	Ernst & Young, LLP
Secretarial	:	M/s. PS & Associates
Cost	:	Mr. Sambhu Banerjee
Bankers	:	State Bank of India Kotak Mahindra Bank Syndicate Bank UCO Bank Indian Overseas Bank State Bank of Mysore Allahabad Bank State Bank of Bikaner & Jaipur Corporation Bank DBS Bank Limited ICICI Bank Limited Union Bank of India Dena Bank Oriental Bank of Commerce
CIN	:	L27109WB1968PLC027399
Registered Office	:	1, Crooked Lane, Kolkata - 700 069 Ph. No.: (033) 2248 3795; Fax No.: (033) 2248 4138
Corporate Office	:	16/S, Block - 'A', New Alipore, Kolkata - 700 053 Ph. Nos.: (033) 4005 7777/ 2399 0038/ 3980 Fax Nos.: (033) 4005 7788/ 2398 2239 E-mail: investor.contact@mspsteel.com
Share Registrars	:	Karvy Computershare Pvt. Ltd. 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034

VISION OF PROGRESS

- To be the most admired, continuously growing company with operational excellence, driven by innovations, technology and motivation to enhance sustainable industrial and business growth

MISSION OF SUCCESS

- To emerge as a low cost manufacturer.
- To achieve business excellence through optimum resource utilization and sprit of entrepreneurship.
- To value the skill and integrity of employees and give priority to social welfare.

CORE VALUES TO WORK

- **INTEGRITY**
  We must conduct our business fairly, with honesty and transparency. Everything we do must stand the test of public scrutiny.
- **EMPATHY**
  We must be caring, show respect, compassion and humanity for our colleagues and customers around the world, and always work for the benefit of the communities we serve.
- **EXCELLENCE**
  We must constantly strive to achieve the highest possible standards including efficiency in our day-to-day work and in the quality of the goods and services we provide.
- **TEAM WORK**
  We must work cohesively with our colleagues across the group and with our customers and partners around the world, building strong relationships based on tolerance, understanding and mutual cooperation.
- **COMMITMENT**
  Working with urgency and commitment to be successful from individual and company perspectives.
- **RESPONSIBILITY/ACCOUNTABILITY**
  We must be responsible and responsive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over.

SOCIAL COMMITMENTS

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

- **EDUCATIONAL FIELD**

  - ✓ Running an English Medium school in Jamgaon Village
  - ✓ Provided Uniforms and school books to children free of cost
  - ✓ Sponsored teachers in different government schools in Raigarh

- **HEALTHCARE & SAFETY INITIATIVES**

  - ✓ Established a health centre for local villagers
  - ✓ Conducted regular medical check-up for office staff and villagers
  - ✓ Provided 24-hour ambulance services for villagers
  - ✓ Provided fire fighting tanker, along with fire safety equipment

- **INFRASTRUCTURAL DEVELOPMENT**

  - ✓ Build school boundary and playground

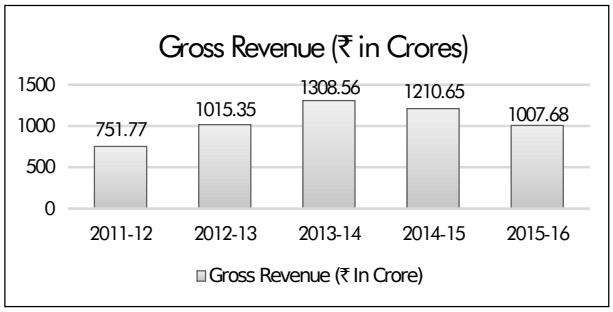
- **COMMUNITY WELFARE**

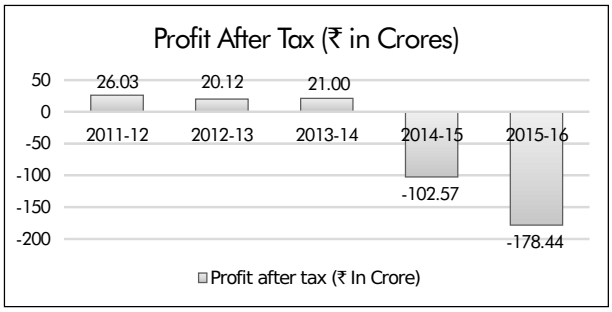
  - ✓ Installed tubewells and motors in Jamgaon and adjoining villages
  - ✓ Organized regular cleaning dredging of ponds
  - ✓ Provided bus services to improve connectivity to Raigarh

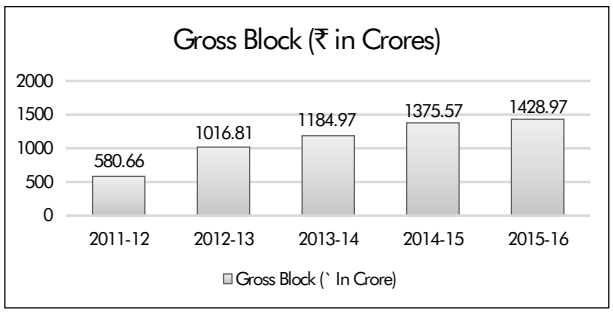
- **ENVIRONMENT**

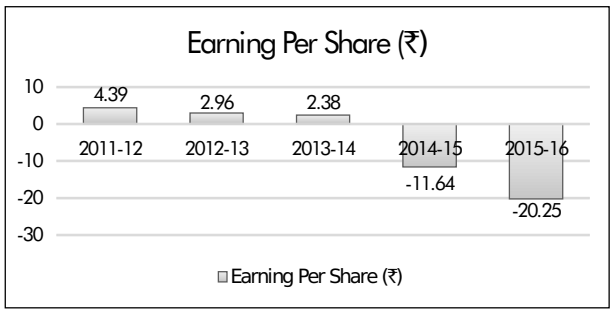
  - ✓ Planted trees in the surrounding villages and adjoining areas of the Company.

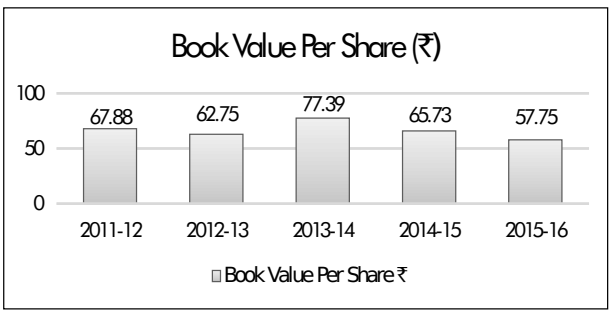
FINANCIAL HIGHLIGHTS











A diversified

Product Portfolio

PELLETS	FY 2015-16	FY 2014-15
Sales (₹ in Crs.)	75.87	132.92

MS BILLETS	FY 2015-16	FY 2014-15
Sales (₹ in Crs.)	129.44	183.22

STRUCTURAL PRODUCTS	FY 2015-16	FY 2014-15
Sales (₹ in Crs.)	313.53	224.07

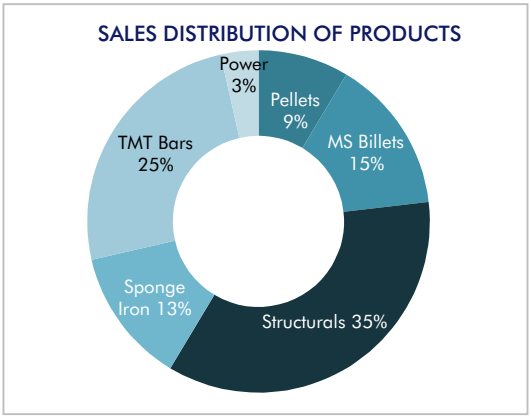
SPONGE IRON	FY 2015-16	FY 2014-15
Sales (₹ in Crs.)	113.20	171.25

TMT BARS	FY 2015-16	FY 2014-15
Sales (₹ in Crs.)	221.70	295.46

POWER	FY 2015-16	FY 2014-15
Sales (₹ in Cr.)	31.59	32.68

CAPACITY UTILISATION RATE (%)

PRODUCT	FY 2015-16
Pellet	74.66
Sponge Iron	101.77
MS Billets	80.84
TMT Bars	85.73
Structural Products	93.62
Power	71.09



OUR PERFORMANCE OVER THE LAST FEW YEARS

PARAMETERS	UNIT	2011-12	2012-13	2013-14	2014-15	2015-16
Gross Turnover	(₹ in Crs.)	751.77	1,015.35	1,308.56	1,210.65	1,007.68
Profit after tax	(₹ in Crs.)	26.03	20.12	21.00	(102.57)	(178.44)
Gross Block	(₹ in Crs.)	580.66	1,016.81	1,184.97	1,375.57	1,428.97
Earning Per Share	(₹)	4.39	2.96	2.38	(11.64)	(20.25)
Book Value per share	(₹)	67.88	62.75	77.39	65.73	57.75

Message from the CHAIRMAN

Dear Stakeholders,

The Global Steel Industry was in the throes of turbulent time. The year gone by (2015-16) threw severe challenges at our Company. Excess steel capacity globally coupled with (a) sluggish investment and consumption spending and (b) historically low prices have resulted in a severe strain on the Company's operational and financial performance. Falling oil and gas related investments and the squeeze on Government spending have affected steel demand in economies dependant on oil based revenue.

With the deep integration of China in global manufacturing supply chain, this sector has slowed as a consequence of weak growth in global trade. The scenario for emerging markets and developing economies is not very encouraging either. Exports from China continue to penetrate markets all over the world, exerting downward pressure on the price of the steel in India. The Country suffered from unprecedented inflow of Steel imports from China, Japan, South Korea and Russia. In this climate, your Company will likely look to reduce debt, manage costs and implement operational improvements to weather the turbulence ahead. Your Company is looking towards 2017 for signs of recovery but bracing for a tough year in 2016. The Government of India has announced its first list of 20 smart Cities that will offer smart solutions such as assured power, water, supply, sanitation and solid waste management, efficient urban mobility robust, IT connectivity, e- governance, citizen safety, among others.

The Government's "Make in India" initiative along with other drives to improves the ease of doing business in India have been slowly leading to positive results. The emphasis has been on simplification and rationalization of the existing rules and introduction of IT to make governance more efficient and effective. India was ranked 142nd in 'Doing Business Report/, 2015. The World Bank has released Doing Business Report 2016 on 27/10/15 where India ranked 130th thereby improving its Rank in starting a business dealing with construction permit and getting electricity indicators.

India's prospects are brightening due to low oil prices, the reform momentum and policies to increase infrastructure & manufacturing output. India's Steel demand will increase by 5.4% in 2017 reaching 88.3 MT in 2017. During the year 15-16, we have faced sluggish growth and on such devastating conditions we were irrepressible. We have re-organised business to optimum cost, enhance capacity efficiency and productivity of our workforce. We tried that the Company remain unflinching to counter all outlandish challenges but due to enhanced finance cost for borrowings and stagnant demand, we failed to become true beneficiaries thereby incurring loss of ` (17,844. 36) Lacs.

India's iron ore production in F.Y. 2016 reached 155 MT, registering an annual growth of 23%. A bulk of the incremental production has come from Odisha, where post the operationalisation of "The Mines & Minerals (Development & Regulation) Amendment Act, 2015," a number of mines, which were closed after the Hon'ble Supreme Court order dated 16th May, 2014, resumed production in F.Y. 2016.

During the end of this year which was a period of high ebb & flow, we hereby confirm to have a propitious upcoming year, with the strategies we have undertaken & operative measures we have taken. I thereby solicit the support & cooperation of all our Stakeholders to help us win and achieve the highest possible goals.

Suresh Kumar Agrawal
Chairman

Message from the

MANAGING DIRECTOR

Dear Stakeholders,

The financial year 2015-16 was a year of various combinations like falling cost of Iron Ore, an international glut of finished steel and patchy domestic demand which made the year a hard year to survive for steel manufacturers. This year faced margin pressure due to imports from China, South Korea and other Countries. Dumping of steel by those countries has resulted in a decline in Net Sales Realisation for steel manufacturers in India

The Government of India, knowing the importance of the sector to the country's industrial development has taken a number of steps to further encourage investment and improve the economy. "Make in India" mission is one such long term initiative which will help India to be a "Manufacturing Hub". The Government in June made anti-dumping moves when it imposed an additional duty on imported steel (for specific categories) coming from certain Countries. In September 2015, it also slapped on a 20% safeguard duty to protect Indian Steel manufacturers from a surge of steel imports. With the introduction of MIP in Feb 2016, imports have started to decline, leading to a stablisation of steel prices in India. This will help steel manufacturers in India.

At MSPL, we have been consistently improving technical excellence, cost and energy efficiencies in our plant at Raigarh. We are improving our internal control and reporting system to reduce administrative & other overhead expenses. We are relentlessly taking steps in areas of logistics, repairs and maintenance, stores and spares and focusing on initiatives such as yield optimization, improvement in overall equipment effectiveness, supply chain optimization and manpower productivity improvement to optimize costs to remain competitive in the coming year.

During the year, we have converted unsecured loans of ₹ 120.05 cr from promoter related companies in to 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- with a premium of ₹ 90/- per share. We stabilised light structural rolling mill, which resulted in increase in production of structural items to 1.19 lac mtpa, enabling us to achieve our targeted sales and significantly enrich our product mix. To improve our sales and realization, we are concentrating on the B2C segment, which would further push volumes and realizations.

During FY 2015-16 we achieved gross sales of ₹ 1,007 cr and incurred loss after tax of ₹ 178.44 cr. Prices of finished goods has reduced during the year but the prices of raw material has not reduced in same proportion to prices of finished goods. During the year, pellet plant operated at 75% capacity, sponge iron at 101% capacity, SMS at 80%, Rolling mill at 86% , Structural Rolling Mill at 71% and Power at 71% capacity.

Looking at the sluggish demand for pellet, we have stopped operations at our 3 lac MTPA of pellet plant during the year. We have increased utilization of hot conveyor system in to billet & rolling mill to improve efficiency and reduce cost.

The availability of iron ore is gradually improving after the reopening of several iron ore mines in Odisha in FY 2015-16. We ensured adequate and uninterrupted supply of iron ore by sourcing it from local miners. The availability of coal has also improved with the increase in production by Coal India. Coal is also easily available in international market. Besides improved rail logistics has also helped us streamline our raw material procurements.

Going forward, our focus will be to improve margins by way of operational efficiency, increased capacity utilization and financial control. We are confident in bringing profitable situation and reinforce the cash flows in coming year. I look forward to your continued support in our concerted journey to build a sustainable and value creating enterprises.

Saket Agrawal
Managing Director

Directors' Report

We present you the 47th Annual Report on business and operations along with the Audited Financial Statements and the Auditor's Report of your Company for the financial year ended March, 2016. The consolidated performance of the Company and its subsidiaries, joint venture and associates has been referred to wherever required.

1. FINANCIAL RESULTS

(₹ in lacs)

Particulars	Standalone		Consolidated	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Gross Revenue from Operations	1,00,768.43	1,21,064.55	1,00,768.43	121,077.49
Profit before Depreciation and Tax	(12,355.69)	(9,815.48)	(12,355.84)	(9,917.12)
Less: Depreciation	6,333.40	5,293.82	6,333.40	5,293.97
Profit/(Loss) Before Tax	(18,689.09)	(15,109.30)	(18,689.24)	(15,211.09)
Less: Provision for Income Tax(Including earlier years)	33.29	-	33.29	-
Less: Provision for Deferred Tax	(878.02)	(4,852.18)	(878.02)	(4,852.00)
Profit/(Loss) for the Year	(17,844.36)	(10,257.12)	(17,844.51)	(10,358.89)
Add: Balance brought forward	15,328.20	25,602.30	15,225.66	25,631.33
Less: Appropriations	26.46	16.98	29.90	16.99
Surplus carried to Balance Sheet	(2,542.61)	15,328.20	(2,648.75)	15,225.66

Standalone and Consolidated Financial Statements

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP), Accounting Standards and the provisions of the Companies Act 2013 read with rules and schedules made thereunder to reflect the financial positions of MSP the Company along with its subsidiary, associate and joint venture.

Financial Highlights

During the year 2015-16, at standalone level your Company has achieved a gross revenue of ₹ 1,00,768.43 lacs as against ₹ 1,21,064.55 lacs in the previous year which reflects a decline of around 17% as a result the management has taken steps to reduce cost of production and other indirect expenses. During the year operational efficiency has improved and majority of plant were operated with 70-90% Capacity.

Profit before tax (PBT) was ₹ (18,689.09) in lacs as against ₹ (15,109.30) in lacs in the previous year and profit after tax

(PAT) stood at ₹ (17,844.36) lacs against ₹ (10,257.12) in lacs in the previous year.

The Consolidated gross revenue from operation for the Financial Year 2015-16 stood at ₹ 1,00,768.43 lacs Compared with ₹ 121,077.49 lacs in the Previous Year. The Consolidated profit after tax stood at ₹ (17,844.51) lacs as compared with ₹ (10,358.89) lacs.

Operational Highlights

Pellet: Production of Sponge Iron during the year under review was 6.72 Lacs MT as against 6.92 Lacs MT in the previous year

Sponge Iron: Production of Sponge Iron during the year under review was 3.13 Lacs MT as against 2.80 Lacs MT in the previous year.

MS Billets: MS Billets was produced during the year under review was 2.55 Lacs MT as against 3.08 Lacs MT in the previous year.

TMT Bars: Production of TMT Bars during the year under review was 90,017 MT as against 88,839 MT in the previous year.

Structural Products: As compared to production of 71,863 MT in the previous year production of Structural Products was 119,834 MT during the year under review .

Power: During the year under review, 4,279.04 Lacs Kwh of power was generated as against 4,289.75 lacs Kwh of power in the previous year.

Dividend & Reserves

In view of loss for the F.Y. 2015-16, the Board of Directors have not recommended any dividend for the Financial Year 2015-16 on Equity as well as 6% Non -cumulative Redeemable Preference Shares.

The details including last date of claiming of unclaimed /unpaid dividend amount are given in our website at http://www.mspsteel.com/unpaid_dividend.php.

During the year under review no amount was transferred to General Reserve.

Particulars of Loans, Guarantees or Investments Under Section 186 of The Companies Act, 2013

Loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

Deposits

During the year under review, your company had not accepted any deposits within the meaning of provisions of Section 73 of Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rule, 2014.

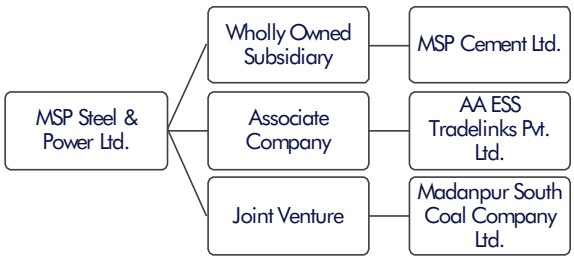
Related Party Transaction

All transactions entered into with the related parties as defined under Companies Act, 2013 in the F.Y. 2015-16 were in the ordinary course of business and on the arm's length basis and did not attract the provisions of Sec 188 of the Companies Act 2013. Hence requirement of AOC-2 was not needed to be attached to this report.

As per the provisions of Section 188 of the Companies act, 2013 and rules made there under read with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior omnibus approval from the Audit Committee are obtained before entering into such transactions. Further, the required disclosures are made to Committee on a quarterly basis.

The policy on materiality of Related party Transactions as approved by the Audit Committee is revised in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the amended provisions of the Companies Act, 2013 and is uploaded on the website of the Company and the link for the same is www.mspsteel.com / Company Info/ Corporate Policies/ Policy on Materiality.

SUBSIDIARIES, ASSOCIATES & JOINT VENTURES



With the motive of growth in the steel sector, your Company has created various Subsidiaries, Joint Ventures & Associates Companies. A separate statement containing salient features of Financial Statements of Subsidiaries, Joint Ventures & Associates Companies of your Company forms part of Consolidated Financial Statements in terms of Section 129 of the Companies Act, 2013 and applicable Accounting Standards is annexed in Annexure-1 as AOC-1 in the Directors' Report. Your Company have framed a policy of determining 'Material Subsidiary', in terms of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said policy is also available at the Company's website as mentioned below:

http://www.mspsteel.com/csr-policy/policy%20determining%20material%20subsidiaries.pdf

In previous year, the shareholding of the Company in AA ESS Tradelinks Private Limited got reduced from 52.32% to 42.75% on account of fresh issue of shares by AA ESS Tradelinks Private Limited. Hence its status got altered from being a subsidiary to being an associate of the Company.

In accordance with section 136 of the companies Act, 2013 the audited financial statements, including the consolidated financial statements kept open for inspection by the shareholders at the Registered office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of Annual General Meeting. Any member willing to obtaining a copy of the said financial statements may write to the Company at its Registered office or Corporate Office or visit the below mentioned website link for the same:
http://www.mspsteel.com/annual_reports

PROJECTS COMPLETED

During the year your company has capitalised fixed assets of ₹ 49.44 cr. which were related to Infra project and other up-gradation in the power plant.

There are no material changes and commitments affecting the financial position of the Company which has occurred during the end of the financial year to which the financial statements relates.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Induction & Cessation

During the year under review, Ms. Ruchi Garg, former Company Secretary resigned from the services of the Company, w.e.f. 21st March, 2016 and Ms. Shreya Kar has been appointed as the Company Secretary who is designated as a Key Managerial personnel of your Company w.e.f. 1st May, 2016.

Mr. Suresh Kumar Agrawal was designated as Chairman of the Company w.e.f. 19th January, 2016 an appropriate resolution seeking your ratification for such designation is included in the notice convening the 47th AGM of the Company.

Retirement by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Dhananjay Uchit Singh retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

BOARD EVALUATION

In order to align with provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 , the Board of Directors of MSP Steel & Power Ltd. has formulated criteria and policy to evaluate the performance of all the Directors of the Company, the Board as a whole and its committees as mentioned below:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholder's Relationship Committee
4. Corporate Social Responsibility Committee

The manner in which the said evaluation has been carried out is enumerated in the Corporate Governance Report, which is annexed to this Annual Report.

COMMITTEES OF THE BOARD

The details of Board Committees- Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and the Stakeholder Relationship Committee have been disclosed separately in the Corporate Governance Report which forms part of Annual Report.

SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

Pursuant to requirements of Schedule IV of the Companies

Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements)Regulations 2015, a separate meeting of the Independent Directors was held on 11th February, 2016 for the financial year 2015-2016.

The Independent Director at the meeting reviewed the following:

- Performance of Non- Independent Directors and the Board as a whole
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Directors; and
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES

The Board consists of eight Directors at present consisting of two Executive and six Non - Executive Directors. Regular meetings of the Board and Committees are held to decide and discuss on business performance, policies strategies and other matter of significance. The intervening gap between the two consecutive meetings was as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 . Details of the meetings of the Board and Committees held during the Financial Year 2015-16 are disclosed in Corporate Governance Report which form part of Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received a declaration from each of Independent Directors of the Company that he/she meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 read with Schedule IV and Rules made there under as well as Regulation 16(b) & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board considered the independence of each Independent Director and in view of that they fulfill the criteria of Independence.

POLICY

A policy is laid down by the Board of Directors in relation to remuneration of Directors, Key managerial Personnel and Senior Management of the Company to set criteria for selection and appointment procedure.

The said policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 read with Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is uploaded in Company's website.

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The Information required to be disclosed in the Board's Report pursuant to Section 197 of the Companies Act, 2013 read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in Annexure-2 to the Directors' Report

AUDITORS

Statutory Auditors

M/s. Sunil Kumar Agrawal & Associates, Chartered Accountants (Firm Registration No. 323133E) , who are the statutory auditors of the Company shall hold office upto forthcoming Annual General Meeting of the Company and being eligible has expressed their willingness to be appointed for a period of 3 years to hold the office form the conclusion of this Annual General Meeting for the Financial Year 2018-19, subject to ratification at each Annual General Meeting. The said auditors have further furnished a certificate to the Company of their eligibility & consent under Section 141 of the Companies Act, 2013 and Rules made there under.

Cost Auditor

The Board of Directors, on the recommendation of Audit Committee, has appointed Mr. Sambhu Banerjee, Cost Accountant (Membership No. 9780) as Cost Auditor to audit the cost accounts of the Company for the financial year 2016-17.

As per the Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit)Rules, 2014, appropriate resolution seeking your ratification of the remuneration of Mr. Sambhu Banerjee, Cost Accountant (Membership No. 9780) is included in the notice convening the 47th AGM of the Company.

Secretarial Auditor

M/s. PS Associates, Practicing Company Secretaries was appointed to undertake Secretarial Audit of the Company for the financial year 2015-16, as required under section 204 of the Companies Act, 2013 read with relevant Rules made there under. The Secretarial Audit Report for FY 2015-16 is appended as Annexure-3 of Directors' Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Your Board of Directors has appointed M/s PS Associates, Practicing Company Secretaries for year 2016-17 to conduct the Secretarial Audit of the Company.

INTERNAL FINANCIAL CONTROL

The Company has laid down certain guidelines, processes and structure, which enables implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. These include control processes both on manual and IT applications including the ERP application wherein the transactions are approved and recorded. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively. During the year such control were tested and no reportable material weakness in the design or operational were found.

CORPORATE GOVERNANCE

The Company has maintained the highest standards of Corporate Governance and have met the requirements set out as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on corporate governance as practiced followed by the Company, together with a certificate from the Company's Auditors and CEO /CFO confirming compliance form an integral part of this Report.

Listing Agreement

The Securities and Exchange Board of India (SEBI), issued Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 herein after referred to as "SEBI LODR", on 2nd September, 2015 with the aim to align and provide different provisions of the Listing Agreement for different segments of Capital Markets at one place. The Regulations became effective from 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited and National Stock Exchange of India Limited during December 2015. The Company has paid the Annual Listing Fees of both the Stock Exchanges for the Financial Year 2016 -17.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 read with Schedule VII of the Companies Act 2013 and rules made there under, your Company has established Corporate Social Responsibility Committee to formulate and monitor Corporate Social Responsibility Policy and also to recommend to the Board the amount of expenditure to be incurred on activities related to betterment of society.

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

In terms with the Section 135 Companies Act, 2013 read with Rule 8 of the companies (Corporate Social Responsibility) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 framed under, the Company has to spent 2% of its average net profits of the preceding three financial years for Corporate Social Responsibility activities. Due to loss incurred in the previous year and inadequate profit in the preceding two years the amount needed to be spend on CSR activities is inadequate. Irrespective of such situation of inadequate profit or loss, your Company has spent Rs. 129.97 lacs on CSR activities. A report on Corporate Social Responsibility activities for the financial year 2015-16 is attached to the Directors' Report as Annexure-4.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, your Directors hereby states:

(a) that in the preparation of the annual accounts for the FY 2015-16, the applicable Accounting Standards

had been followed along with proper explanation relating to material departures;

(b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2016 and of the profit and loss of the company for that period;

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

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

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

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

OTHERS INFORMATION

Significant and Material Orders Passed By The Regulators or Courts

There are no such significant or material orders passed by the regulators or courts or tribunals impacting the going concern status of the company's operation in future.

Whistle Blower/ Vigil Mechanism Policy

The Company has a whistle blower policy to report about the concerns or grievances of the employees and directors of the Companies.

The details of the Whistle Blower Policy are provided in the Corporate Governance Report and is also available at on the website of the Company at http://www.mspsteel.com/csr-policy/Vigil%20Policy-MSPL.pdf

Prevention of Sexual Harassment at Workplace

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

Sexual harassment is a form of misconduct that undermines the employment relationship. No employee, either male or female, should be subjected verbally or physically to unsolicited and unwelcome sexual overtures or conduct. The Company also believes that all employees of the Company, have the right to be treated with dignity.

Sexual harassment at the work place or other than work place if involving employees is a grave offence and is, therefore, punishable.

A Committee has been constituted by the Management to consider and redress complaints of Sexual Harassment. The Chairman and Members of the Committee are as follows:

Sl. No.	Position	Officer in charge
1.	Presiding Officer	Ms. Shreya Kar
2.	Member -	Mr. Kamal Kumar Jain
3.	Member -	Mr. K.K Panigrahi
4.	Member -	Ms. Mita Das, Executive

Management Discussion & Analysis Report

As stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report is presented in separate section forming part of this Annual Report .

Risk Management Policy

The Board has formulated and implemented a Risk Management Framework with an object of timely identification of risks, assessment and evaluation of the same and mitigate the negative influences of various sources of risks faced by the Company's business activities to ensure optimal operations. Brief details about the policy are provided in Management Discussion & Analysis Report attached to this Annual Report.

Awards And Recognitions

During the year under review, your Company was recognized in various ways/by various institutions.

The said awards and recognition is also available in the Company's website
http://www.mspsteel.com/Awards

Conservation of Energy, Technology Absorption And Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are enclosed as Annexure-5 of the Directors' Report.

Extracts Of The Annual Return

An extract of annual return named as MGT-9 has been annexed to the Directors Report as Annexure-6 in compliance with Section 92 of the Companies Act, 2013 read with applicable rules made thereunder.

CAUTIONARY STATEMENT

Statement in the Board's Report and the Management Discussion & Analysis report describing the Company's objectives, expectation and forecast may be forward looking within the meaning of applicable securities laws and Regulations. Actual result may differ materially from those expressed in the statement important factors that may influence that company's operational include global and domestic demand and supply conditions & selling prices of finished goods, input availability and prices, changes in government regulating tax laws, economic developments within the country and other parts.

ACKNOWLEDGMENTS

Your directors wish to thank the shareholders, customers, dealers, agents, suppliers, investors, bankers for their continued support and faith during the year. Your Directors place on record their appreciation for the contribution made by the employees at all levels without whose hard work, cooperation and support your Company's achievements would not have been possible.

Your directors also wish to place on record their gratitude for the valuable guidance and support given by the Government of India, various State Government Departments and all other Government agencies for their support during the year and look forward for the same in the future.

For and behalf of the Board
MSP STEEL & POWER LIMITED

SAKET AGRAWAL
DIN: 00129209
(Managing Director)

MANISH AGRAWAL
DIN: 00129240
(Director)

Date : July 27, 2016
Place : Kolkata

CORPORATE GOVERNANCE REPORT 2015-16

Good Corporate Governance is meant to run companies ethically in a manner such that not only the shareholders but also other stakeholders including creditors, distributors, customers, employees, government, society and even the competitors are dealt with in a fair manner.

The Directors present the Company's Report on Corporate Governance for the year ended March,31,2016 in terms of regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirement), 2015 "SEBI LODR".

COMPANY'S DOCTRINE ON CORPORATE GOVERNANCE

The grail of MSP Steel & Power Ltd. (MSPL) is to build long-term trust between the company and its stakeholders by creating a transparent and sound system that provide full disclosure of accounting and auditing procedures, allowing transparency in business transactions. The Company believes that its true success lies in how it maintains its professionalism combined with practice of good Corporate Governance. It strives to achieve maximum transparency in conduct of its business keeping in mind the best interest of stakeholders and society at large. The company endeavors to set up exemplary standards in all its exercises and on-going processes.

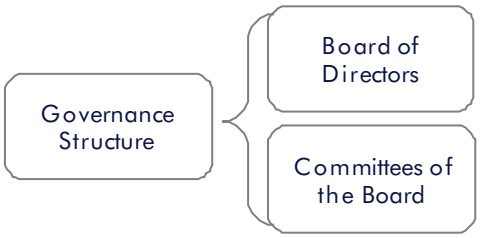
The framework of the Company ensures ethical Corporate Governance practices by complying with statutes, adopting fairness, transparency, accountability and timely disclosures as required by different statues/norms/regulations etc. The Company focuses on its resources strengths and strategies to achieve the vision of unleashing the power of our products to help enhancing the country's economic growth and well being of its citizens . Our aim is to rise from a regional player to a leading national player.

CORPORATE GOVERNANCE PRACTICES & POLICIES

We at MSPL have always committed to continually evolve and adopt appropriate Corporate Governance best practices in the following manner:

- Good governance responsibilities encompasses the activities of the Board of Directors, who execute their Corporate Governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all stakeholders of the Company, in particular to shareholders and employees in a balanced fashion with long term benefits to all.
- Good Corporate Governance provides an appropriate framework for the Board, its committees and the executive management to carry out the objectives that are in the interest of the Company and the stakeholders;
- The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The business policies are based on ethical conduct, health, safety and a commitment to building long-term sustainable relationships with relevant stakeholders.

GOVERNANCE STRUCTURE



A. BOARD OF DIRECTORS

Its Composition and Framework

The Board of Directors of your company is broad based in terms of experience of members of the Board . The Board is entrusted with the responsibility of looking after work of the management and performance of the Company. A well-informed and independent Board of Directors is framed to ensure that the management adheres to ethics , transparency and regular disclosures.

The Board of Directors of the Company has a judicious mix of Executive and Non-Executive Directors. As on March 31, 2016, the Board comprised of 8 Directors out of which two are Executive Directors, two are Non executive Directors and four are Independent Directors. The Chairman of the Board is an Executive Director.

During the year under review, one new Director namely Mr. Suresh Kumar Agrawal (DIN:00587623) was inducted on the Board, who brought diverse experience, knowledge and expertise on the Board of the Company.

Size and Composition of the Board of Directors

Category	Name of Director
Non Executive Promoter Directors	Suresh Kumar Agrawal
	Manish Agarwal
Executive Promoter Director	Saket Agrawal
Executive Director	Dhananjay Uchit Singh
Independent Director	Navneet Jagatramka
	Ashok Kumar Soin
	Priyanka Tiwari
	Kapil Deo Pandey

Familiarization Programmes for Independent Directors

The Company has put up a system to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programme in accordance with the requirements of Regulation 25(7) of the Listing Obligations & Disclosure Requirements, 2015 with the Stock Exchanges and Schedule IV of the Companies Act, 2013.

The Program intends to provide insights into the Company so that the Independent Directors can understand the roles, rights, responsibility that they are expected to play/ enjoy in the Company so that they can keep themselves updated on the operations and business of the Company and thereby contribute meaningfully to the company.

Independent Directors so appointed have full access to the information within the Company. During their induction in the Company they are communicated with their role, responsibilities and liabilities via appointment letters, briefing sessions, plant visit, technical session, etc conducted by the Head Human Resource Personnel. To make the Independent Directors aware of the Factory and its plant and its operating procedure a visit to its plant is conducted hereby making them familiar with the manufacturing and operating procedure at different products and processes. The Company holds regular Board Meetings at its Corporate Office to discuss and decide upon the various strategic and operational matters and Directors have an opportunity to interact with the Senior Company Personnel. The minutes of the Board's committees such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee are regularly placed before the Board.

The Company has put up such familiarization programme on its website and can be viewed at:
http://www.mspsteel.com/csr-policy/Familiarization%20Programmes-%20Final.pdf

Induction To The Board

Mr. Suresh Kumar Agrawal has been appointed as an additional (Promoter, Non-Executive, Non-Independent) director on the Board of the Company in its meeting held on January 19, 2016. Mr. Suresh Kumar Agrawal is a graduate in B.E (Mechanical) having more than 30 years of Experience in Steel and Industrial oxygen manufacturing sectors. Prior to his appointment on the Board, Mr. Suresh Kumar Agrawal had served the Board till November, 2014 as the Managing Director of the Company, thereby due to unavoidable circumstances he resigned from the Board.

Independent Directors' Meeting

Independent Directors of the Company are required to hold at least one meeting in a year, without the attendance of the Non- Independent Directors and members of the management, pursuant to regulation 25 of "SEBI LODR" and Schedule IV of the Companies Act, 2013 and the rules made there under. In Compliance with the above provisions a meeting of the Independent Directors of the Company was convened on 11.02.2016 , inter alia to perform the following:

I. Appoint and where necessary recommend executive directors, key managerial personnel and senior management;

ii. to determine the levels of remuneration among executive directors, key managerial personnel and senior management;

iii. review the role of Audit Committee as majority of Audit Committee consist of Independent Director;

iv. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Performance Evaluation Criteria of Board

The Board is responsible for carrying out formal annual evaluation of the Board itself, Directors and Committees of the Board collectively and individually with a view to monitor and review their functioning and effectiveness and also for identifying possible path for improvements. The Board along with the Nomination & Remuneration Committee evaluates performance of Executive/ Non-Executive/ Independent Directors The evaluation of the independent directors is done on the basis of various performance indicators which includes:

- Their ability to implement and monitor corporate governance practices
- Refrain from any action that would lead to loss of their independence
- Devoting sufficient time and attention to his professional obligations for balanced decision making.
- Maintenance of confidentiality, uphold ethical standards of integrity and probity

The Committee of the Independent Directors also evaluate the performance of the Executive Directors and Non-Executive Directors, Managing Director and CEO and the Board as a whole. The Independent Directors meet once in the year without the attendance of Non Independent Directors and members of management to review the performance of Non Independent Directors, the Board as a whole and the Chairperson of the Company on the basis of various parameters as mention in the Evaluation policy of the Company.

Remuneration Policy

Remuneration to the Managing Director, Executive Director

The Nomination and Remuneration Committee shall recommend to the Board , remuneration payable to Managing Director and Executive Director, subject to approval of the shareholders and Central Government wherever required.

The remuneration and/or commission paid to the Directors either on a monthly basis or at a specified percentage of the net profits shall be in accordance with the percentage/ slabs/ conditions laid down in the Article of Association of the Company and as per the provisions of the Companies Act, 2013.

Annual increments to the Executive Directors/ Managing Directors shall be within the slabs approved by shareholders. Increments shall be decided by Nomination & Remuneration Committee at times it desires to do so but preferably on annual basis.

If in any financial year, the Company has no profits or inadequate profits, the Company shall pay remuneration to its Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and approval of Central Government, wherever required

Remuneration to Non- Executive Directors,

Independent Directors

A Non- Executive Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. Provided that amount of such fees shall not exceed one lacs rupees per meeting of the Board or Committee thereof.

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

The Company does not have any scheme of Stock Option for its Executive or Non-executive Directors. There are no separate provisions for notice period or severance fees.

There were no pecunary relationship or transactions of the Non-Executive Directors vis-a-vis the company.

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

The remuneration paid to Directors during the year-ended 31st March, 2016 is

Name	Salary (₹) per month	Perquisite/ Benefit, etc. (fixed component)	Period of Contract From
Mr. Saket Agrawal (Managing Director)	250,000	Nil	14.11.2014
Mr. Dhananjay Uchit Singh(Executive Director)*	50,000	Nil	21.09.2015

* Appointed w.e.f 21.09.2015

BOARD MEETINGS & BOARD COMMITTEE MEETINGS

The Board of Directors forms the basis of the Company, without a Board the overall functioning of the Company becomes inefficient. The Board brings effectiveness and ensures that all the stakeholder of the Company is satisfied. The Composition of the Board is as per The Companies Act, 2013 and as per 'SEBI LODR'.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company/Business policies and strategy apart from other regular matters.

The Board at least met once in every quarter with a maximum interval of 120 days. The agenda is circulated a week prior to the date of meeting through e-mail or any other means as specified in the Act. Usually meetings of the Board are held at the corporate office of the Company.

Thirteen Board Meetings were held during the Financial Year 2015-16 on 03/04/2015; 10/04/2015; 21/05/2015; 06/06/2015; 17/06/2015; 14/08/2015; 28/09/2015; 09/11/2015; 19/01/2016; 11/02/2016; 03/03/2016; 19/03/2016; 31/03/2016

Notes:

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- On 30/05/2015 the meeting was adjourned due to want of quorum which was held at a later date on 06/06/2015 whereby the adjourned meeting was conducted duly and taken on records.

Information placed before the Board

The Board has right to access the following information related to Company as per Listing Regulation 17 read with Part A of schedule II also read with Section 179 of Companies Act, 2013:

- Annual Operating Plans and budgets and any updates to the same.
- Capital budgets and any updates to the same.
- Quarterly results for the Company and its operating divisions.
- Minutes of Meetings of audit committee and other committees of the Board of Directors.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of CFO or CEO.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement entered into by the Company.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- To borrow monies.
- Compliance report of investor grievance reports, etc.

Recording of the minutes of proceedings at Board and Committee meetings.

The Company Secretary records, minutes of the proceedings of each board and committee meetings. Draft of the

meetings are circulated to all the directors and member of the committees for their comments within in 15 days of the meeting. The minutes are entered within 30days from the conclusion of the meeting.

Compliance

The Company Secretary, while preparing the notes, agenda, and minutes of the meetings(s), is responsible to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/Companies Act, 2013 read with rules issued thereunder as applicable , the Secretarial Standards issued by the Institute of Company Secretaries of India and "SEBI LODR".

Attendance of the Directors at Board Meetings, the last Annual General Meeting & other details as required are given in the table below:

Name of Director	Attendance on Financial Year 2015-16		Directorship in other companies as on 31.03.2016	Committee Positions in other companies (including our company) as on 31.03.2016		No. of shares held by non-executive Directors
	Board Meetings	AGM		Chairman	Member	
Mr. Puranmal Agrawal [1] DIN: 00587842	6/13	Yes	12	-	2	186620
Mr. Suresh Kumar Agrawal [2] DIN: 00587623	3/13	NA	14	-	-	141000
Mr. Dhananjay Uchit Singh [3] DIN: 01018678	6/13	No	0	-	-	NIL
Mr. Manish Agrawal DIN:00129240	12/13	No	16	-	2	309000
Mr. Saket Agrawal DIN:00129209	12/13	Yes	16	-	2	N.A
Mr. Navneet Jagatramka DIN:01579357	6/13	No	1	-	1	NIL
Mr. Arvind Kumar Saraf [4] DIN:00395155	4/13	NA	5	-	-	NIL
Mr. Ashok Kumar Soin DIN:02986145	6/13	No	1	-	-	NIL
Smt. Priyanka Tiwari DIN:06944383	11/13	No	2	4	-	NIL
Mr. Kapil Deo Pandey [5] DIN:07208719	7/13	Yes	2	1	1	NIL

(1) Resigned from the Directorship w.e.f 21.09.2015

(2) Appointed as Additional Director w.e.f 19.01.2016

(3) Appointed as Director w.e.f 21.09.2015

(4) Resigned from the Directorship w.e.f 17.06.2015

(5) Appointed as Director w.e.f 17.06.2015

Notes:

- Director in companies (listed, unlisted and private companies) excluding MSP Steel & Power Ltd.
- Committee position- As required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/ chairpersonship of the audit committee and stakeholders relationship committee in Indian public companies (listed or unlisted).

Disclosure of Relationship between Directors existing as on 31.03.2016:

Name of the Directors	Category of Directorship	Relationship between Directors
Mr. Saket Agrawal	M.D. – Executive Promoter Director	Mr. Suresh Kumar Agrawal (father)
Mr. Suresh Kumar Agrawal	Non-Executive Promoter Director	Mr. Saket Agrawal (Son)
Mr. Manish Agrawal	Non-Executive Promoter Director	None
Mr. Dhananjay Uchit Singh	Executive Director	None
Mr. Ashok Kumar Soin	Non- Executive Independent Director	None
Mr. Navneet Jagatramka	Non- Executive Independent Director	None
Mrs. Priyanka Tiwari	Non- Executive Independent Director	None
Mr. Kapil Deo Pandey	Non- Executive Independent Director	None

Board Members	Audit Committee	Nomination & Remuneration Committee	Stakeholder' Relationship Committee	Corporate Social Responsibility Committee
Meetings held	4	5	5	1
Member's attendence				
Mr. Puranmal Agrawal (1)	-	-	-	-
Mr. Suresh Kumar Agrawal (2)	-	-	-	-
Mr. Dhananjay Uchit Singh (3)	-	-	-	-
Mr. Manish Agrawal	-	5/5	5/5	1/1
Mr. Saket Agrawal	4/4	-	-	1/1
Mr. Navneet Jagatramka	3/4	4/5	-	-
Mr. Arvind Kumar Saraf (4)	1/4	2/5	2/5	
Mr. Ashok Kumar Soin	-	-	-	-
Ms. Priyanka Tiwari	3/4	-	-	-
Mr. Kapil Deo Pandey (5)	1/4	3/5	3/5	1/1

B. BOARD COMMITTEES

The Company has Four Committees formed as per the provisions of the Companies Act, 2013 along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable.

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

(1) Resigned from the Directorship w.e.f 21.09.2015

(2) Appointed as Additional Director w.e.f 19.01.2016

(3) Appointed as Director w.e.f 21.09.2015

(4) Resigned from the Directorship w.e.f 17.06.2015

(5) Appointed as Director w.e.f 17.06.2015

1. Audit Committee

The Committee examines the financial statement along with the Auditor's report in consultation with the management, internal auditors and independent auditors. The Committee has the responsibility of overseeing financial reporting process and disclosures, review financial statements,

internal audit reports, related party transactions, financial and risk management policies, auditors qualifications etc.

On 17th June, 2015 the Committee was reconstituted, thereby electing Mrs. Priyanka Tiwari as the Chairperson of the Committee. As on 31st March, 2016, the Committee consisted of 3 Directors majority of which is independent.

The Company Secretary acts as a Secretary to the committee .

The Audit Committee met four times during the year ended March 31, 2016. These were held on 06/06/2015, 14/08/2015, 09/11/2015 and 11/02/2016. The table below provides the composition of the Audit Committee members:

Name	Position Held
Mr. Arvind Kumar Saraf (Independent)	Chairman(1)
Mrs. Priyanka Tiwari (Independent)	Chairperson(2)
Mr. Navneet Jagatramka (Independent)	Member
Mr. Saket Agrawal (Executive)	Member
Mr. Kapil Deo Pandey (Independent)	Member(3)

(1) Resigned w.e.f 17th June, 2015

(2) Designated as the Chairperson w.e.f 17th June, 2015

(3) Appointed as Director w.e.f 17.06.2015

Terms of Reference

The Audit committee has been empowered with the term of reference in line with regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the guidelines of SEBI along with requirements of Section 177 of the Companies Act, 2013 and the Rules prescribed under it. Details of the terms of reference of the committee are as follows:

The role of Audit Committee, inter-alia, performs the functions of overseeing and reviewing internal control over the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct/true/fair, sufficient and credible; Recommendation made to the Board for the appointment of the Statutory Auditor, Internal Auditor and Cost Auditor and the fixation of remuneration and terms of appointment of such auditors; Reviewing Management Discussion and Analysis Report, Internal Audit Report and significant Related party transactions. The committee also aims at bridging the gap between the internal auditors and statutory auditors. The committee also reviews the financial policies of the Company and believes that the Company's financial statements are fairly presented in conformity with Indian GAAP and IFRS.

The Committee confirmed compliance of the Board to the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on composition of the Committee, disclosure required and quarterly or annual compliance required along with disclosure of non-independent members, their financial literacy and financial expertise of members.

2. Nomination & Remuneration Committee

The Nomination and Remuneration Committee formed by the Board works on identifying persons who are qualified to become executive directors, non-executive directors and independent directors in consultation with the Board; recommend to the Board their appointment and removal and evaluate the performance of the Directors. It also reviews the remuneration and compensation to be paid to the Directors and senior management.

The policy aims at selecting the right candidate for right position as a result they have devised a policy based on Board diversity to formulate the criteria for determining qualification, positive attributes and independence of a director and other managerial personnel.

The Nomination & Remuneration Committee formed by the Board in terms of Regulation 19 of SEBI (LODR) Regulations,2015 and Section 178 of the Companies Act, 2013 is to select, motivate and retain the right candidate for senior leadership positions. The term of reference of the Committee are for recommending the Board for appointment/re-appointment or removal of directors; help in determining the size and diversity and composition of the Board; reviewing the overall compensation to be paid to the Managing/Whole-time director and manager at senior level; to create evaluation framework for independent directors and the Board; to help in reviewing the policies as per the Board diversity as an when required.

On 17th June, 2015 the Committee was re-constituted, thereby electing Mr. Kapil Deo Pandey as the Chairperson of the Committee. As on 31st march, 2016 the Committee comprises of 3 Non- Executive Directors of which two are Independent Directors and one is Promoter Director of the

Company.

The Company Secretary acts as a Secretary to the committee. The Committee met four times during the financial year 2015-16 under review on: 06.06.2015, 14.08.2015, 19.01.2016, 19.03.2016.

The composition of the members during the year under review is

Name	Position Held
Mr. Arvind Kumar Saraf (Independent)	Chairman(1)
Mr. Kail Deo Pandey (Independent)	Chairman(2)
Mr. Navneet Jagatramka (Independent)	Member
Mr. Manish Agrawal (Non-Executive)	Member

(1) Resigned w.e.f 17th June, 2015

(2) Designated as the Chairman w.e.f 17th June, 2015

3.Stakeholders' Relationship Committee

Stakeholders' Relationship Committee is constituted to specifically look into the mechanism of redressal of grievances of shareholders and other stake holders and review the work of Registrar and Trasfer agent of the Company and other share related issues, in pursuant to the Regulation 20 of SEBI (LODR) Regulations,2015 and Section 178 of the Companies Act, 2013 the Board has constituted the Committee.

As on 17.06.2015 the committee was re-constituted, thereby electing Mr. Kapil Deo Pandey as the chairperson of the committee. As on 31.03.2016, the Stakeholders Relationship Committee comprises of 3 directors. During the year under review the Committee met five times on 03.04.2015, 06.06.2015, 14.08.2015, 09.11.2015 and 11.02.2016.The composition of the Stakeholders Relationship Committee are as follows:

Name	Position Held	No. of Committee Meetings	
		Held	Attended
Mr. Arvind Kumar Saraf (Independent)	Chairman(1)	5	2
Mr. Kapil Deo Pandey (Independent)	Chairman(2)	5	3
Mr.Manish Agrawal (Non Executive)	Member	5	5
Mr. Saket Agrawal (Executive)	Member	5	5

(1) Resigned w.e.f 17th June, 2015

(2) Designated as the Chairman w.e.f 17th June, 2015

Compliance Officer

Ms. Ruchi Garg, Company Secretary was the Compliance officer of the Company till her cessation on 21st March, 2016 after which Ms. Shreya Kar, Company Secretary was appointed on 1st May, 2016 to act as the Compliance Officer of the Company.

Details of the Investors' Complaints received, solved and pending during the year ended 31st March, 2016

Two complaints received during December Quarter, 2015 which was resolved within the said quarter. The table gives the detail of number of complaints received, solved and pending during the year:

a. No. of complaints received during the year ended 31st March, 2016	:	2
b. No. of complaints resolved during the year ended 31st March, 2016	:	2
c. No. of complaints pending on 31st March, 2016	:	NIL

4. Corporate Social Responsibility Committee

The CSR Committee was formulated to look after the working of CSR policy of the Company. The Policy aims at improving the CSR activities thereby bringing economic development and upliftment of society.

The CSR Committee was set up in accordance with Section 135 read with Schedule VII of the Companies Act, 2013 and the rules made there under, to formulate and monitor the CSR Policy of the Company from time to time. The CSR Policy had been formulated by Board of Director considering the recommendations of the CSR Committee and the same had been made available on Company's website. (Web link: http://www.mspsteel.com/csr-policy/CSR%20POLICY.pdf)

On 17th June, 2015, the committee was re-constituted with the appointment of Mr. Kapil Deo Pandey to the board and was made member to the committee on the said date. The CSR Committee consists of 3 directors of which Mr.Manish Agrawal, Non- Executive Director is Chairperson of the committee.

In terms with the Section 135 Companies Act, 2013 read with Rule 8 of the companies (Corporate Social Responsibility) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 framed under, the Company has to spent 2% of its average net profits of the preceding three financial years for Corporate Social Responsibility activities, due to loss incurred in the previous year and inadequate profit in the preceding two years the amount needed to be spend on CSR activities is inadequate. Irrespective of such situation of inadequate profit or loss, your Company has spent Rs. 129.97 lacs on CSR activities. A report on Corporate Social Responsibility activities for the financial year 2015-16 is attached to this report as Annexure-4.

The Composition of the members of the CSR committee are:

Name	Position Held
Mr. Manish Agrawal (Non- Executive Director)	Member
Mr. Saket Agrawal (Managing Director-Executive)	Member
Mr. Arvind Kumar Saraf (1) (Independent Director)	Member
Mr. Kapil Deo Pandey (2) (Independent Director)	Chairman

(1) Resigned w.e.f 17th June, 2015

(2) Designated as the Chairman w.e.f 17th June, 2015

C. SHAREHOLDERS' INFORMATION

◆ General Body Meetings

Details of last three Annual General Meetings are as follow:

Sl. No	Annual General	Date & Time	Venue	No. of Special Resolutions
1	44th Annual General Meeting (FY 2012-13)	26.09.2013 at 11 AM	Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700020	--
2	45th Annual General Meeting (FY 2013-14)	26.09.2014 at 2.30 PM	Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700020	To create securities in favor of lenders u/s 180(1)(a) of the Companies act, 2013
				Borrowing limits of the company u/s 180(1)(c) of the Companies Act, 2013
3	46th Annual General Meeting (FY 2014-15)	21.09.2015 at 2.30 PM	Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700020	To approve the Corporate Debt Restructuring package between the Company and the lenders of the Company.
				To restructure loan as per provision of 62(3) of the companies Act, 2013
				To issue and offer 6% non-cumulative, Redeemable Preference Shares u/s 55 and 62 of the Companies Act, 2013

◆ Forthcoming Annual General Meeting

47th Annual General Meeting (AGM) for the FY 2015-16

Date and Time	22nd September, 2016 at 3.30 P.M
Venue	Rotary Sadan, 94/2 Chowringhee Road, Kolkata – 700 020
Book Closure Date	September 17, 2016 to September 22, 2016 (both days inclusive)
Dividend Payment Date	N.A
Tentative Dates for the F.Y. 2016-17 Financial results for:	
First Quarter	On or before 14th August, 2016
Second Quarter	On or before 14th November, 2016
Third Quarter	On or before 14th February, 2017
Annual Results	On or before 30th May, 2017
Name,Address& Stock Code of Stock Exchanges	National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Stock Code: MSPL
	BSE Limited P J Towers, Dalal Street, Mumbai - 400 001 Stock Code:532650
Annual Listing Fees	Paid for the F.Y. 2016-17

◆ Postal Ballot

During the year, the Company had not conducted voting through Postal Ballot.

◆ Means of Communication with Shareholders

The Company regularly publishes quarterly / annual results in the newspapers as submitted to the Stock Exchanges immediately after they are taken on record by the Board. The results were generally published in the Business Standard in English and Arthik Lipi or Kalantar, in Bengali (a regional daily newspaper) during the financial year 2015-16.

The quarterly/half yearly/annual results, annual reports and official news releases along with any additional information are posted on our website, www.mspsteel.com.Any presentations made to institutional investors or to the analysts are posted on the Company's website mentioned above.

◆ Dividend

The Board of Directors does not declare any dividend due to slow down in steel industries and your company incurred losses for the current fiscal year.

Dividend History for the last 6 Years

Sl. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount declared per share
1	2009-10	29th September, 2010	50p per equity share
2	2010-11	19th September, 2011	50p per equity share
3	2011-12	18th September, 2012	25p per equity share
4	2012-13	No Dividend declared	NIL
5	2013-14	No Dividend declared	NIL
6	2014-15	No Dividend declared	NIL

Unclaimed Dividend/Shares

The Unclaimed dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) account in accordance with section 205C of the Companies Act 1956, administered by the Central Government which cannot be claimed by the Shareholders/Investors. The details of unclaimed dividend are posted on the website of the Company.

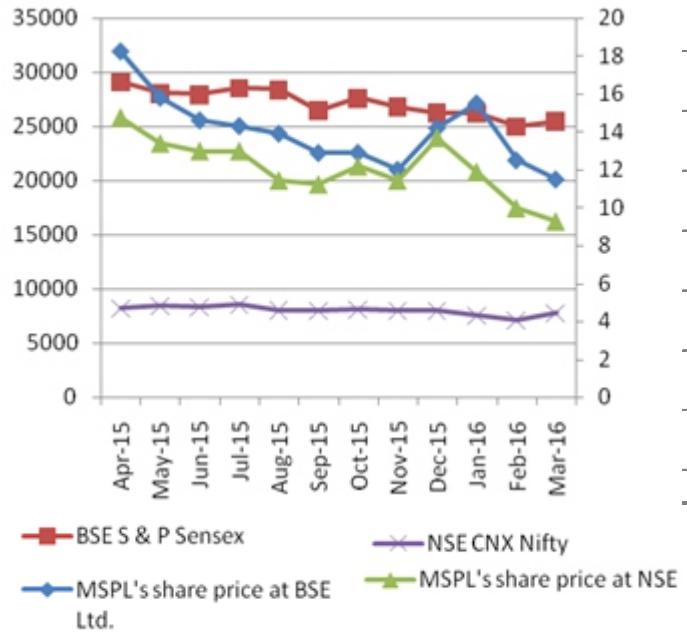
The Company have in the notice convening 47th Annual General Meeting intimated the shareholders whose dividend warrants have not been encashed , revert to the company if they have not received/ encashed their dividend warrants.

- Stock Price

Market Price Data

Market price data-during each month in Financial Year 2015-16 are:

Month	BSE Limited		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-15	18.24	12.30	14.75	14.45
May-15	15.80	13.05	13.40	13.05
Jun-15	14.60	11.65	13.00	12.10
Jul-15	14.30	12.00	13.00	11.40
Aug-15	13.90	10.31	11.45	11.00
Sep-15	12.88	9.50	11.25	10.45
Oct-15	12.89	9.76	12.20	11.45
Nov-15	11.99	10.08	11.45	10.55
Dec-15	14.20	10.75	13.70	12.50
Jan-16	15.50	10.50	11.90	10.80
Feb-16	12.49	9.40	10.00	9.50
Mar-16	11.48	8.50	9.30	8.50



- Registrar And Transfer Agents:

Karvy Computershare Pvt. Ltd. provides Registry and Share Transfer services to the Company an continues to hold requisite certificate as Category – I RTA vide SEBI Registration No. INR000000221 issued by Securities Exchange Board of India.

Contact Information:

46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad- 500 034
Ph. No.(040) -23312454,23320251-53
Fax No. (040)-23311968
E-mail: mspipo@karvy.com

Share Transfer System

Karvy Computershare Pvt. Ltd. the Registrars of the Company, registers the transfers after the Share Transfer Committee approves the transfer and transmission of shares, issue of duplicate share certificates and allied matters, subject to the transfer instrument being valid and complete in all respects. In compliance with the Listing Agreement, a Company Secretary in practice audits the system of share transfer every six months and a Certificate to that effect is issued.

Sl. No.	Category	Cases	% of Cases	No. of Shares.	% Shareho lding
1	upto 1 - 5000	8,661.00	79.88	1,524,335	1.73
2	5001 - 10000	1,042.00	9.61	894,615	1.02
3	10001 - 20000	538.00	4.96	848,138	0.96
4	20001 - 30000	172.00	1.59	448,343	0.51
5	30001 - 40000	88.00	0.81	319,316	0.36
6	40001 - 50000	62.00	0.57	295,532	0.34
7	50001 - 100000	118.00	1.09	890,872	1.01
8	100001 & ABOVE	162.00	1.49	82,878,849	94.07
Total:		10,848.00	100.00	88,100,000	100.00

Shareholding Pattern for the year ended 31st March, 2016

CATEGORY			Category Wise Holding	
			No. of Shares Held	% of Holding
A.	Promoters Holding			
	1.	Promoters		
		Indian Promoters	63,343,500	71.90%
		Sub Total:	63,343,500	71.90%
B.	Public Holding			
	1.	Institutional Investors		
		a. Mutual Funds and UTI	-	
		b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Govt. Institutions)	254,990	0.29%
		c. FIIs	-	-
	2.	Non Institutional Investors		
		a. Bodies Corporate	16,814,876	19.09%
		b. Indian Public	7,440,465	8.44%
		c. NRI's/OCBs	232,473	0.26%
		Clearing Members	13,696	0.02%
		Subtotal:	24,756,500	28.10%
Grand Total			88,100,000	100.00%

Pledge of Shares :- the shares of the promoters are fully pledged thus percentage of shares pledge is 100%

Dematerialization of shares

The shares are regularly traded in dematerialized form in both NSE and BSE. As on 31st March, 2016 99.93% of the total equity shares, are held in dematerialized form and 0.07% of the Equity Shares are held in physical form. The register of Members is being maintained by the RTA in electronic form. All the dematerialization requests received during the year were confirmed within 21 days.

Under the depository system the International Security Identification number (ISIN) allotted to the equity shares of the Company is INE 752G01015. There are no GDRs/ADRs/Warrants/Convertible instruments.

Details of shares held in dematerialized and physical form as on 31st March 2016

Description	No. of share holders	No. of shares	% of total shares
Shares held in dematerialized form- NSDL	7,123	85,449,307	96.99
Shares held in dematerialized form- CSDL	3,688	2,587,356	2.94
Shares held in physical form	32	63,337	0.07
Total	10,843	88,100,000	100.00

Company Constituents

- Plant Location

  Village & PO: Jamgaon, Dist: - Raigarh, Chhattisgarh

- Contact Information

  Address for Correspondence:
  Registered Office
  1, Crooked Lane, Kolkata – 700 069
  Ph. No.: 033-22483795
  Fax No.: 033-22484138

Corporate Office
16/S Block- A, New Alipore, Kolkata- 700053
Ph No.: 033-2399 0038/ 3940/4005 7777
Fax No.: 033-2398 2239/ 4005 7788

For Investors Query
MSP Steel & Power Ltd.
16/S, Block 'A' New Alipore, Kolkata - 700 053
Tel :+91 (033) 4005 7777
Email-id:
kamal.jain@mspsteel.com/shreya.kar@mspsteel.com

D. OTHER DISCLOSURE

Related Party Transactions

The Board of the Directors has laid down a policy on dealing with the material related party transactions pursuant to the provisions of the Companies Act,2013 and SEBI (LODR) Regulations,2015. The same is posted on website of the Company
www.mspsteel.com/company_info/corporate_policies/policy_on_materiality.

All transactions entered during the financial year were in the ordinary course of business and on arms length basis and there were no significant material transactions with the related parties. The list of the related party transactions as required to be disclosed is done under AS-18and disclosed in the notes to the Financial Statement.

Details of Non-compliances by the Company

There were no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on matter related to capital markets, during the last three years.

Whistle Blower Policy/Vigil Mechanism

Vigil Mechanism Policy (Whistle Blower Policy) has been established by the Company for Directors and Employees to report genuine concerns about the ethical behavior or suspected/actual fraud or violation of Code of Conduct of the Company. The Vigil Mechanism Policy of the Company is available in the Company's website www.mspsteel.com/company_info/corporate_policies/whistle_blower_policy. A brief on the policy is also given in the Directors' Report.

Compliance with mandatory Requirements

The Company has complied with all mandatory requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Non- mandatory items of Corporate Governance

Your Company has also ensured the implementation of non –mandatory items such as:

- Separate posts of Chairperson and MD & CEO and re-imbursement of expenses in the performance of duties
- Unmodified audit Opinions/Reporting
- The internal auditor reports directly to the Audit Committee

Subsidiary Companies

MSP Cement Limited is the wholly owned subsidiary of the Company and the Audited Annual Report of the subsidiary company are placed and reviewed by Audit Committee and Board. Policy for determining material subsidiaries is displayed on the website of the Company www.mspsteel.com/company_info/corporate_policies/policy

Code of Conduct

A Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors of the Company and Senior Management Personnel of the Company. This code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. A copy of the same is available on the Company's website www.mspsteel.com (web link: http://mspsteel.com/csr-policy/code%20of%20conduct-%20final.pdf). All the members of the Board and Senior Management Personnel have affirmed compliance to the Code of Conduct.

Code of Conduct for Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a code of practices and procedures for fair disclosure of unpublished price sensitive information to facilitate fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

For and behalf of the Board
MSP STEEL & POWER LIMITED

SAKET AGRAWAL
DIN: 00129209
(Managing Director)

Date : July 27, 2016
Place : Kolkata

MANISH AGRAWAL
DIN: 00129240
(Director)

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
MSP STEEL & POWER LIMITED

We have examined the compliance of Corporate Governance by MSP Steel & Power Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the 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, and the representations made by the Directors, and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

Place : Kolkata
Date : 27th July, 2016

For **Sunil Kumar Agrawal & Associates**
Firm Registration No.: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership no.: 057731

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF ETHICS AND BUSINESS CONDUCT

I confirm that all Directors and members of the Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, for the year 2015-16.

Place : Kolkata
Date : 27th July, 2016

For **MSP STEEL & POWER LIMITED**
Saket Agrawal
Managing Director

CEO & CFO CERTIFICATION

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

In pursuance of provisions regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Saket Agrawal, Managing Director and Kamal Kumar Jain, Chief Financial Officer, responsible for the finance function certify that:

a) We have reviewed the financial statements and cash flow statements for the year ended 31st March, 2016 and to the best of our knowledge and belief:

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

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 which are fraudulent, illegal or violative of the Company's code of conduct.

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

d) We have indicated to the auditors and the audit committee that:-

i. There have been no significant changes in internal control over financial reporting during the year.
ii. There have been no significant changes in accounting policies during the year.
iii. There have been no instances of significant fraud of which we have become aware.

Place: Kolkata
Date : 27th July, 2016

Saket Agrawal
Managing Director

Kamal Kumar Jain
Chief Financial Officer

Annexure - 1

FORM AOC-1

AOC-1

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

Part "A" : Subsidiaries

(₹ In lacs)

1	Name of the Subsidiary	MSP Cement Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2015-16
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees
4	Share Capital	58.07
5	Reserves & Surplus	-
6	Total assets	62.70
7	Total liabilities	62.70
8	Investment	-
9	Turnover	-
10	Profit before taxation	-
11	Provision for taxation	-
12	Profit after taxation	-
13	Proposed Dividend	-
14	% of Shareholding	100.00

Part "B": Associates and Joint Ventures

Statement pursuant to Section 123(3) of the Companies Act, 2013 related to Associate Companies and

(₹ In lacs)

Name of Associates/ Joint Ventures	AA Ess Tradelinks Pvt. Limited	Madanpur South Coal Company Limited
Reporting Currency	₹	₹
1. Latest audited Balance Sheet Date	March 31, 2016	March 31, 2016
2. Shares of Associate/ Joint Ventues held by the company on the year		
Number	4,650,175.00	166,220.00
Amount of Investment in Associates / Joint Ventures	4,370.68	232.28
Extend of Holding %	42.75	14.90
3. Description of how there is significant influence *	20% of shares	N.A
4. Reason why the associates/ joint venture is not consolidated	N.A	N.A
5. Networth attributable to Shareholding as per latest audited Balance Sheet	9516.41	930.96
6. Profit / Loss for the year		
i. Considered in Consolidation	N.A	(0.15)
ii. Not Considered in Consolidation	N.A	(0.87)

* By virtue of holding more than 20% of shares.

Annexure - 2

i. Details Pertaining to remuneration as required Under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl No.	Name of the Director/KMP & Designation	Remuneration of Director/KMP for financial year 2015-16 (Rs. in Lacs)	% increase in remuneration in the F.Y 2015-16	Ratio of Remuneration of each Director/to median remuneration of employees **
1	Mr. Saket Agrawal Managing Director	30.00	Nil	15:01
2	Mr. D.Singh Executive Director	6.00	Nil	3:01
3	Mr. Manish Agrawal Non- Executive Promoter Director	Nil	-	-
4	Mr. Ashok Kumar Soin Non-Executive Independent Director	Nil	-	-
5	Mr. Navneet Jagatramka Non-Executive Independent Director	Nil	-	-
6	Mrs. Priyanka Tiwari Non-Executive Independent Director	Nil	-	-
7	Mr. Arvind Kumar Saraf Non-Executive Independent Director	Nil	-	-
8	Mr Suresh Kumar Agrawal Non Executive Promoter Director	Nil	-	-
9	Ms. Ruchi Garg Company Secretary	4.02	Nil	Not Applicable
10	Mr. Kamal Kumar Jain Chief Financial Offier	10.71	Nil	Not Applicable

** Based on Annualised Salary
Note: Mr. Suresh Kumar Agrawal, was appointed as on 19.01.2016

ii. The median remuneration of employees of the Company during the financial year was ₹ 2 lacs

iii) In the financial year, there was an increase of 31.49 % in the median remuneration of employees.

iv) There were 1018 permanent employees on the rolls of Company as on March 31, 2016;

v) Average percentage decreased made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2015-16 was 5.97% whereas the increase in the managerial remuneration for the same financial year was 19.79%.

vi) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2016

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

To
The Members,
MSP Steel and Power Limited

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:

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

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

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

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

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

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulation, 2015;
   c. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) were not applicable to the Company under the financial year under report:

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

   b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

3. The Company is in the business of manufacturing of steel & sponge iron. No specific Acts are applicable to the company.

4. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India:
The Secretarial Standards had not been notified for the financial year under scrutiny.

(ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

5. As per the information and explanations provided by the Company, its Officers, Agents and authorised representatives during the conduct of Secretarial Audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extend of:

i. External Commercial Borrowing were not attracted to the Company under the Financial year under report;

ii. Foreign Direct Investment (FDI) were not attracted to the Company under the Financial Year under report;

iii. Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary were not attracted to the Company under the Financial Year under report.

6. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.

7. As per the information and explanation provided by the company, its officers, agents and authorised representation during the conduct of Secretarial Audit, we report that the company has not made any GDRs/ ADRs or any commercial instruments under the financial year under report.

8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

9. We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For PS & Associates

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216

Date : 18th July , 2016
Place : Kolkata

ANNEXURE-4

Corporate Social Responsibility for the F.Y.15-16

(Pursuant to Section 135 of the Companies Act, 2013)

1. A brief outline of the Company's CSR Policy:

The Company strives to bring social well being of the weaker section of the society. As a part of initiative under Corporate Social Responsibility the Company has undertaken projects in rural development, promoting health care and education.

The company endeavors to make CSR a key business process for sustainable development. MSP STEEL & POWER LIMITED is responsible to continuously enhance stakeholder's wealth; and to conduct its business in an accountable manner that creates a sustained positive impact on society. The web link for the CSR Policy is: mspsteel.com/csr-policy/CSR POLICY.pdf

2. CSR Committee:
The member of the CSR Committee as on 31st March, 2016 are:
a. Mr. Manish Agrawal, Member
b. Mr. Saket Agrawal, Member
c. Mr. Kapil Deo Pandey, Chairman

3. Average net profit of the Company in the last three financial years: ₹ (8953.60) lacs
Prescribed CSR Expenditure (2% of the average net profit for the last three financial years): ₹ (179.07) lacs

4. Details of CSR spent during the financial year:
Total amount to be spent for the financial year: ₹ 136.29Lacs

Amount unspent, if any: N.A
Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1 Local area 2 Specify the state and district where the project or programs was undertaken	Amount outlay (budget) project or programs wise (₹ In lacs)	Amount spend on projects or programs Sub heads:		Cumulative expenditure upto the F.Y 2015-16 (₹ In lacs)	Amount spend: Direct or through implementing agency
					Direct expenditure (₹ In lacs)	Overheads		
1	Eradication of illiteracy	Enhancing education in rural area by setting up a school, renovation of the old school buildings.	Raigarh, Chattisgarh	25.5	25.21	Nil	102.02	Direct
2	Health	Promoting preventive healthcare	Raigarh, Chattisgarh	7	6.33	Nil	46.83	Direct
3	Infrastructural Development	Rural Development Projects	Raigarh, Chattisgarh	100	99.65	Nil	177.85	Direct
4	Social Activity	Improving Living Conditions	Raigarh, Chattisgarh	5.5	5.1	Nil	136.38	Direct
Total				138	136.27	Nil	463.08	

Date: July 26, 2016

SAKET AGRAWAL
Managing Director

KAPIL DEO PANDEY
Chairman of CSR Committee

Annexure – 5

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

The Information as per Section 134(3)(m) of the Companies Act, 2013 read with relevant Rules framed thereunder Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo relating to the financial year ended 31st March, 2016 is as follows:

A. Conservation of energy-

i. the steps taken or impact on conservation of energy: The company is always conscious about the need for energy conservation. Continuous monitoring optimization of energy conservation is undertaken at plant level. Online hot charging of billet has been implemented for reduction of Thermal Energy in Structure Mill division.

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

iii. the capital investment on energy conservation equipments: Nil

B. Technology absorption-

i. the efforts made towards technology absorption: No major technology has been adopted by the Company during the year.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution: N.A

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. the details of technology imported; N.A

b. the year of import; N.A

c. whether the technology been fully absorbed; N.A

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

iv. the expenditure incurred on Research and Development: The company so has far not carried out any major Research and Development work. The Company shall however undertake Research and Development work as and when required to improve the quality of its products. The company has not incurred any expenditure on this account so far. The Company, however, has a full-fledged laboratory at its integrated steel plant for testing of raw materials and also of the finished products.

C. Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

₹ in lacs

Particulars	2015-16	2014-15
Foreign Exchange earnings		
Export sales*	4,196.49	5,864.97
Foreign Exchange Outgo		
Import – consumables - (stores)	120.92	46.37
-- Capital goods	-	-
-- Raw materials	5,827.06	13,150.31
Travelling and others	0.48	0.69
Interest	263.97	339.81

* Export sales includes export made in Indian Rupees.

Annexure - 6

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I) CIN	**L27109WB1968PLC027399**
ii) Registration Date	**18/11/1968**
iii) Name of the Company	**MSP STEEL & POWER LIMITED**
iv) Category / Sub-Category of the Company	**Company limited by shares/ Indian Non-Government**
v) Address of the Registered office and contact details	1, Crooked Lane, Kolkata -700 069 33-4005 7777 Fax : +91-33-4005 7799,23982239, Email: investor.contact@mspsteel.com
vi)Whether listed companylisted company	**Yes**
vii) Name, Address and Contact details of Registrar and if any	**Karvy Computershare Private Limited** Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 Ph. : +91 40 23312454/44677312/44677392, Fax : +91 40 23440674

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Steel and Steel products	2410	92.33

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	MSP Cement Limited Banglapara, North Chakradhar Nagar, Raigarh-496001	U26940CT2008PLC002120	Subsidary Company	100.00%	Section 2(87)
2	AA ESS Tradelinks Private Limited 13A, Dacres Lane, Kolkata - 700 069	U51109WB1995PTC072185	Associate Company	42.75%	Section 2(6)
3	Madanpur South Coal Company Limited (JV) Industrial Growth Centre Siltara, Raipur -493111	U10300CT2006PLC020006	Jointly Controlled Entity	14.90%	Section 2(6)

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

I) Category-wise Share Holding

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. Promoters									
1. Indian									
a)Individual/HUF	2,303,240	-	2,303,240	2.61	2,303,240	-	2,303,240	2.30	0.32
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	61,040,260	-	61,040,260	69.29	61,040,260	-	61,040,260	69.60	(0.31)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**63,343,500**	**-**	**63,343,500**	**71.90**	**63,343,500**	**-**	**63,343,500**	**71.90**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**63,343,500**	**-**	**63,343,500**	**71.90**	**63,343,500**	**-**	**63,343,500**	**71.90**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	254,990	-	254,990	0.29	254,990	-	254,990	0.29	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs Capital	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total	**254,990**	**-**	**254,990**	**0.29**	**254,990**	**-**	**254,990**	**0.29**	**-**

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	
2. Non-Institutions									
a) Bodies Corp.									
I) Indian	17,047,806	-	17,047,806	19.35	16,814,876	-	16,814,876	19.09	0.26
ii)Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,846,348	11,805	4,858,153	5.51	5,504,872	11,937	5,516,809	6.26	(0.09)
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	2,320,139	51,400	2,371,539	2.69	1,872,256	51,400	1,923,656	2.18	(0.40)
c) Others	224,012	-	224,012	0.25	246,169	-	246,169	0.28	(0.03)
Sub-total	24,438,305	63,205	24,501,510	27.81	24,438,173	63,337	24,501,510	27.81	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	24,693,295	63,205	24,756,500	28.10	24,693,163	63,337	24,756,500	28.10	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	88,036,795	63,205	88,100,000	100	88,036,663	63,337	88,100,000	100	-

(ii)Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	MSP SPONGE IRON LTD.	24,736,500	28.08	-	24,736,500	28.08	28.08	-
2	ADHUNIK GASES LTD.	5,554,000	6.30	-	5,554,000	6.30	6.30	-
3	MSP INFOTECH PVT LTD.	7,229,760	8.21	-	7,229,760	8.21	8.21	-
4	ILEX PRIVATE LIMITED	4,115,000	4.67	-	4,115,000	4.67	4.67	-
5	B S CONFIN PVT. LTD.	3,530,000	4.01	-	3,530,000	4.01	4.01	-
6	HIGH TIME HOLDINGS PVT.	3,025,000	3.43	-	3,025,000	3.43	3.43	-
7	EMERALD TRADELINK PVT. LTD.	2,500,000	2.84	-	2,500,000	2.84	2.84	-
8	RAJNATH VYAPAAR PRIVATE LIMITED	2,500,000	2.84	-	2,500,000	2.84	2.84	-
9	AA ESS TRADELINKS PVT. LTD.	1,900,000	2.16	-	1,900,000	2.16	2.16	-
10	DEXO TRADING PVT. LTD.	1,575,000	1.79	-	1,575,000	1.79	1.79	-
11	K. C. TEXOFINE PVT. LTD.	1,215,000	1.38	-	1,215,000	1.38	1.38	-
12	SIKHAR COMMOTRADE PVT.LTD.	1,160,000	1.32	-	1,440,000	1.63	1.63	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
13	RAJ SECURITIES LTD.	1,000,000	1.14	-	1,000,000	1.14	1.14	-
14	LARIGO INVESTMENT PRIVATE LIMITED	1,000,000	1.14	-	1,000,000	1.14	1.14	-
15	KIRAN AGRAWAL	486,000	0.55	-	486,000	0.55	0.55	-
16	NISHA AGRAWAL	336,500	0.38	-	336,500	0.38	0.38	-
17	MANISH AGRAWAL	309,000	0.35	-	309,000	0.35	0.35	-
18	PRANAY AGRAWAL	306,000	0.35	-	306,000	0.35	0.35	-
19	SAKET AGRAWAL	204,000	0.23	-	204,000	0.23	0.23	-
20	PURAN MAL AGRAWAL	186,620	0.21	-	186,620	0.21	0.21	-
21	ANYA AGRAWAL	170,000	0.19	-	-	-	-	-
22	SURESH KUMAR AGRAWAL	119,000	0.14	-	141,000	0.16	0.16	-
23	ARAV AGRAWAL	110,000	0.12	-	-	-	-	-
24	PURAN MAL AGRAWAL (HUF)	29,000	0.03	-	29,000	0.03	0.03	-
25	SURESH KUMAR AGRAWAL	25,120	0.03	-	25,120	0.03	0.03	-
26	KISTURI DEVI AGARWAL	22,000	0.02	-	-	-	-	-
TOTAL:		**63,343,500**	**71.90**	**-**	**63,343,500**	**71.90**	**71.90**	**-**

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	**SIKHAR COMMOTRADE**					INTER SE TRANSFER FROM ANYA AND ARAV AGRAWAL		
	At the beginning of the year	1,160,000	1.32	04.02.2016	280,000			
	At the End of the year						1,440,000	1.63
2	**ANYA AGRAWAL**					INTER SE TRANSFER TO SIKHAR COMMOTRADE PVT. LTD.		
	At the beginning of the year	170,000	0.19	04.02.2016	(170,000)			
	At the End of the year						-	-
3	**ARAV AGRAWAL**					INTER SE TRANSFER TO SIKHAR COMMOTRADE PVT. LTD.		
	At the beginning of the year	110,000	0.12	04.02.2016	(110,000)			
	At the End of the year						-	-
4	**SURESH KUMAR AGRAWAL**					TRANSMISSION FROM KISTURI DEVI AGARWAL		
	At the beginning of the year	119,000	0.14	07.04.2015	22,000			
	At the End of the year						141,000	0.16

ANNEXURES

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ decrease in shareholdin g	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
5	**KISTURI DEVI AGARWAL**					TRANSMISSION T0 SURESH KUMAR AGRAWAL		
	At the beginning of the year	22,000	0.14	07.04.2015	(22,000)			
	At the End of the year	119,000					-	-

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

Sl. No.	Name (top ten Shareholders as on 1.04.2015 & 31.03.2016 is to be provided)	Shareholding at the beginning of the year (1.04.2015)/ End of the Year (31.03.2016)		Date	Increase/ decrease in shareholdin g	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	**ANUBHAV VINCOM**					Nil movement during the year		
	At the beginning of the year	35,00,000	3.97	01.04.2015	-			
	At the End of the year			31.03.2016			35,00,000	3.97
2	**PANCHWATI AGENCIES PRIVATE LIMITED**					Nil movement during the year		
	At the beginning of the year	35,00,000	3.97	01.04.2015	-			
	At the End of the year			31.03.2016			35,00,000	3.97
3	**S. K. FINTEX PRIVATE LIMITED**					Nil movement during the year		
	At the beginning of the year	16,32,171	1.85	01.04.2015	-			
	At the End of the year			31.03.2016			16,32,171	1.85
4	**SAMBHAV MERCANTILE.S PVT. LTD.**					Nil movement during the year		
	At the beginning of the year	15,44,000	1.75	01.04.2015	-			
	At the End of the year			31.03.2016			15,44,000	1.75
5	**MOHIT VYAPAAR PVT. LTD.**					Nil movement during the year		
	At the beginning of the year	14,88,940	1.69	01.04.2015	-			
	At the End of the year			31.03.2016			14,88,940	1.69
6	**RAVI BUSINESS SERVICES PVT. LTD.**					Nil movement during the year		
	At the beginning of the year	10,20,449		01.04.2015	-		10,20,449	
	At the End of the year			31.03.2016			10,20,449	1.69
7	**METALITE FUEL INDUSTRIES LTD.**					Nil movement during the year		
	At the beginning of the year	7,26,287	0.82	01.04.2015	-		7,26,287	
	At the End of the year			31.03.2016			7,26,287	0.82

Sl. No.	Name (top ten Shareholders as on 1.04.2015 & 31.03.2016 is to be provided)	Shareholding at the beginning of the year (1.04.2015)/ End of the Year (31.03.2016)		Date	Increase/ decrease in shareholdin g	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
8	**SWAGAT TREXIM PVT. LTD.**					Nil movement during the year		
	At the beginning of the year	7,23,478	0.82	01.04.2015	-		7,23,478	
	At the End of the year			31.03.2016			7,23,478	0.82
9	**GILBART MERCHANTS PVT. LTD.**					Nil movement during the year		
	At the beginning of the year	5,04,426	0.57	01.04.2015	-		5,04,426	
	At the End of the year			31.03.2016			5,04,426	0.57
10	**PRADEEP KUMAR SARAF**					Nil movement during the year		
	At the beginning of the year	4,28,924	0.49	01.04.2015	-		4,28,924	
	At the End of the year			31.03.2016			4,28,924	0.49

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ decrease in shareholdin g	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	**SURESH KUMAR AGRAWAL**					Transmission from Kisturi Devi Agarwal		
	At the beginning of the year	119,000	0.14	01.04.2015	-		1,19,000	
				07.04.2015	22,000		22,000	
	At the End of the year			31.03.2016			1,41,000	0.16
2	**PURAN MAL AGRAWAL**					Nil movement during the year		
	At the beginning of the year	1,86,620	0.21	01.04.2015	-			
	At the End of the year			21.09.2015			1,86,620	0.21
3	**SAKET AGRAWAL**					Nil movement during the year		
	At the beginning of the year	2,04,000	0.23	01.04.2015	-			
	At the End of the year			31.03.2016			2,04,000	0.23
4	**MANISH AGRAWAL**					Nil movement during the year		
	At the beginning of the year	3,09,000	0.35	01.04.2015	-		1,86,620	0.21
	At the End of the year			31.03.2016				
5	**ARVIND KUMAR SARAF**					Nil movement during the year		
	At the beginning of the year	Nil	Nil	01.04.2015	-			
	At the End of the year			17.06.2015			Nil	Nil

Sl. No.	Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ decrease in shareholdin g	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
6	**NAVNEET JAGATRAMKA**							
	At the beginning of the year	Nil	Nil	01.04.2015	-	Nil movement during the year		
	At the End of the year			31.03.2016			Nil	Nil
7	**ASHOK KUMAR SOIN**							
	At the beginning of the year	Nil	Nil	01.04.2015	-	Nil movement during the year		
	At the End of the year			31.03.2016			Nil	Nil
8	**PRIYANKA TIWARI**							
	At the beginning of the year	Nil	Nil	01.04.2015	-	Nil movement during the year		
	At the End of the year			31.03.2016			Nil	Nil
9	**DHANANJAY UCHIT SINGH**							
	At the beginning of the year	Nil	Nil	01.04.2015	-	Nil movement during the year		
	At the End of the year			31.03.2016			Nil	Nil
10	**KAPIL DEO PANDEY**							
	At the beginning of the year	Nil	Nil	01.04.2015	-	Nil movement during the year		
	At the End of the year			31.03.2016			Nil	Nil
11	**RUCHI GARG**							
	At the beginning of the year	Nil	Nil	01.04.2015	-	Nil movement during the year		
	At the End of the year			31.03.2016			Nil	Nil
12	**KAMAL KUMAR JAIN**							
	At the beginning of the year	Nil	Nil	01.04.2015	-	Nil movement during the year		
	At the End of the year			31.03.2016			Nil	Nil

V. INDEBTEDNESS

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	1,03,174.93	12,050.50	-	1,15,225.43
ii) Interest due but not paid	70.89	41.68	-	112.57
iii) Interest accrued but not due	20.43	12,092.18	-	12,112.61
Total (i + ii + iii)	**1,03,266.25**	**24,184.36**	**-**	**1,27,450.61**
Change in Indebtedness during the financial year				
Addition	9,922.54	790.00	-	10,712.54
Reduction	2,350.78	12,381.63	-	14,732.41
Net Change	**7,571.76**	**(11,591.63)**	**-**	**(4,019.87)**

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
I) Principal Amount	1,10,746.69	458.87	-	1,11,205.56
ii) Interest due but not paid	27.26	47.28	-	74.54
iii) Interest accrued but not due	12.16	-	-	12.16
Total (i + ii + iii)	**110786.11**	**506.15**	**-**	**1,11,292.27**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. Dhananjay Uchit Singh**	Mr. Saket Agrawal	Mr. Puran Mal Agrawal* (ceased to be director from 21.09.2015)	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	30,00,000	-	36,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**6,00,000**	**30,00,000**	**-**	**36,00,000**
Ceiling as per the Act		As per Schedule V of the Act			

*** Upto 21.09.2015**
**** From 21.09.2015**

B. Remuneration to other directors *:

Sl. No.	Particulars of Remuneration	Mr. Arvind Kumar Saraf**	Mr. Ashok Kumar Soin	Mr. Navneet Jagatramka	Mrs. Priyanka Tiwari	Mr. Kapil Deo Pandey#	Total Amount
1	Independent Directors						
	Fee for attending board / committee	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	Nil	Nil	
	Total (1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	
2	Other Non-Executive Directors	**Mr. Manish Agrawal**		**Mr. Suresh Kumar Agrawal**			
	Fee for attending board / committee meetings	Nil		Nil			
	Commission	Nil		Nil			
	Others, please specify	Nil		Nil			
	Total (2)	**Nil**		**Nil**			
	Total (B)=(1+2)	**Nil**		**Nil**			
Total Managerial Remuneration							**36,00,000**
Overall Ceiling as per the Act		As per Schedule V of the Act					

*** Non-Executive Directors haved waved off their remuneration**

**** Ceased to hold office from 17.06.2015**

 # appointed as on 17.06.2015

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Ruchi Garg** Company Secretary	Mr. Kamal Kumar Jain CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,98,453	10,70,744	15,69,197
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify…	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
Total (C)		**4,98,453**	**10,70,744**	**15,69,197**

** Ceased to be a Company secretary w.e.f. 21.03.2016

VII. 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)
A. COMPANY	**NO PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

MSP Steel & Power Limited is a public limited company having its registered office in Kolkata, West Bengal and plant at Jamgaon, Raigarh, Chhattisgarh. The Company is listed on BSE and NSE Stock Exchanges.

The company has an integrated steel plant located at Raigarh. In-house power generation through its captive power units, along with beneficiation and pellet manufacturing facilities enables it to operate at the lowest end of the cost curve as it is able to use low-grade iron ore fines and coal. MSPL also rolls its steel at its rolling and structure mills to produce value-added rolled long products.

The Company has a diversified portfolio ranging from pellets, sponge iron, billets, power, TMT, structurals having its manufacturing plants at Raigarh, Chattisgarh ensuring production of cost efficient and premium quality products.

STEEL INDUSTRY

The steel industry continues to face a challenging economic environment due to the toxic cocktail of economic slowdown in China, volatility in financial markets, sluggish growth in global trade, and low prices of oil and other commodities. Although the automobile and construction sectors continue to support demand, the steel industry is reeling from high debt, and continued weakness in the manufacturing sector and foreign steel imports into the Country. High levels of imports and lower drilling activities by energy companies continued to put pressure on pricing and shipments.

Steel imports rose 18 per cent thereby importing 994,000 Tonnes of Steel in March, provisional government data showed, on the back of deals struck before the government imposed a floor price in February to curb cheap imports, which resulted in 1.1% fall in India's production. Imports were up 9.1 per cent compared with February. Consumption of steel, in the only major market where steel demand is growing, rose 4.3 per cent between April 2015 and March 2016, largely driven by imports.

India produced 7.34 MT of steel in the month of September 2015, which was nearly equal to the country's steel production in September 2014. During the FY 2015-16, India's steel imports rose 20.2% to 11.21 MT, while steel consumption in the country grew 4.3%. The Country's steel imports declined year on year from November to February, owing to a 20% safeguard duty applicable on imports.

In addition, the steel industry is challenged by dwindling investments, turbulence in the financial market and geopolitical conflicts in many developing regions. The domestic market continues to be inundated with cheap imports from overseas producers, especially from China. The imposition of the minimum import price by the Govt of India in Feb-2016 was a temporary boost to steel prices in India, effects of which are seen to be fading away as the underlying demand continues to be sluggish. However, with consumption picking up, good monsoons and a likely increase in government spending, there appear to be some green shoots which could augur well for the industry.

ECONOMIC ENVIRONMENT

GLOBAL

The year 2015-16 may be specially remembered as a year of slowdown for the global economy, which grew only by 3.1% as against 3.4% in year 2014. No sector made cash on the declining prices of raw materials, as inventories of finished products went up due to a fall in demand. The Global Steel market is suffering from insufficient investment expenditure and continued weakness in the manufacturing sector. With the deep integration of China in the global manufacturing supply chain, this sector has slowed as a consequence of weak growth in global trade. Manufacturing exports in emerging economies, in particular in Asia, declined owning to slower Chinese demand. Sluggish demand conditions seen across the world along with a surplus in steel-making capacity has led to a sharp decline in global prices. Besides, most of the economies have failed to report any meaningful growth despite stimulus packages by Central Banks across the world. This clearly has not been amongst the brighter and better years for steel industry,

INDIA

India's economic growth accelerated to 7.9 per cent in the

first quarter, widening its lead over China and confirming the country's status as the world's fastest expanding large economy and the most dynamic emerging market.

In the past, too, the Indian steel industry had faced oversupply and below-cost product prices, resulting from large new capacity coming in a bunch. But, all that had happened with steel in earlier years paled into insignificance compared with the present state of the industry burdened as it is with bank debts of around Rs 3 lakh crore and heavy losses in the second half of 2015-16.

Annual expansion in the Indian Economy in the 2015-16 financial year reached 7.6 per cent, up from 7.2 per cent the previous year. While China's economy is much larger than India's, growth there slowed to 6.7 per cent in the first quarter of 2016 — the lowest since the depths of the financial crisis seven years ago.

India will be the fastest growing major economy in 2016-17 growing at estimated 7.5%, ahead of China, at a time when global growth is facing increasing downside risks, as per the World Economic outlook released by the IMF.

The agricultural sector has witnessed a weak growth due to drought for last two years. Two consecutive years of sub-par monsoon had a significant impact on the output of both food as well as non-food crops, which hampered rural development.

Industry	Percentage change over previous year	
	2014-15	2015-16
1. Agriculture, forestry & fishing	4.90	4.40
2. Mining & quarrying	2.80	3.70
3. Manufacturing	7.60	8.10
4. Electricity, gas,water supply& other utility services	12.90	10.50
5. Construction	7.80	0.60
6. Trade, hotels, transport, communication and services related to broadcasting	13.30	6.40
7. Financial, real estate & professional services	13.30	7.00
8. Public administration, defence and Other Services	17.30	12.50
9. Gross Value Added (GVA) at Basic Price	10.50	6.80

Source: Advance The Central Statistics Office (CSO) Estimates of National Income, 2015-16

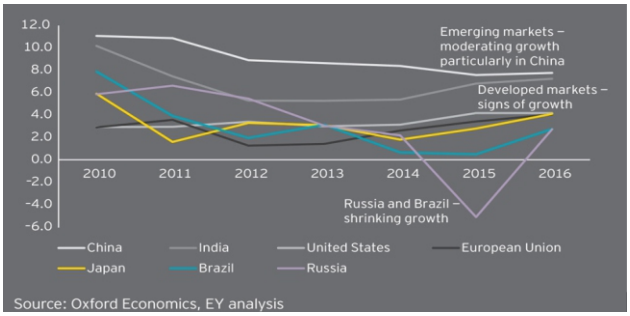
In light of Prime Minister Narendra Modi's avowed focus on economic development, the government appears keen to support the steel industry, partly to ensure that the industry's loans on the books of banks don't turn irrecoverably bad. Through the project called 'Make in India' the government is attracting FDI and focuses on twenty five sectors of the economy. The industry has got some support in the form of tariff and non-tariff barriers but is expecting more.

India's Industrial Production

Industrial production in India increased 1.2 percent year-on-year in May of 2016, recovering from an upwardly revised 1.3 percent drop in April and beating market expectations for a 0.4 percent decline.

GLOBAL OUTLOOK

Steel demand in the emerging and developing economies excluding China is forecast to grow by 4.8% in 2017. Steel demand in these economies will amount to 457.1 Mt in 2017, accounting for about 30% of world steel demand. After falling 3.0% last year, global steel demand is tipped to contract even further this year before stabilizing in 2017. The severe depression in construction is contribution to a slowdown in the manufacturing sectors, especially metal products, as well as slower growth in automotive. The Chinese real estate market and corporate debt problem, anxiety in the financial markets, high (household) debt and volatile capital flows in many emerging economies, geopolitical tensions and unstable political situations in several regions could further worsen the global economic environment, though growth for steel demand in all markets except China is expected in 2017.



INDIAN OUTLOOK

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings, investment rates, and increasing integration into the global economy. The Indian economy has the potential to become the world's 3rd-largest economy by the next decade, and one of the largest economies by mid-century. And the outlook for short-term growth is also good as according to the IMF, the Indian economy is the "bright spot" in the global landscape. India also topped the World Bank's growth outlook for 2015-16 for 16 and expected to grow 8.0% + in 2016-17.

India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks, as per the World Economic outlook released by the IMF, thereby strengthening of bank balance sheet and implementation of economic reforms.

BUSINESS OVERVIEW

Its brief financial performance for 2015-16 is given below:

(₹ in lacs)

Particulars	Standalone		Consolidated	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Gross Revenue from Operations	1,00,768.43	1,21,064.55	1,00,768.43	121,077.49
Profit before Depreciation and Tax	(12,355.69)	(9,815.48)	(12,355.84)	(9,917.12)
Less: Depreciation	6,333.40	5,293.82	6,333.40	5,293.97
Profit/(Loss) Before Tax	(18,689.09)	(15,109.30)	(18,689.24)	(15,211.09)
Less: Provision for Income Tax(Including earlier years)	33.29	-	33.29	-
Less: Provision for Deferred Tax	(878.02)	(4,852.18)	(878.02)	(4,852.00)
Profit/(Loss) for the Year	(17,844.36)	(10,257.12)	(17,844.51)	(10,358.89)
Add: Balance brought forward	15,328.20	25,602.30	15,225.66	25,631.33
Less: Appropriations	26.46	16.98	29.90	16.99
Surplus carried to Balance Sheet	(2,542.61)	15,328.20	(2,648.75)	15,225.66

During this fiscal year, your Company incurred a gross loss due to decline in prices of finished goods. The Company has reported a consolidated financial review. The revamped strategies and capacity is expected to ramp up whose full effect will be felt in Fy17.

Financial Highlights

- Your Company incurred a gross loss of ₹ 18,689.09 lacs
- The net loss for the year under review was ₹ 17,844.36 lacs
- The basic and diluted earnings per share were at ₹ (20.25) for Financial Year 2015-16.
- During the year 2015-16, your Company achieved a gross revenue from operation of ₹ 1,00,768.43 lacs with a decline of 16.76% from the previous year.

Further the turnover and capacity utilization of the various products and divisions of the Company are explained under the head named Diversified Product Portfolio which forms part of this Annual Report.

Inspite of Cash Loss, the Company has timely cleared its all statutory dues such as Central Excise Duty, Service Tax, TDS, VAT, CST and EPF & ESI Contribution. Also the Company is continuously working on up gradation and modernization of plant & Machineries.

The company undertook restructuring of its debts facilities during March 2015 under CDR scheme.

Post the completion of the Debt Restructuring, the company has been prompt in honoring its debt and interest obligations. As per the package approved by the CDR Cell in conjunction with the company's lenders, the company is required to pay interest on its working capital facilities and the FITL. The company has been able to fulfill all its committements.

OPPORTUNITIES & THREATS:

Without Steel there will be no modern industrial world. The Indian steel industry, one of the core industries in India, currently makes is the world's third largest producer of crude steel and is expected to become the second largest producer soon. The per capita consumption of steel is generally accepted as a yardstick to measure the level of social-economic development and living standard of its countrymen, thus no developing country can afford to ignore steel industry.

Indian steel industry has been blessed with a number of inherent advantages but at the same time it also faces dome crucial constraints.

- OPPORTUNITIES
  - Potentially huge domestic demand from steel intensive investments like infrastructure building, real estate, automobile / auto components, communications, ship building, defense, medical equipments and consumer durables etc.
  - A largely untapped rural market
  - Huge potential for productive foreign collaboration particularly in specialized steel making products and equipment.

- THREATS
  - The high cost of electricity in India may hamper the steel industry's production level.
  - Increased steel import at a cheaper rate has declined market share of Indian Steel industries.
  - Slow growth of infrastructure development
  - Unstable/Adverse global market trends
  - Dwindling raw material reserves specially iron ore through exports
  - Increase market competitiveness
  - High Cost of Capital

The steel industry is subject to cyclical swings arising from factors such as excess capacity, regional demand and supply imbalances and volatile swings in market demand and prices, more recently exacerbated by swings in input prices as well as changes in the regulatory environment and degrowth in coal production. Hence low price steel imports are the biggest threat to the viability of the steel industry in India.

While the efficiency of the Company's business activities rests primarily on proper risk assessment and management which involves strategic thinking and decision making analysis whereby risk is assessed in a way so that it can be prevented or exploited or both, creating future options that incorporate uncertainty and provide flexibility.

RISK ASSESSMENT & MANAGEMENT

Risk is defined by Collins Concise Dictionary & Thesaurus as "the possibility of bringing about misfortune or loss" which

also bear the same meaning as "danger, hazard, pitfall, peril and uncertainty"

Risk Assessment:-

Risks are analyzed, considering the likelihood impact, as a basis for determining how they should be managed. Risk Assessment consists of a detailed study of threats and resultant exposure to various risks on other areas of the company. Key risks are identified and accordingly plan for managing the same are prepared. Company identified the following risks:

Business Risks

Business risks as assessed in our business has been further classified as under:-

- Financial Risks

  The market volatility on prices of raw material, finished products, foreign exchange fluctuations impact the financials of our industry and the business, high cost of capital also creates a risk in the business.

- Legal Risks

  Legal risk is the risk in which the Company is exposed to legal action for non-compliance of statutory obligations as per various applicable laws and rules. The Company is governed by various laws and the Company has to undertake its business within four walls of law, where the Company is exposed to legal risk exposure which entail stringent penalties and in some cases criminal liabilities.

- Technological Obsolescence Risks

  In the world of competition technology plays important roles for business development and growth. Technological obsolesce risks the replacement of exiting Plant and machinery, which may cost heavily and impact profitability.

- Human Resource Risk

  Steel industry is a volatile industry where rate of labour turnover is higher which impact the efficiency of the human resource. Human Resource risk generally impact the productivity and quality of the products. Company retain the experienced and qualified workforce to reduce the labour turnover.

Risk Management

In the management of Risk the probability of risk assumption is estimated with available data and market information and appropriate risk treatments. The Company possesses a comprehensive risk management system. The Company has been taking part in continuous modernization programs to maintain efficient operations in steel and engineering activities.

INTERNAL CONTROLS AND SYSTEMS

Management firmly believes that a strong internal control systems with flexibility is imperative to realize Company's Vision. The Company employs adequate internal control systems supported by regular internal audit systems. Accordingly the Company always gives priority to achieve efficiency of operation, accuracy and promptness of financial operating, safeguard of Company assets, compliances with laid down policies and procedures and compliances with rule and regulations.

Here are five components of a good internal control system followed by your company:

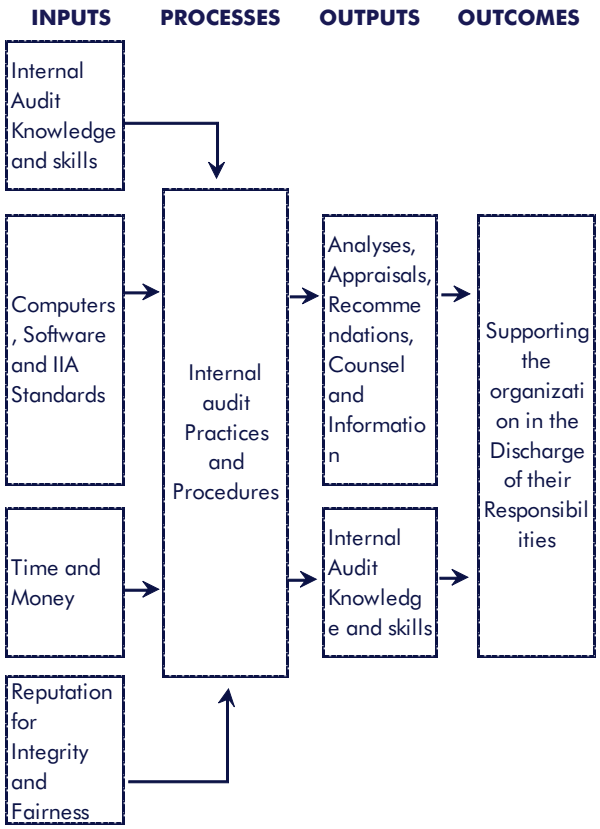
1. Management personnel should have high integrity and ethical values and are committed to diligently performing key internal control procedures.

2. Boards of governance i.e Audit Committee have more "hands-on" oversight involvement in the entity's activities. Some board members even perform monthly entity-level controls such as inspecting and approving supporting documentation for expenses incurred.

3. An IT system have been installed to limit risks of errors or fraud and can produce better and more accurate financial reports.

4. Monitoring control activities are primarily the responsibility of management. Your company management performs daily "walk-around" controls that provide feedback on the effectiveness of accounting, internal control and operational systems.

5. The system of internal control maximizes effectiveness and efficiency by including activities that are tailored to the nature, size and complexity of your Company.



STATUTORY COMPLIANCE

Your Company's various units offer confirmation to ensure compliance with all statutory requirements. A declaration is then made by the Managing Director at every quarterly held Board Meeting regarding compliance with the provisions of the various statutes. The Company Secretary, as Compliance Officer, ensures compliance with the SEBI regulations and provisions of the Companies Act, 2013.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT:

People are at the heart of any organisation, so the ability to manage and develop employees, ensure their welfare and understand changing employment legislation is essential to business survival. The Company aims to produce well-rounded human resources by focusing on attracting, motivating and retaining the best talent with exemplary knowledge and relevant hands-on experience.

Human Resource Management and Industrial Relations is about managing employment relations, and deals with every aspect of those relations, from employee recruitment and selection to national employment relations, salaries and wages. The Company aims at functioning to maximize employee performance in service of an employer's strategic objectives.

HUMAN RESOURCE MANAGEMENT focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity.

HUMAN RESOURCE MANAGEMENT core functions are:

- Staffing
- Human resource development
- Compensation and benefits
- Safety and health
- Employee and labor relations

The Company has 1018 employees in its family. Industrial and employee relations with the Company remain cordial throughout the year. It has been with the fulfillment of our market commitments, prompt communication, and participation in social activities.Our culture and reputation in the steel industry enable us to recruit talented people.

Board of Directors on record convey thanks to all their employees for their valuable contribution towards the growth of the Company. MSP Group encourages its team members to go beyond their scope and to work voluntarily.

Employees Orientation Program

- Seminar on Sexual Harassment program
- Seminar on learning and Development-
- Eye Check-Up
- Health Check –up
- Sport Competitions.

CAUTIONARY STATEMENT

Some of the statements in this Management Discussions & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include change in material costs, technology developments and significant changes in political and economic environment, overseas markets in which the Company operates, tax laws and labour relations.

For and on behalf of the Board

Date : 27th July, 2016
Place :Kolkata

Saket Agrawal
Managing Director

Independent Auditors' Report

To the Members of MSP Steel & Power Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MSP Steel & Power Limited** (`the Company`), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of section 134 of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of section 143 of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

4. Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its loss and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of

Section 143 of the Act, we enclose in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the order.

2 As required by sub-section 3 of Section 143 of the Act, we report that:

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

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

c The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2016, from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

f With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and

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

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 35 to the financial statements;

ii. Provision has been made in the financial statements, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer Note 46 to the financial statements;

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date : 27th May, 2016
Place : Kolkata

Annexure 'A' to Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of **MSP Steel & Power Limited** ('the Company') for the year ended 31st March 2016. We report that:

(i) (a) According to the information & explanation given to us and based on the records produced before us, we are of the opinion that the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information & explanation given to us, all the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed, no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and based on the records produced before us, the title deeds of the immovable properties are held in the name of the Company except as reported in Note 11 to the financial statement..

(ii) According to the information & explanation given to us Inventory has been physically verified by management during the year. No material discrepancies were noticed that would have an impact over the Financial Statements.

(iii) According to the information & explanation given to us, the Company has granted loans to parties covered in the register maintained under Section 189 of the Companies Act 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the parties listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to the parties listed in the register maintained under Section 189 of the Act.

(iv) According to the information & explanation given to us, we are of the opinion that in respect of loans, investments, guarantees and security, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) According to the information & explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and the rules framed there under.

(vi) According to the information & explanation given to us, the company has maintained cost records as specified by Central Government under sub-section (1) of section 148 of the Act.

(vii) (a) According to the books and records as produced and audited by us in accordance with generally accepted auditing practices in India and also Management representations, undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, value added tax, service tax, customs duty, excise duty, cess and other statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and record produced before us, there is no undisputed amounts payable in respect of statutory dues as aforesaid were outstanding, as at 31st March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, value added tax, income tax, customs duty, service tax, excise duty and cess which have not been deposited on account of any dispute, except:

Name of the statute	Nature of dues	Year	Amt. in Lacs	Forum where dispute is pending
Central and Local Sales Tax Acts(*)	Sales Tax including Non collection of C Forms and disallowance of VAT Credit	2004-2012	305.29	Appellate Authority upto Joint Commissioner Level.
Central Excise Act, 1944	Excise Duty including interest and penalty, if applicable	2004-2012	105.35	Appellate Authority upto Commissioner's level.
Central Excise Act, 1944	Excise Duty including interest and penalty, if applicable	2005-2012	1,579.64	Customs, Excise and Service Tax Appellate Tribunal
Income-tax Act, 1961	Disallowance of TDS	2004-2005	0.55	Deputy/ Assistant Commissioner of Income Tax

(*) Rs. 21.73 lacs deposited under protest against the dues.

(viii) According to the information & explanation given to us and based on the records produced before us, the company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information & explanation given to us and based on the records produced before us the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly paragraph 3(ix) of the order is not applicable.

(x) During the course of our examination of books of account carried in accordance with generally accepted accounting standards in India, we have neither come across any instances of fraud on or by the Company by its officers or employees, either noticed or reported during the year, nor have we been informed of such case by Management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of Preference Shares during the year and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

Annexure 'B' to the Auditors' Report

Report on the Internal Financial Controls 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 MSP Steel & Power Limited (`the Company`), as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

(I) 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 to Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

(ii) Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidences about the adequacy of 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 auditors' judgment, including the assessment of the risk 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.

(iii) Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparations of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and

that receipts and expenditure of the Company are being made only in accordance with authorizations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Company's assets that could have a material effect on the financial statements.

(iv) Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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.

(v) Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, 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 **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

Balance Sheet

As at 31st March, 2016

₹ in lacs

PARTICULARS	NOTES	AS at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	**3**	12,094.45	10,889.40
Reserve & Surplus	**4**	42,073.02	49,098.39
		54,167.47	**59,987.79**
NON CURRENT LIABILITIES			
Long-Term Borrowings	**5**	81,089.39	89,521.05
Deferred Tax Liabilities	**6**	132.00	1,010.02
Other Long Term Liabilities	**7**	204.05	212.32
Long-Term Provision	**8**	105.34	188.93
		81,530.78	**90,932.32**
CURRENT LIABILITIES			
Short-Term Borrowings	**9**	25,422.31	23,314.64
Trade Payables	**10**	6,851.29	11,499.55
Other Current Liabilities	**7**	8,758.92	6,092.23
Short-Term Provisions	**8**	-	
		41,032.52	**40,906.42**
TOTAL		**1,76,730.77**	**1,91,826.53**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	**11**	1,12,638.47	1,13,675.99
Capital Work-In-Progress	**12**	-	4,899.59
Non Current Investments	**13**	5,076.68	3,262.81
Long-Term Loans and Advances	**14**	4,454.50	4,359.74
Other Non-Current Assets	**15**	94.95	390.22
		1,22,264.60	**1,26,588.35**
Current Assets			
Inventories	**16**	27,267.62	32,154.53
Trade Receivables	**17**	10,987.25	10,203.48
Cash and Bank Balances	**18**	384.83	1,947.09
Short-Term Loans and Advances	**14**	15,378.86	20,250.67
Other Current Assets	**15**	447.61	682.41
		54,466.17	**65,238.18**
TOTAL		**1,76,730.77**	**1,91,826.53**
Summary of Significant Accounting Policies.	**2**		

The accompanying notes are an integral part of the Financial Statements.
our report of even date:

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

For and on behalf of Board of Director
MSP Steel & Power Limited

Suresh Kumar Agrawal
Chairman (DIN :00587623)

Manish Agrawal
Director (DIN: 00129240)

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Statement of Profit and Loss

For the Year ended 31st March, 2016

₹ in lacs

PARTICULARS	NOTES	2015-16	2014-15
INCOME			
Revenue from Operations (Gross)	**19**	1,00,768.43	1,21,064.55
Less: Excise Duty		10,316.92	11,856.74
Revenue from Operations (Net)		**90,451.51**	**1,09,207.81**
Other Income	**20**	165.00	546.35
Total (I)		**90,616.51**	**1,09,754.16**
EXPENSES			
Cost of Raw Material and Components Consumed	**21**	72,705.48	90,409.84
Purchase of Traded Goods	**22**	875.48	4,081.13
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	**23**	2,986.02	(2,727.99)
Employee Benefits Expenses	**24**	2,993.28	3,168.45
Finance Costs	**25**	11,476.10	10,932.03
Depreciation and Amortization Expenses	**11**	6,333.40	5,293.82
Other Expenses	**26**	11,935.84	13,706.18
Total (II)		**1,09,305.60**	**1,24,863.46**
Profit Before Tax (I - II)		**(18,689.09)**	**(15,109.30)**
Tax Expenses			
Current Tax [Minimum Alternate Tax (MAT)]		-	-
Less: MAT Credit Entitlement		-	-
Income Tax for Earlier Years		33.29	-
Deferred Tax		(878.02)	(4,852.18)
Total Tax Expenses		**(844.73)**	**(4,852.18)**
Profit for the Year		**(17,844.36)**	**(10,257.12)**
Earnings per equity share of face value of ₹ 10/- each	**27**		
Basic (₹)		**(20.25)**	**(11.64)**
Diluted (₹)		**(20.25)**	**(11.64)**
Summary of Significant Accounting Policies	**2**		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date:

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

For and on behalf of Board of Director
MSP Steel & Power Limited

Suresh Kumar Agrawal
Chairman (DIN :00587623)

Manish Agrawal
Director (DIN: 00129240)

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Cash Flow Statement

For the year ended 31st March, 2016

₹ *in lacs*

	2015-16		2014-15	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before taxes	**(18,689.09)**		**(1,5109.30)**	
Adjustments for :				
Depreciation	6,333.40		5,293.82	
Profit on Sale of Investments	-		(4.85)	
Irrecoverable Debts, Deposits and Advances written off	-		117.88	
Loss on sale of fixed assets	-		1.40	
Interest on loans, deposits etc.	(162.51)		(522.18)	
Interest Expenses	11,060.91		10,570.20	
Other Finance Expenses	415.19		352.63	
Dividend Income	(0.14)		(0.15)	
Operating Profit before working capital changes	**(1,042.24)**		**699.46**	
Movement in Working Capital for:				
(Increase)/Decrease in Trade Receivables	(783.77)		8,798.80	
(Increase)/Decrease in Loans and Advances	4,795.90		7,231.98	
(Increase)/Decrease in Other Assets	538.83		947.00	
(Increase)/Decrease in Inventories	4,886.91		(2,601.31)	
Increase/(Decrease) in Trade Payables	(4,648.26)		(4,021.71)	
Increase/(Decrease) in Other Liabilities	2,626.72		(8,338.27)	
Increase/(Decrease) in Provisions	-		(656.09)	
Cash generated from Operations	**6,374.09**		**2,059.87**	
Direct Taxes Paid	52.14			
Net Cash generated from Operating Activities		**6,321.95**		**2,059.87**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets [including Pre-Operative and Trial Run Expenses (Pending allocation)]	(422.75)		(8,749.19)	
Discard / Sale of Fixed Assets	-		6.97	
Loss on Sale of Fixed Assets	-		(1.40)	
Profit on Sale of Investments	-		4.85	
Purchase of Investments	(1,813.87)		-	
Sale/ Write off of Investments	-		15.00	
Fixed Deposits (with maturity period of more than three months)	(64.88)		1,793.72	
Interest received	153.76		522.18	
Dividends received	0.14		0.15	
Net cash used in investing activities		**(2,147.60)**		**(6,407.74)**

Cash Flow Statement

For the year ended 31st March, 2016

₹ *in lacs*

	2015-16		2014-15	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Preference Shares including Securities Premium	12,050.50		-	
Long Term Borrowings Received	-		37,545.73	
Long Term Borrowings Repaid	(15,988.84)		(5,245.94)	
Short Term Borrowings Received/ (paid) (Net)	2,313.59		(100.00)	
Cash credit and working capital received/ (paid) (Net)	-		(15,274.41)	
Interest Paid	(3,761.55)		(10,570.20)	
Other Finance Expenses Paid	(415.19)		(352.63)	
Net cash generated in financing activities		**(5,801.49)**		**6,002.55**
Net (Decrease) in Cash and Cash equivalents (A+B+C)		**(1,627.14)**		**1,654.68**
Cash and Cash equivalents as at the beginning of the year		**1,812.72**		**158.04**
Cash and Cash equivalents as at the end of the year *		**185.58**		**1,812.72**

₹ *in lacs*

	2015-16		2014-15	
*** Components of Cash and Cash equivalents**				
Cash on hand		9.91		10.22
Cheques in hand		-		-
With Scheduled Banks on Current Account		175.67		1,802.50
		185.58		**1,812.72**

As per our report of even date

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

For and on behalf of Board of Director
MSP Steel & Power Limited

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Suresh Kumar Agrawal
Chairman (DIN :00587623)

Manish Agrawal
Director (DIN: 00129240)

Date: 27th May, 2016
Place: Kolkata

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2016

MSP Steel & Power Limited Significant Accounting Policies

1. Corporate Information

MSP Steel & Power Limited ('the Company') is a public company domiciled in India and is listed on the BSE Limited and the National Stock Exchange of India Limited (NSE). The Company is engaged in the manufacture and sale of iron and steel products and generation and sale of power. The Company has manufacturing plant in Raigarh, Chattisgarh.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

These financial statements of the company have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs.

(b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c)Tangible and Intangible Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment if any. The cost of acquisition comprises of purchase price inclusive of duties (net of Cenvat / VAT), taxes, incidental expenses, erection/commissioning/trial run expenses and borrowing cost etc., up to the date the assets are ready for intended use. Borrowing costs relating to acquisition of fixed assets for the period of time for it to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment, is expected to be irregular, are capitalized and depreciated prospectively over the residual life of the respective assets.

All direct expenditure and administrative costs relating to construction/erection of the project for bringing it to the working conditions for intended use are capitalized as "Pre-operative & Trial Run Expenses (pending allocation)".

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment loss, if any.

(d) Depreciation/Amortization of Fixed Assets

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

The classification of Plant and Machinery into continuous and non-continuous process is done as per the technical evaluation and depreciation thereon is provided accordingly.

Depreciation on fixed assets is provided on a pro-rata basis on the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on assets added / disposed off during the year is provided on pro-rata basis.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

The intangible assets are amortized over the useful economic life of the respective assets.

(e) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as 'operating leases'. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(f) Impairment of Fixed Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'value in use' of the assets. In assessing value in use, the estimated future cash flows are discounted to their present value.

(g) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction/erection or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to revenue.

(h) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

(I) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as 'Current Investments'. All other investments are classified as 'Long-term Investments'.

On initial recognition, all investments are measured at cost. Current investments are carried at lower of cost and fair value determined on an individual

investment basis. Long term investments are carried at cost. Provision for diminution in value is recognized when there is an 'other than temporary' decline in the value of the investments.

(j) Inventories

Raw materials, Components, Stores and Spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products for which they will be used are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on 'First in First out' basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on annual average basis.

Saleable scrap and by-products are valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Revenue Recognition

All expenses and income to the extent considered payable and receivable respectively, unless otherwise stated, are accounted for on an accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which generally coincides with delivery.

Sale of Power

Revenue from sale of power is recognized on transmission of power to the customers from the grid.

Sale of Carbon Credits

Revenue is recognized when carbon credit units are sold to third parties and there is no significant uncertainty as regards the collection thereof.

Export Incentives

Export Incentives under the Duty Drawback scheme are recognized when such incentive accrues upon export of goods provided that there is reasonable certainty of receiving the credit and its quantification can be assessed. Income is recognized at lower of the estimated credit receivable and estimated net realisable value.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend

Dividend income on investments is recognised when the right to receive dividend is established.

Insurance Claims

Insurance Claims are accounted depending on the certainty of receipts on settlement.

(l) Foreign Currency Transactions and Balances

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

on the date of the transaction.

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded are recognized as income or expenses in the year in which they arise except for fixed assets.

The premium/ discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts at the reporting date are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

(m) Employee Benefits

Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

The Company's contribution to the Provident Fund and the Family pension fund are charged to Statement of Profit and Loss.

(n) Income taxes

Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates.

Current Tax represents the amount of Income Tax payable in respect of taxable income for the reporting period. Provision for Current Tax is made on the basis of estimated taxable income for the period at the rates prevailing under the Income-tax Act, 1961. Current Tax is net of credit for entitlement for Minimum Alternate Tax (MAT).

Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years. Deferred Tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit & Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(o) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(p) Derivative Instruments

Derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

(q) Excise Duty

Excise Duty and Cess on manufacturing goods is accounted for at the time of their clearances from the factory. Excise Duty and Cess in respect of stock of finished goods and scrap awaiting clearance from

the factory at the year-end are considered for valuation of inventory.

(r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ *in lacs*

3. Share Capital	As at 31st March, 2016	As at 31st March, 2015
Authorised shares		
96,000,000 (96,000,000) Equity Shares of ₹ 10/- each	9,600.00	9,600.00
36,000,000 (36,000,000) 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	3,600.00	3,600.00
	13,200.00	**13,200.00**
Issued, subscribed and fully paid-up shares		
88,100,000 (88,100,000) Equity Shares of ₹ 10/- each, fully paid up	8,810.00	8,810.00
32,844,500 (20,794,000) 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid up	3,284.45	2,079.40
Total issued subscribed and fully paid-up share capital	**12,094.45**	**10,889.40**

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Equity shares	As at 31st March, 2016		As at 31st March, 2015	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	8,81,00,000	8,810.00	8,81,00,000	8,810.00
Issued during the year	-	-	-	-
Outstanding as at the end of the year	**8,81,00,000**	**8,810.00**	**8,81,00,000**	**8,810.00**

Preference Shares	As at 31st March, 2016		As at 31st March, 2015	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	20,794,000	2,079.40	20,794,000	2,079.40
Issued during the year *	12,050,500	1,205.05	-	-
Outstanding as at the end of the year	**32,844,500**	**3,284.45**	**20,794,000**	**2,079.40**

* During the year, the company alloted 12,050,500 6% Non-cumulative, Redeemable Preference Shares of ₹ 10/- each to the persons/entities belonging to the Promoter Group or public against the conversion of outstanding unsecured loan on preferential basis at a price of ₹ 100/- each including the premium of ₹ 90/- each in conformity with the provisions of the Companies Act, 2013 read with relevent Rules thereunder for the said preferential issue.

Terms/ rights attached to Equity Shares

The company has only one class of Equity Shares having a nominal value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend

proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

Terms/ rights attached to Preference Shares

The company has only one class of Preference Shares (i.e. 6% Non Cumulative Redeemable Preference Shares) having a nominal value of ₹10/- per share. The preference shareholders shall have the right to vote on any resolution of the Company directly affecting their rights. The company declares and pays preferential dividends in Indian rupees.

The Preference Share of the Company are non cumulative in nature and therefore in case the Company does not declare dividend in any particular year, dividend right gets lapsed and is not eligible for carry forward in future years.

Preference shares are redeemable within 20 years from the date of allotment at a price to be decided by the Board of Directors at the time of redemption. The said preference shares may be redeemed at a premium not exceeding ₹ 90/- per share.

In the event of liquidation of the Company, the holders of Preference Shares will be entitled to receive assets of the company, before its distribution to equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders.

Details of Shareholders holding more than 5% shares in the company.

Equity Shares of ₹ 10/- each	As at 31st March, 2016		As at 31st March, 2015	
	No.	% holding in the class	No.	% holding in the class
Adhunik Gases Ltd.	55,54,000	6.30%	55,54,000	6.30%
MSP Infotech Pvt Ltd	72,29,760	8.21%	72,29,760	8.21%
MSP Sponge Iron limited	2,47,36,500	28.08%	2,47,36,500	28.08%

Preference Shares of ₹ 10/- each	As at 31st March, 2016		As at 31st March, 2015	
	No.	% holding in the class	No.	% holding in the class
Adhunik Gases Ltd	17,92,500	5.46%	-	-
B.S. Confin Pvt. Ltd.	27,50,000	8.37%	24,50,000	11.78%
Dexo Trading Pvt. Ltd.	39,20,000	11.94%	39,20,000	18.85%
Hightime holdings Pvt. Ltd.	27,50,000	8.37%	24,50,000	11.78%
Ilex Pvt. Ltd.	19,05,000	5.80%	18,00,000	8.66%
Jaik Leasing and Commercial Investment Pvt. Ltd.	-	-	15,40,000	7.41%
M.A. Hire Purchase Pvt. Ltd.	-	-	11,05,000	5.31%
Sampat Marketing Company Pvt Ltd	21,55,000	6.56%	-	-
Shringar Mercantile Pvt Ltd	27,17,000	8.27%	-	-
Sikhar Commotrade Pvt. Ltd.	39,35,000	11.98%	36,35,000	17.48%

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

4. RESERVES AND SURPLUS	As at 31st March, 2016	As at 31st March, 2015
Securities Premium Account		
Balance as per the last Financial Statements	33,770.19	33,770.19
Add : Received during the year	10,845.45	-
Closing Balance	**44,615.64**	**33,770.19**
Surplus in the statement of Profit and Loss		
Balance as per last financial statements	15,328.20	25,602.30
Profit for the period/year	(17,844.36)	(10,257.12)
Less: Appropriations		
Depreciation Adjustment*	26.46	16.98
Surplus	**(2,542.62)**	**15,328.20**
Total reserves and surplus	**42,073.02**	**49,098.39**

* During the year, as per the requirement under Schedule II to the Companies Act 2013, vide Notification dated 29th August 2014, the Company based on technical advice identified significant parts & components of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of certain Plant and Machinery and Electrical Installations w.e.f. from 1st April 2015. Accordingly depreciation of ₹ 26.46 lacs on account of assets whose useful life is already exhausted on 1st April, 2015 has been adjusted against Surplus in statement in Profit and Loss.

₹ in lacs

5. LONG TERM BORROWINGS	NON-CURRENT PORTION		CURRENT MATURITIES	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured				
Term loans				
From Banks				
Indian rupee loan	79,077.49	74,916.88	3,448.33	-
Foreign currency loan	1,500.00	2,700.34	1,283.38	2,400.69
Finance Lease Obligation				
From Banks	5.75	17.57	9.44	20.46
From Body Corporates	-	-	-	10.28
Unsecured				
Inter Corporate Deposits	426.15	7,523.76	-	-
Loans and Advances from related parties	80.00	4,362.50	-	-
	81,089.39	**89,521.05**	**4,741.15**	**2,431.43**
The above amount includes :				
Secured borrowings	80,583.24	77,634.79	4,741.15	2,431.43
Unsecured borrowings	506.15	11,886.26	-	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 7)	-	-	(4,741.15)	(2,431.43)
Net amount	**81,089.39**	**89,521.05**	**-**	**-**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

6. DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liabilities :		
Tax impact on difference between book value of depreciable assets and written down value for tax purposes	10,902.60	5,862.19
Deferred Tax Assets:		
Tax impact of expenses charged to the statement of profit & loss but allowable under tax laws deferred	(130.64)	(206.02)
Tax impact of unabsorbed loss / allowances	(10,639.96)	(4,646.16)
Total	**132.00**	**1,010.02**

₹ in lacs

7. OTHER LIABILITIES	NON CURRENT		CURRENT	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Advance from customers	-	-	1493.16	942.71
Retention / Security Deposit	204.05	212.32	76.29	88.75
Current maturities of long-term borrowings (refer Note No. 5)	-	-	4,741.15	2,431.43
Interest accrued and due on borrowings	-	-	27.26	70.89
Interest accrued but not due on borrowings	-	-	12.16	20.43
Other Payables on capital purchases	-	-	1,663.65	1,714.31
Unpaid Dividend	-	-	2.52	2.52
Others (including statutory dues payable)	-	-	742.73	821.19
	204.05	**212.32**	**8,758.92**	**6,092.23**

* There is no amount required to be transferred to the Investor Education and Protection Fund as per the relevant provisions of the Companies Act, as at the year end.

₹ in lacs

8. PROVISIONS	LONG-TERM		SHORT-TERM	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits				
For Gratuity (Refer Note No. 28)	14.88	84.96	-	-
For Leave Benefits	90.46	103.97	-	-
Total	**105.34**	**188.93**	**-**	**-**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

9. SHORT-TERM BORROWINGS	As at 31st March, 2016	As at 31st March, 2015
Secured		
Rupee Loan from Banks		
Cash Credit Facility	25,422.31	23,108.72
Unsecured		
From Body Corporates		
Inter Corporate Deposits	-	205.92
	25,422.31	**23,314.64**
The above amount includes		
Secured Borrowings	25,422.31	23,108.72
Unsecured Borrowings	-	205.92

Terms and conditions attached to Short term borrowings

Cash Credit and Short term loan facilities and Foreign currency loans from banks are secured by hypothecation of raw materials, finished goods, goods under process, stores and spares, book debts etc. (both present and future), second charge over the entire fixed assets of the Company and personal guarantees of Puran Mal Agrawal (Chairman*), Suresh Kumar Agrawal, Saket Agrawal and Manish Agrawal (Directors of the Company).

* Resign w.e.f. 21.09.2016

₹ in lacs

10. TRADE PAYABLES	CURRENT	
	As at 31st March, 2016	As at 31st March, 2015
Trade Payables (including acceptances) (refer Note No. 43)	6,851.29	11,499.55
	6,851.29	**11,499.55**

11. Tangible Assets

₹ in lacs

Description	Gross Block (at cost)					Depreciation					Net Block
	As at 1st April, 2015	Additions *	Deletions	Borrowing Cost **	As at 31st March, 2016	As at 1st April, 2015	For the year	Less : On Deletions	As at 31st March, 2016	Retained Earnings Adj	As at 31st March, 2016
Freehold Land	926.80	-	-	-	926.80 (a)	-	-	-	-	-	926.80
Factory Building	13,681.62	-	-	-	13,681.62	1,891.02	429.79	-	2,320.81	-	11,360.81
Other Building	7,996.61	-	-	-	7,996.61	315.54	284.28	-	599.82	-	7,396.79
Plant and Machinery	114,065.52	4,949.90	-	370.06	119,385.48	21,123.49	5,537.92	-	26,661.41	26.46	92,697.61
Vehicles	761.71	-	-	-	761.71 (b)	484.88	62.83	-	547.71	-	214.00
Office Equipments	39.46	2.38	-	-	41.84	18.82	11.58	-	30.40	-	11.44
Furniture and Fixtures	85.58	-	-	-	85.58	47.56	7.00	-	54.56	-	31.02
Total	**137,557.30**	**4,952.28**	**-**	**370.06**	**142,879.64**	**23,881.31**	**6,333.40**	**-**	**30,214.71**	**26.46**	**112,638.47**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

11. Tangible Assets (Contd.)

₹ in lacs

Description	Gross Block (at cost)					Depreciation					Net Block
	As at 1st April, 2014	Additions *	Deletions	Borrowing Cost **	As at 31st March, 2015	As at 1st April, 2014	For the year	Less : On Deletions	As at 31st March, 2015	Retained Earnings Adj	As at 31st March, 2015
Freehold Land	926.80	-	-	-	926.80 (a)	-	-	-	-	-	926.80
Factory	13,681.62	-	-	-	13,681.62	1,461.23	429.79	-	1,891.02	-	11,790.60
Other Building	3,920.67	3,854.67	-	221.27	7,996.61	100.49	215.05	-	315.54	-	7,681.07
Plant and Machinery	99,090.24	14,162.33	-	812.95	114,065.52	16,581.24	4,542.25	-	21,123.49	-	92,942.03
Vehicles	753.14	15.54	6.97	-	761.71 (b)	384.07	88.41	4.58	467.90	16.98	276.83
Office Equipments	39.31	0.15	-	-	39.46	7.50	11.32	-	18.82	-	20.64
Furniture and Fixtures	85.58	-	-	-	85.58	40.56	7.00	-	47.56	-	38.02
Total	**118,497.36**	**18,032.69**	**6.97**	**1,034.22**	**137,557.30**	**18,575.09**	**5,293.82**	**4.58**	**23,864.33**	**16.98**	**113,675.99**

Notes:

a) Freehold Land includes ` 6.51 lacs (` 10.86 lacs), being the cost of land which is yet to be registered in the name of the Company.

b) Vehicles includes cars taken on

Gross Block	**As at 31st March, 2016**	**As at 31st March, 2015**
Original Cost	761.71	761.71
Depreciation Charge	62.83	88.41
Accumulated Depreciation	547.71	467.90
Retained Earning Adjustment	-	16.98
Net Book Value	**214.00**	**276.83**

c) Depreciation of ` 26.46 lacs on account of assets whose useful life is already exhausted on 1st April, 2015 has been adjusted against surplus in Statement of Profit and Loss. Pursuant to requirements under Schedule II to companies act, 2013 vide Notification dated 29th August 2014, the Company based on technical advice, identified significant parts & components of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of certain Plant and Machinery and Electrical Installations w.e.f from 1st April, 2015.

* Includes ` 4,949.90 lacs (` 18,017.01 lacs) capitalised from Capital Work in progress (CWIP)

** Represents the amount of borrowing cost transferred from CWIP

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

Term Loans from Banks and Financial Institutions

Particulars	Repayment terms			
	Outstanding including current maturities		Date of Maturity with respect to 31st March,2016	Rate of interest (%)
	No. of Installment	₹ in lacs		
From Banks				
Indian rupee loan (Quarterly installments)*	32	69,975.94	Sept.' 2024	10.05%
	24	12,549.88	Sept.' 2022	10.05%
Total (A)		**82,525.82**		
Foreign currency loan External Commercial Borrowing (Half yearly installments)*	1	1,283.38	June, 2016	8.80% (After considering the hedge effect)
FCNRB (Quarterly installments)*	32	1,500.00	Sept.' 2024	6.70%
Total (B)		**2,783.38**		
Finance lease obligation (Monthly installments)**				
From banks	2-29	15.18	June, 2016 - October, 2018	9.72 % - 10.65%
Total (C)		**15.18**		

* The details of security for the secured loans are as follows:

In terms of the Corporate Debt Restructuring (CDR) Package, effective from October 1, 2014, the Loans considered under the said package have been categorised as Term Loans, Working Capital Term Loans, Funded Interest Term Loans which are secured as under:

a First hypothecation charge on plant, machinery, fixed assets, and other movable assets, both present and future of the company, on pari-passu basis with all term lenders and equitable mortgage of factory land & building on pari passu basis with all Term Lenders.

b Second charge on entire current assets of the company ranking pari passu with other member banks of the consortium.

c Pledge of 100% of Promoter's Shareholding representing 71.90% of the paid up capital of the company as on 30.09.2014 has been executed in favour of the CDR lenders.

d Lien on all Bank Accounts including the Trust and Retention Account.

Further, the above facilities are also covered by the following:

Irrevocable, unconditional personal guarantee of promoters (Mr. Puran Mal Agrawal, Mr. Suresh Kumar Agrawal, Mr. Saket Agrawal, and Mr. Manish Agrawal) of the Company.

Registered mortgage of 150.50 acres of segregated agricultural land. As per valuation report of December 2014, realisable value of the property is ₹ 12.41 Crores. The said land shall be converted into industrial land by 31.03.2016 failing which alternate security will be provided by the Company.
Irrevocable, unconditional Corporate Guarantee of Ilex Private Limited.
** Hire purchases obligations are secured by hypothecation of vehicles purchased under the respective agreements.

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

12. Capital Work in Progress	As at 31st March, 2016	As at 31st March, 2015
Buildings	-	3,588.63
Plant and Machinery	4,461.87	17.969.22
Capital Goods in Stock	-	287.54
[including in transit 0.00 Lacs (Rs. 12.55 lacs)]		
Less: Capitalised during the year	4,461.87	17,428.27
	-	4,417.12
Pre-Operative and Trial Run Expenses (Pending Allocation)	-	482.47
	-	**4,899.59**
Details of Pre-Operative and Trial run Expenses (Pending Allocation)		
Opening Balance Brought Forward	482.47	1,080.53
Finished Goods Consumed	-	291.00
Personnel Cost		
Salary, Wages and Bonus	5.08	15.42
Contribution to Provident and Other Funds	0.15	1.07
Staff Welfare	-	0.83
Administrative and Other Indirect Overheads		
Stores and Spares Consumed	-	0.62
Power and Fuel	-	13.34
Repairs and Maintenance		
- Plant and Machinery	-	10.65
- Others	-	1.23
Material Handling Charges	-	0.78
Travelling and Conveyance	-	0.02
Vehicle Running and Maintenance Expenses	0.06	0.06
Printing and Stationary	0.01	0.16
Postage and Communication	-	0.31
Legal and Professional Charges	-	8.02
Rent and Hire Charges	-	1.81
Rates and Taxes	-	0.35
Miscellaneous Expenses	-	12.64
Borrowing Cost		
Interest on Term Loans	370.06	945.06
Finance Charges	0.26	1.25
	858.09	**2,385.14**
Less:		
Material Transferred to Finished Goods (Refer note no. 23)	-	279.72
Capitalised during the year	858.09	1,622.95
Total	**-**	**482.47**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

13. Non Current Investments	Number of Shares / Units as at 31st March, 2016	Number of Shares / Units as at 31st March, 2015	Face Value per share / units	As at 31st March, 2016 (₹ in lacs)	As at 31st March, 2015 (₹ in lacs)
Long Term Investments in					
(a) Trade Investments - Unquoted					
Investments in Equity Instruments					
(i) In Subsidiary & Associate Company					
MSP Cement Limited	5,80,698	5,80,698	₹ 10/-	58.07	58.07
AA ESS Tradelinks Private Limited	46,50,175	25,00,175	₹ 10/-	4,370.68	2,500.18
				4,428.74	**2,558.24**
(ii) In Joint Venture					
Madanpur South Coal Company Limited	1,25,692	1,66,220	₹ 10/-	175.65	232.28
				175.65	**232.28**
(iii) In Others					
MSP Metallics Limited	4,20,000	4,20,000	₹ 10/-	402.00	402.00
MSP Properties (I) Limited	7,500	7,500	₹ 10/-	0.75	0.75
MSP Sponge Iron Limited	3,13,000	3,13,000	₹ 10/-	49.50	49.50
MSP Power Limited	8,000	8,000	₹ 10/-	0.80	0.80
				453.05	**453.05**
(b) Non Trade Investments - Quoted					
Investments in Equity Instruments					
Howrah Gases Limited	93,700	93,700	₹ 10/-	15.91	15.91
Ashirwad Steel and Industries Limited	2,500	2,500	₹ 10/-	0.25	0.25
Nageshwar Investment Limited	11,000	11,000	₹ 10/-	0.61	0.61
Indian Overseas Bank	2,900	2,900	₹ 10/-	0.70	0.70
IDFC Bank Limited**	5,201	-	₹ 10/-	0.71	-
IDFC Limited	5,201	5,201	₹ 10/-	1.06	1.77
				19.24	**19.24**
TOTAL				**5,076.68**	**3,262.81**

** The Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, has sanctioned the Scheme of Arrangement among IDFC Limited (" Transferor Company") and IDFC Bank Limited ("Transferee Company") and their respective shareholders and creditors under section 391 to 394 to the Companies Act, 1956 (" Demerger Scheme").

Pursuant to the Demerger Scheme, IDFC Bank Limited has issued and alloted to the shareholders of IDFC Limited as on the record date i.e., October 5, 2015, one (1) equity share having a face value of ₹ 10 each of IDFC Bank Limited for every one (1) equity share held by them in IDFC Limited, each equity share being fully paid-up.

₹ in lacs

Cost and Market Value of Quoted and Unquoted Long Term Investments:	As at 31st March, 2016		As at 31st March, 2015	
	Cost	Market Value	Cost	Market Value
-Quoted	19.24	28.44	19.24	32.86
-Unquoted	5,057.44	N.A.	3,243.57	N.A.
Total	**5,076.68**		**3,262.81**	

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

14. Loans and Advances	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good Unless Otherwise Stated				
Loans to Bodies Corporate	-	-	844.00	1,812.06
(A)	**-**	**-**	**844.00**	**1,812.06**
Capital Advances	-	4.06	-	-
(B)	**-**	**4.06**	**-**	**-**
-				
Security Deposit	259.50	160.67	-	-
(C)	**259.50**	**160.67**	**-**	**-**
Advances Recoverable in Cash or Kind				
Considered Good	-	-	12,611.93	14,970.54
Considered Doubtful	19.40	19.40	-	-
	19.40	**19.40**	**12,611.93**	**14,970.54**
Less: Provision for Doubtful Advances	19.40	19.40	-	-
(D)	**-**	**-**	**12.611.93**	**14,970.54**
Other Loans and Advances				
MAT Credit Entitlement (*)	4,195.01	4,195.01	-	-
Advance Income Tax & TDS (Net of Provision of ₹ 2,047.44 Lacs (₹ 2,062.37 Lacs)	-	-	67.85	49.00
Prepaid Expenses	-	-	57.86	44.39
Loans and Advances to Employees	-	-	49.99	12.91
Export Incentive Receivable	-	-	100.55	106.54
Balances with Statutory/Government Authorities	-	-	1,206.94	942.98
(E)	**4,195.01**	**4,195.01**	**1,483.18**	**1,155.82**
Loans and Advances to Related Parties	-	-	439.75	2,312.25
(F)	**-**	**-**	**439.75**	**2,312.25**
TOTAL (A+B+C+D+E+F)	**4,454.50**	**4,359.74**	**15,378.86**	**20,250.67**
Advances Recoverable in Cash or Kind include				
Dues from officers	-	-	-	8.50
Loans and Advances to Related Parties include				
Dues from companies include enterprises over which Key Management Personnel/ Relatives have significant influence.	-	-	439.75	2,312.25

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

15. Other Assets	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good Unless Otherwise Stated				
Deposits with Banks (Refer Note No. 18)	94.95	63.62	-	-
(A)	**94.95**	**63.62**	**-**	**-**
Others				
Interest Accrued on Fixed Deposits and Others	-	-	37.98	29.22
Gain Receivable on Forward Exchange Contract	-	326.60	409.63	653.19
(B)	**-**	**326.60**	**447.61**	**682.41**
TOTAL (A+B)	**94.95**	**390.22**	**447.61**	**682.41**

₹ in lacs

16. Inventories (Valued at Lower of Cost and Net Realizable Value)	As at 31st March, 2016	As at 31st March, 2015
Raw Materials and Components [includes in transit ₹ 456.26 lacs (31st March 2015: ₹ 4712.93 lacs)]	15,355.94	17,008.27
Work - in - Progress	1,915.23	2,314.79
Finished Goods	5,473.72	6,485.73
Stores and Spares [includes in transit ₹ Nil lacs (31st March 2015: ₹ 79.89 lacs)]	2,672.76	2,921.32
By Products (at Net Realisable Value)	1,849.97	3,424.42
	27,267.62	**32,154.53**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

17. Trade Receivables	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good Unless Otherwise Stated				
Outstanding for a period exceeding six months from the date they became due for payment.				
Considered Good	-	-	6,064.94	5,011.85
Considered Doubtful	240.39	302.61	-	-
Less: Provision for Doubtful Receivables	(240.39)	(302.61)	-	-
(A)	**-**	**-**	**6,064.94**	**5,011.85**
Other Receivables	-	-	4,922.31	5,191.63
(B)	**-**	**-**	**4,922.31**	**5,191.63**
Total (A)+(B)	**-**	**-**	**10,987.25**	**10,203.48**
Trade receivables include: Dues from companies include enterprises over which Key Management Personnel /Relatives have significant influence.	-	-	1,009.58	435.32

₹ in lacs

18. Cash and Bank Balances	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents				
Balance with Banks:				
On Current Accounts	-	-	175.67	1,802.50
Unpaid Dividend Accounts	-	-	2.52	2.52
Cash on Hand	-	-	9.91	10.22
	-	**-**	**188.10**	**1,815.24**
Other bank balances:				
Fixed Deposits with Original Maturity for more than 12 months*	94.95	63.62	183.05	30.27
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months*	-	-	13.67	101.58
	94.95	**63.62**	**196.73**	**131.85**
Amount Disclosed under Other Non-Current Assets (Note No. 15)	(94.95)	(63.62)	-	-
	-	**-**	**384.83**	**1947.09**

* Fixed deposits with a carrying amount of ₹ 285.93 lacs (₹ 189.73 lacs) are used towards security given against the Bank Guarantees & Company's Letter of Credits (LC's) issued by the banks and ₹ 5.74 lacs (₹ 5.74 lacs) as security deposit issued to sales tax department on behalf of the Company.

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

19. Revenue from Operations	2015-16	2014-15
Sale of Products		
Finished Goods	95,622.07	112,582.05
Power	3,158.98	3,267.92
Traded Goods	884.57	4,243.43
Other Operating Revenue		
Scrap Sales and By Products	451.28	902.63
Sale of Raw Materials	593.18	-
Export Incentives	58.35	68.52
	100,768.43	**121,064.55**

₹ in lacs

Details of Product Sold	2015-16	2014-15
Finished Goods Sold		
Pellet	8,535.24	14,937.22
Sponge Iron	12,735.40	19,244.16
MS Billets	14,536.02	20,100.97
TMT Bar	24,915.57	33,151.61
Structural Steel	26,842.81	24,342.62
Light Structural Steel	8,044.22	700.13
Conveyor Belt Spares	-	102.43
Fly Ash Bricks	1.18	2.91
MS Round 32MM	11.63	-
	95,622.07	**112,582.05**
Traded Goods Sold		
Steel Round	-	1,248.30
Coal	884.57	2,680.28
Steel Flat	-	205.02
M.S. Pipe	-	109.83
	884.57	**4,243.43**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

20. Other Income	2015-16	2014-15
Interest income on		
Loans, Fixed Deposits, etc	162.51	522.18
Dividend Income on		
Long-Term Investments	0.14	0.15
Profit on Sale of Investments	-	4.85
Other Non-Operating Income	2.35	19.17
	165.00	**546.35**

₹ in lacs

21. Cost of Raw Material and Components Consumed	2015-16	2014-15
Inventory at the beginning of the period	17,008.27	17,828.57
Add : Purchases	71,053.15	89,589.54
Less : Inventory at the end of the period	15,355.94	17,008.27
	72,705.48	**90,409.84**

₹ in lacs

Details of Raw Material and Components consumed	2015-16	2014-15
Coal and Coke (including fines) *	30,246.69	35,270.56
Iron Ore (including fines)	19,170.07	25,867.10
Dolomite/Limestone	255.15	354.66
Iron Ore Pellets	-	1,343.24
Silico Manganese	1,801.71	1,991.86
Sponge/Pig Iron/Scrap/Others	15,489.33	18,789.66
MS Billets/Ingots	5,742.53	6,792.76
	72,705.48	**90,409.84**

* Includes consumption relating to power plant

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

Details of Inventory	2015-16	2014-15
Raw materials and components		
Coal and Coke	11,366.55	13,911.50
Iron Ore (including fines)	2,909.68	2,524.63
Dolomite/Limestone	29.75	27.32
Sponge/Pig Iron	654.51	219.54
Others	395.45	325.28
	15,355.94	**17,008.27**

₹ in lacs

22. Purchase of Traded Goods	2015-16	2014-15
Steel Round	-	1,169.39
Coal	875.48	2,612.45
Steel Flat	-	193.78
M.S. Pipe	-	105.51
	875.48	**4,081.13**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

23. Changes in Inventories	2015-16	2014-15
Inventories at the end of the period		
By-Products	1,849.97	3,424.42
Work-in-Progress	1,915.23	2,314.79
Finished Goods	5,473.72	6,485.73
	9,238.91	**12,224.94**
Transfer from Trial Run - Finished Goods (Refer Note no. 12)	-	279.72
	-	**279.72**
Inventories at the beginning of the period		
By-Products	3,424.42	2,092.40
Work-in-Progress	2,314.79	2,808.93
Finished Goods	6,485.73	4,606.90
	12,224.93	**9,508.23**
Finished Goods transferred to Trial Production (Refer Note no. 12)	-	291.00
(Increase)/Decrease in Inventories		
By-Products	1,574.45	(1,332.02)
Work-in-Progress	399.56	494.14
Finished Goods	1,012.01	(1,890.11)
	2,986.02	**(2,727.99)**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

Details of Inventories	2015-16	2014-15
By-Products		
Coal Fines	331.36	1,325.49
Dolochar	1,514.39	2,076.22
Coal Tar	4.22	22.71
	1,849.97	**3,424.42**
Work-in-Progress		
Iron Ore Pellet/ Filter Cake	1,150.68	1,449.61
Sponge Iron	231.59	120.40
M.S. Billets	106.21	227.20
Others	426.75	517.58
	1,915.23	**2,314.79**
Finished Goods		
Iron Ore Pellet	1,672.84	1,996.12
Sponge Iron	444.59	266.90
M.S. Billets	629.32	639.49
TMT Bar	956.30	596.17
Structural Steel	1,518.89	2,986.38
Light Structural Steel	251.78	-
Conveyor Belts	-	0.67
	5,473.72	**6,485.73**

₹ in lacs

24. Employee Benefits Expenses	2015-16	2014-15
Salaries, Wages and Bonus	2,775.21	2,951.43
Contribution to Provident and Other Funds	199.49	189.89
Staff Welfare Expenses	18.58	27.13
	2,993.28	**3,168.45**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

25. Finance Costs	2015-16	2014-15
Interest Expenses	11,060.91	10,570.20
Other Finance Charges	415.19	352.63
Net (gain)/ loss on foreign currency transactions and translation	-	9.20
	11,476.10	**10,932.03**

₹ in lacs

26. Other Expenses		2015-16		2014-15
Consumption of Stores and Spares		4,737.36		5,928.34
Increase/(Decrease) of Excise Duty on Inventory		118.37		187.49
Power and Fuel		1,156.16		1,222.14
Rent		124.41		54.46
Rates and Taxes		250.32		280.96
Insurance		48.83		44.67
Repairs and Maintenance				
Plant and Machinery		470.07		1,023.51
Buildings		65.11		57.76
Others		53.35		49.28
Material Handling Charges		1,911.58		1,480.78
Vehicle Running Expenses		365.71		528.82
Cash Discount		264.99		236.01
Advertising and Sales Promotion		17.23		51.34
Freight Outward		628.38		1,137.29
Sales Commission		201.45		214.69
Legal and Professional Charges		316.57		213.84
Charity and Donations		21.13		19.02
Payment to Auditors (Refer details below)		15.27		13.10
Exchange Differences (Net)		267.73		93.50
Irrecoverable Debts, Deposits and Advances Written off	62.21		136.57	
Less : Adjusted with Provisions	(62.21)	-	(18.69)	117.88
Provision for Doubtful Debts and Advances	-		18.69	
Less : Written Back	-	-	(18.69)	-
Loss on Disposal/Discard of Fixed Assets		-		1.40
Prior Period Expenses (Net)		55.12		0.03
Miscellaneous Expenses		846.70		749.87
Total		**11,935.84**		**13,706.18**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

26.1 Payment to Auditors	2015-16	2014-15
As Auditors:		
Statutory Audit fee	10.00	9.00
Limited Review	3.00	3.00
In Other Capacity		
Taxation matters	0.40	0.25
Other Services (certification fees)	1.57	0.55
Reimbursement of expenses	0.30	0.30
	15.27	**13.10**

26.2 Other Expenses include ₹ 129.97 Lacs spent towards various schemes of Corporate Social Responsibility as prescribed under section 135 of Companies Act,2013.

₹ in lacs

27. Earnings Per Share (EPS)	2015-16	2014-15
Earnings Per Share has been computed as under:		
Profit After Tax	(17,844.36)	(10,257.12)
Less : Dividends on non cumulative Preference Shares and tax thereon	-	-
Net Profit for Calculation of Basic and Diluted EPS	**(17,844.36)**	**(10,257.12)**
	No.	No.
Weighed average number of equity shares in calculating Basic & Diluted EPS	88,100,000	88,100,000
	88,100,000	**88,100,000**
Earnings Per Share		
Basic (₹)	**(20.25)**	**(11.64)**
Diluted (₹)	**(20.25)**	**(11.64)**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

28. Gratuity and Other Post Retirement Benefit Plans

The Company provides gratuity benefits which are funded with Life Insurance Corporation of India in the form of qualifying insurance policy. Leave encashment benefits is an unfunded plan of the Company.

Expenses recognized in the statement of profit and loss / Pre-operative and Trial run expenses (Pending allocation) for respective years are as follows:

₹ in lacs

Particulars	Gratuity		Leave	
	2015-16	2014-15	2015-16	2014-15
Current service cost	70.52	85.70	6.57	8.28
Interest cost	23.09	27.46	7.56	10.13
Expected return on plan assets	(19.71)	(16.21)	-	-
Past Service Cost	-	-	-	-
Net acturial losses/(gains)	(40.67)	(114.49)	(12.94)	(25.85)
Net benefit expense	**33.23**	**(17.54)**	**1.18**	**(7.44)**

Net Liability recognized in the balance sheet as at respective dates are as follows:-

₹ in lacs

Particulars	Gratuity		Leave	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligation	319.86	298.36	90.46	101.74
Fair value of plan assets	304.98	213.40	-	-
Net liability	**14.88**	**84.96**	**90.46**	**101.74**

Changes in the present value of the defined benefit obligation during respective years are as follows:

₹ in lacs

Particulars	Gratuity		Leave	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening defined benefit obligation	298.36	304.89	101.74	113.41
Interest cost	23.09	27.46	7.56	10.13
Current service cost	70.52	85.70	6.57	8.28
Benefit paid	(31.78)	(6.33)	(12.47)	(4.23)
Actuarial losses/(gains)	(40.33)	(113.36)	(12.94)	(25.85)
Closing defined benefit obligation	**319.86**	**298.36**	**90.46**	**101.74**

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

The details of fair value of plan assets as on the Balance Sheet date are as follows:

₹ in lacs

Particulars	Gratuity	
	As at 31st March, 2016	As at 31st March, 2015
Opening fair value of plan assets	213.40	160.22
Expected return on plan assets*	19.71	16.21
Contribution by the Company	103.31	42.17
Benefits paid	(31.78)	(6.33)
Actuarial gains / (loss)	0.34	1.13
Closing fair value of plan assets	**304.98**	**213.40**

* Determined based on government bond rate.

The details of plan assets as on the Balance Sheet date are as follows:

₹ in lacs

Particulars	Gratuity	
	As at 31st March, 2016	As at 31st March, 2015
Debt Funds	304.98	213.40
Total	**304.98**	**213.40**

The principal assumptions used in determining gratuity and leave liability are as shown below:

Particulars	As at 31st March, 2016	As at 31st March, 2015
Discount rate (%)	7.87	7.91
Return on Plan Assets (Gratuity Scheme) (%)	7.87	7.91
Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

Amount of expenses incurred for the current and previous years are as follows:

₹ in lacs

Particulars	Gratuity				
	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Defined benefit obligation	319.86	298.36	304.89	257.57	191.14
Fair value of plan assets	304.98	213.40	160.22	149.24	105.33
Deficit	14.88	84.96	144.67	108.33	85.81
Experience adjustments on plan liabilities – (gains)/ losses	(40.67)	(29.03)	0.43	(29.82)	(25.56)
Experience adjustments on plan assets	0.34	1.13	0.57	1.03	Nil

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

The amount provided for defined contribution plan are as follows:

₹ in lacs

Particulars	2015-16	2014-15
Provident Fund	199.64	190.96

29. Segment Information

The Company is engaged in manufacturing of "Iron and Steel". Consequently it has one reportable business segment e.g. "Iron and Steel". The analysis of geographical segments is based on the area in which the customers of the Company are located.

Information for Secondary Geographical Segments

₹ in lacs

Particulars	2015-16	2014-15
Domestic Revenues (Net of Excise Duty and Trade Discount)	86,196.67	103,274.32
Export Revenues (Including Export Benefits)	4,254.84	5,933.49
Total	**90,451.51**	**109,207.81**

The Company has common fixed assets for producing goods for domestic and overseas markets which are located at only one place i.e. Raigarh. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished. Export debtors at the year end amounts to ₹ 846.82 lacs (₹ 176.49 lacs).

30. Related Party Disclosures

Related parties where control exists:

Subsidiary & Associates Companies	:	MSP Cement Limited (Wholly owned)
		AA ESS Tradelinks Private Limited (Associate)
Jointly Controlled Entity	:	Madanpur South Coal Company Limited
Directors and their Relatives	:	Puran Mal Agrawal - (Father of Manish Agrawal)
		Suresh Kumar Agrawal- Chairman
		Manish Agrawal - Director
		Saket Agrawal - Managing Director
		Dhananjay Uchit Singh - Director
		Kiran Agrawal (Mother of Manish Agrawal)
		Nisha Agrawal (wife of Suresh Agrawal)
		Ekta Agrawal (wife of Saket Agrawal)
		Richa Agrawal (wife of Manish Agrawal)
Key Management Personnel and their relatives	:	Kamal Kumar Jain - CFO
		Shreya Kar - CS (Appointed w.e.f. 01.05.2016)
		Ruchi Garg - CS (Resigned w.e.f. 21.03.2016)
Enterprises over which Key Management Personnel and or relatives have significant influence	:	Chaman Metallics Limited
		Howrah Gases Limited
		Ilex Private Limited
		MSP Energy Limited
		MSP Ferro & Power Limited
		MSP Metallics Limited
		MSP Mines and Minerals Limited
		MSP Power Limited
		MSP Sponge Iron Limited
		Raj Securities Limited

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Sales						
Howrah Gases Limited					-	-
					(1,911.04)	(1,911.04)
MSP Metallics Limited					589.67	589.67
					(220.23)	(220.23)
MSP Sponge Iron Limited					3,551.83	3,551.83
					(2,922.95)	(2,922.95)
Purchase of Raw Material & Components Consumed						
Howrah Gases Limited					-	-
					(872.22)	(872.22)
MSP Metallics Limited					4,497.41	4,497.41
					(8,419.86)	(8,419.86)
MSP Sponge Iron Limited					3,160.48	3,160.48
					(4,701.91)	(4,701.91)
Contractual Services Paid						
MSP Mines and Minerals Limitd					-	-
					(14.77)	(14.77)
Directorial Remuneration						
Puran Mal Agrawal				-		-
				(22.40)		(22.40)
Suresh Kumar Agrawal				-		-
				(18.67)		(18.67)
Saket Agrawal				30.01		30.01
				(11.42)		(11.42)

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Key Managerial Remuneration						
Kamal Kumar Jain				10.71		10.71
				(10.71)		(10.71)
Ruchi Garg				4.98		4.98
				(4.02)		(4.02)
Professional Charges Paid						
MSP Mines and Minerals Limited					8.59	8.59
					(18.23)	(18.23)
Expenses Reimbursed						
Howrah Gases Limited					-	-
					(15.90)	(15.90)
MSP Sponge Iron Limited					2.86	2.86
					(4.16)	(4.16)
MSP Mines and Minerals Limited					0.50	0.50
					(1.72)	(1.72)
Rent Paid						
Ekta Agrawal				8.52		8.52
				(8.52)		(8.52)
Richa Agrawal				6.72		6.72
				(6.72)		(6.72)
Allotment of Shares (Including Share premium)						
Ilex Private Limited					105.00	105.00
					(-)	(-)
Loans & Advances Given						
AA ESS Tradelinks Private Limited		6.25				6.25
		(511.93)				(511.93)

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Repayment of Loans & Advances Given						
AA ESS Tradelinks Private Limited		1,870.50				1,870.50
		(-)				(-)
Madanpur South Coal Company Limited			2.00			2.00
			(-)			(-)
Kamal Kumar Jain				-		-
				(3.00)		(3.00)
MSP Sponge Iron Limited					-	-
					(288.83)	(288.83)
Loans & Advances Taken						
Ilex Private Limited					80.00	80.00
					(-)	(-)
Repayment of Loans & Advances Taken						
Raj Securities Limited					(-)	(-)
					(470.00)	(470.00)
Guarantee obtained						
Puranmal Agrawal				215.15		215.15
				(219.32)		(219.32)
Suresh Kumar Agrawal				222.62		222.62
				(227.02)		(227.02)
Manish Agrawal				278.34		278.34
				(263.40)		(263.40)
Saket Agrawal				276.26		276.26
				(261.53)		(261.53)
Guarantee given on behalf of						
AA ESS Tradelinks Private Limited		-				-
		(2,812.50)				(2,812.50)

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Other Liabilities Paid						
Ilex Private Limited					-	-
					(380.00)	(380.00)
Loans & Advances (Closing balance)						
AA ESS Tradelinks Private Limited		444.35				444.35
		(2,308.61)				(2,308.61)
Kamal Kumar Jain				3.69		3.69
				(1.99)		(1.99)
Madanpur South Coal Company Limited			-			-
			(2.00)			(2.00)
MSP Cement Limited	0.01					0.01
	(0.01)					(0.01)
Richa Agrawal				0.01		0.01
				-		-
MSP Metallics Limited					-	-
					(118.28)	(118.28)
MSP Mines and Minerals Limited					1.63	1.63
					(1.63)	(1.63)
MSP Sponge Iron Limited					-	-
					(262.82)	(262.82)
Trade Receivables (Closing balance)						
Howrah Gases Limited					-	-
					(152.55)	(152.55)
MSP Sponge Iron Limited					991.79	991.79
					(-)	(-)

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Trade Payable (Closing balance)						
MSP Metallics Limited					513.69	513.69
					(-)	(-)
Howrah Gases Limited					176.17	176.17
					(423.40)	(423.40)
Other Liabilities (Closing balance)						
MSP Mines and Minerals Limited					7.51	7.51
					(10.38)	(10.38)
Loans & Advances Taken (Closing balance)						
Ilex Private Limited					80.00	80.00
					(-)	(-)
Investments						
AA ESS Tradelinks Private Limited		4,370.68				4,370.68
		(2,500.18)				(2,500.18)
Howrah Gases Limited					15.91	15.91
					(15.91)	(15.91)
Madanpur South Coal Company Limited			175.65			175.65
			(232.28)			(232.28)
MSP Cement Limited	58.07					58.07
	(58.07)					(58.07)
MSP Metallics Limited					402.00	402.00
					(402.00)	(402.00)
MSP Power Limited					0.80	0.80
					(0.80)	(0.80)
MSP Sponge Iron Limited					49.50	49.50
					(49.50)	(49.50)

(Figures in bracket are related to previous year.)

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

31. Operating Lease Company as Lessee

The Company has lease agreement for various premises which are in the nature of Operating Lease. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non- cancellable Operating Leases are as follows :

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Within one year	50.40	55.66

32. Interest in Joint Venture

The Company has a 14.90 % (14.90%) interest in Madanpur South Coal Company Limited (a Joint Venture Company), incorporated in India.

The Company's interest in this Joint Venture is reported as Non-Current Investment (Refer Note 13) and is stated at cost (net of provision for other than temporary diminution in value). The Company's share of the assets and liabilities related to its interest in this Joint Venture as at the respective Balance Sheet dates is as follows:-

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Share Capital	12.57	16.62
Reserve & Surplus	126.14	102.13
Non Current Liabilities		0.89
Current Liabilities	0.12	0.65
Non Current Assets	116.24	51.14
Current Assets	22.59	69.15
Revenue	0.67	4.80
Other Expenses	0.82	117.84
Tax Expenses		0.18
Profit/(Loss) After Tax	(0.15)	(113.22)

The Company's proportionate share of the capital commitments in this Joint Venture amounts to ₹ Nil (₹ Nil).

33. Impairment of Assets

On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March 2016.

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

34. Disclosures for AS 29, 'Provisions, Contingent Liabilities and Contingent Assets' issued by ICAI:

₹ in lacs

Particulars	Provision for Doubtful Debts		Provision for Advances	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Carrying amount- beginning of the year	302.61	321.30	19.40	19.40
Additional provision during the year	-	-	-	-
	302.61	321.30	19.40	19.40
Less: written back during the year	62.21	18.69	-	-
Carrying amount- end of the year	**240.40**	**302.61**	**19.40**	**19.40**

35. Contingent Liabilities not Provided for in Respect of:

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Excise Matters under dispute/ appeal	1,684.99	2,103.52
Sales Tax & VAT Matters under dispute/ appeal	347.05	400.28
Income Tax Matters under dispute/ appeal	0.55	0.55
CDR Related Liability (Right to Recompense)	27,801.00	27,801.00
Corporate Guarantees given*	937.50	2,812.50

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

There is no possibility of any reimbursement on any of the cases listed above

* The Company has given guarantee to ICICI Bank in respect of loan taken by AA ESS Tradelinks Private Limited amounting to ₹ 7,500 lacs (₹ 7,500 lacs) on 31st May 2011. The management believes that the terms of the guartantee given are not prejudicial to the interest of the Company.

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

36. Derivative instruments and unhedged foreign currency exposure

Derivative contracts outstanding as at the Balance sheet date:

Particulars	Purpose
**Forward contract to buy US $** US$ 24,03,846.15 (31st March 2015 : US$ 24,03,846.16) (₹ 1,500 lacs (31st March 2015: ₹ 1,500 lacs))	Hedge of foreign currency loan
Forward contract to buy Singapore Dollar (SGD) SGD 26,25,000 (31st March 2015: SGD 78,75,000) (₹ 1,283.38 lacs (31st March 2015: ₹ 3,601.03 lacs))	Hedge of foreign currency loan
Interest rate swaps on SGD loan of SGD 26,25,000 (31st March 2015: SGD 78,75,000) (₹ 1,283.38 lacs (31st March 2015: ₹ 3,601.03 lacs))	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 8.80% p.a. and receive a variable interest @ SGD 3m SOR plus spread of 2.05% on the notional amount.

Particulars of unhedged foreign currency exposure as at the Balance sheet date

Particulars	Amount
Trade payables (including acceptances)	US $ Nil (31st March 2015: US $ 48,15,706) ₹ Nil (31st March 2015: ₹ 2985.74 lacs)
Foreign Currency Loans From Banks	US$ 24,03,846.15 (31st March 2015 : US$ 24,03,846.16) (₹ 1,500 (31st March 2015: ₹ 1,500))
Interest accrued but not due on borrowings	US $ Nil (31st March 2015: US$ NIL) ₹ Nil (31st March 2015: ₹ NIL)

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

37. Disclosure in terms of clause 32 of the Listing Agreement:- (Loan and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested)

₹ in lacs

Name of the Company	Relation	Category	31st March, 2016	31st March, 2015	Maximum Amount outstanding during the year	
					2015-16	2014-15
AA ESS Tradelinks Private Limited	Associates	Repayable on demand	438.11	2,308.61	2,308.61	2,308.61
Madanpur South Coal Company Limited	Jointly Controlled Entity	Repayable on demand	-	2.00	-	2.00
MSP Mines & Minerals Limited	Company in which directors are interested	Repayable on demand	1.63	1.63	1.63	1.63
MSP Cement Limited	Subsidiary	Repayable on demand	0.01	0.01	0.01	0.01

38. Value of Imports (calculated on CIF basis)

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Goods	-	-
Stores, Spares and Consumables	120.92	46.37
Raw Materials	5,827.06	13,150.31

39. Expenditure in Foreign Currency (on accrual basis)

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest	263.97	339.81
Travelling	0.48	0.69

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

40. Earning in Foreign Currency (on accrual basis)

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
FOB Value of Exports (excluding sales made in Indian Rupees ₹ 3,990.33 lacs (₹ 1,940.42 lacs)	205.32	3,915.19

41. Break-up of Consumption of Raw Materials, Stores and Spares Consumed including Amount Debited to Pre-Operative and Trial Run Expenses (Pending Allocation)

Particulars	Raw Materials		Stores and Spares Consumed	
	₹ in lacs	%	₹ in lacs	%
Indigenous	56,642.71	77.91	4,708.22	99.39
	(79,438.46)	(83.81)	(5,876.32)	99.11
Imported	16,062.77	22.09	29.13	0.61
	(10,971.37)	(16.19)	(52.64)	0.89
Total	**72,705.48**	**100.00**	**4,737.35**	**100.00**
	(90,409.83)	**(100.00)**	**(5,928.96)**	**(100.00)**

42. Valuation of Current Assets, Loans & Advances and Current Liabilities

In the opinion of the management, current assets (including trade receivables), loans and advances and current liabilities (including trade payables) have the value at which these are stated in the Balance Sheet, unless otherwise stated, and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

43. As per information available with the Company, there are no suppliers covered under "Micro, Small and Medium Enterprise Development Act, 2006". As a result, no interest provision/payment has been made by the Company to such creditors, if any, and no disclosure thereof is made in the accounts.

44. The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required. No amount has been written back / written off during the year in respect of due to / from related parties.

Notes to the Financial Statements
for the year ended 31st March, 2016 (Contd.)

45. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

46. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. Bifurcation of assets and liabilities into Non-Current and Current for preparation of financial statements has been made by the management.

As per our report of even date:

For Sunil Kumar Agrawal & Associates
Firm Registration No: 323133E
Chartered Accountants

For and on behalf of Board of Directors
MSP Steel & Power Limited

Sunil Kumar Agrawal
Partner
Membership No: 057731

Suresh Kumar Agrawal
Chairman (DIN: 00587623)

Manish Agrawal
Director (DIN:00129240)

Date : 27th May, 2016
Place: Kolkata

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Independent Auditors' Report on Consolidated Financial Statements

To The Members of MSP Steel & Power Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MSP Steel & Power Limited (`the Holding Company`), its subsidiary and associate (collectively referred to as 'the Group') and a jointly controlled company, which comprise the consolidated Balance Sheet as at 31st March, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

2. Management's Responsibility for the consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules. The respective Board of Directors of the companies included in the Group and of its jointly controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled company and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of section 143 of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled company as at 31st March, 2016, and their consolidated loss, and their consolidated cash flows for the year ended on that date.

5. Other Matter

We did not audit the financial statement of Madanpur South Coal Company Limited (a Jointly Controlled Company) whose unaudited financial statement reflect total assets (net) of ₹ 931.77 lacs as at 31st March, 2016, and total loss (net) of ₹ 4.49 lacs for the year ended on that date, as considered in the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter.

6. Report on Other Legal and Regulatory Requirements

1 As required by sub-sections 3 of Section 143 of the Act, we report, to the extent applicable, that:

a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d In our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e On the basis of the written representations received from the directors of the Company as on 31st March, 2016, taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary and Associate and unaudited financial statements of its Jointly Controlled Company, none of the directors of the Group Companies, incorporated in India is disqualified as on 31st March, 2016, from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

f With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in "Annexure", which is based on the Auditor's Reports of the Holding Company, its subsidiary and Associate incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, its Subsidiary and Associate incorporated in India.

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

i) The Group and its Jointly Controlled Company have disclosed the impact of pending litigations on the consolidated financial position of the

group and jointly controlled in the consolidated financial statements as of March 31, 2016. – Refer Note 36 to the consolidated financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer Note 45 to the consolidated financial statements;

iii) There is no amount required to be transferred to the Investor Education and Protection Fund by the Group and its Jointly Controlled Company.

For **Sunil Kumar Agrawal & Associates**
Chartered Accountants
Firm Registration No: 323133E

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

Annexure to the Independent Auditors' Report

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 **MSP Steel & Power Limited (`the Holding Company`)**, its Subsidiary and associate incorporated in India as at 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidences 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 auditors' judgment, including the assessment of the risk 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 controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorizations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Company's assets that could have a

material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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 and to the best of our information and according to the explanations given to us, the Holding Company, its Subsidiary & Associate incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, 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 **Sunil Kumar Agrawal & Associates**
Chartered Accountants
Firm Registration No: 323133E

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Place: Kolkata
Date: 27th May, 2016

Consolidated Balance Sheet
As at 31st March, 2016

₹ in lacs

PARTICULARS	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	12,094.45	10,691.90
Reserves and Surplus	4	42,791.33	48,925.79
		54,885.78	**59,617.69**
Share Application Money Pending Allotment	5	**-**	**1,882.50**
Minority Interest		**-**	**2,001.40**
Non-Current Liabilities			
Long-Term Borrowings	6	81,089.39	91,432.69
Deferred Tax Liabilities (Net)	7	132.00	1,010.02
Long Term Provisions	8	105.34	188.93
Other Long Term Liabilities	11	208.30	213.57
		81,535.03	**92,845.21**
Current Liabilities			
Short-Term Borrowings	9	25,422.31	23,314.64
Trade Payables	10	6,851.29	11,500.85
Other Current Liabilities	11	8,759.42	11,618.75
Short Term Provisions	8	-	3.62
		41,033.02	**46,437.86**
TOTAL		**177,453.83**	**202,784.66**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12A	112,675.87	114,017.42
Intangible Assets	12B	58.47	367.79
Capital Work-In-Progress	13	65.11	11,054.96
Deferred Tax Assets (net)	7	-	0.02
Non Current Investments	14	5,598.22	7,529.97
Long-Term Loans and Advances	15	4,469.69	6,376.00
Other Non-Current Assets	16	94.96	390.50
		122,962.32	**139,736.66**
Current Assets			
Current Investments	-	21.82	-
Inventories	17	27,267.62	32,154.81
Trade Receivables	18	10,987.25	10,206.32
Cash and Bank Balances	19	387.61	2,062.71
Short-Term Loans and Advances	15	15,379.60	17,941.21
Other Current Assets	16	447.61	682.95
		54,491.51	**63,048.00**
TOTAL		**177,453.83**	**202,784.66**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date:

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

For and on behalf of Board of Director
MSP Steel & Power Limited

Suresh Kumar Agrawal
Chairman (DIN :00587623)

Manish Agrawal
Director (DIN: 00129240)

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Consolidated Statement of Profit and Loss
For the year ended 31st March, 2016

₹ in lacs

PARTICULARS	Notes	2015-16	2014-15
INCOME			
Revenue from Operations (Gross)	**20**	100,768.43	121,077.49
Less: Excise Duty		10,316.92	11,856.74
Revenue from Operations (Net)		**90,451.51**	**109,220.75**
Other Income	**21**	165.67	551.15
Total (I)		**90,617.18**	**109,771.90**
EXPENSES			
Cost of Raw Material and Components Consumed	**22**	72,705.48	90,409.84
Purchase of Traded Goods	**23**	875.48	4,087.92
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	**24**	2,986.02	(2,727.99)
Employee Benefits Expenses	**25**	2,993.83	3,172.22
Other Expenses	**26**	11,936.11	13,814.94
Depreciation and Amortization Expenses	**12A**	6,333.40	5,293.97
Finance Costs	**27**	11,476.10	10,932.09
Total (II)		**109,306.42**	**124,982.99**
Profit Before Tax (I-II)		**(18,689.24)**	**(15,211.09)**
Tax Expenses			
Income Tax for Earlier Years		33.29	-
Deferred Tax		(878.02)	(4,852.00)
Total Tax Expense		**(844.73)**	**(4,852.00)**
Profit for the year before Share of Minority Interest and Share of Associates		**(17,844.51)**	**(10,359.09)**
Share of profit / (Loss) of Associates		**(3.44)**	**-**
Minority Interest		**-**	**(0.20)**
Profit for the year		**(17,847.95)**	**(10,358.89)**
Earnings per equity share of face value of Rs. 10 each	**28**		
Basic (Rs.)		**(20.26)**	**(12.02)**
Diluted (Rs.)		**(20.26)**	**(12.02)**
Summary of Significant Accounting Policies	**2**		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date:

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

For and on behalf of Board of Director
MSP Steel & Power Limited

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Suresh Kumar Agrawal
Chairman (DIN :00587623)

Manish Agrawal
Director (DIN: 00129240)

Date: 27th May, 2016
Place: Kolkata

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Consolidated Cash Flow Statement

For the year ended 31st March, 2016

₹ in lacs

	2015-16		2014-15	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before taxes	**(18,689.24)**		**(15,211.09)**	
Adjustments for :				
Depreciation	6,333.40		5,293.97	
Profit on Sale of Investments	(0.22)		(4.89)	
Irrecoverable Debts, Deposits and Advances written off	-		106.22	
Loss on sale of fixed assets	-		1.40	
Preliminary Expenses written off	-		0.28	
Interest on loans, deposits etc.	(162.96)		(526.93)	
Interest Expenses	11,060.91		10,570.21	
Other Finance Expenses	415.19		352.68	
Dividend Income	(0.14)		(0.15)	
Operating Profit before working capital changes	**(1,043.06)**		**581.70**	
Movement in Working Capital for:				
(Increase)/Decrease in Trade Receivables	(780.93)		8,799.39	
(Increase)/Decrease in Loans and Advances	4,467.92		13,521.58	
(Increase)/Decrease in Other Assets	530.88		947.04	
(Increase)/Decrease in Inventories	4,887.19		(2,601.31)	
Increase/(Decrease) in Trade Payables	(4,649.56)		(4,021.75)	
Increase/(Decrease) in Other Liabilities	1,012.90		(7,801.33)	
Increase/(Decrease) in Provisions	-		(636.81)	
Cash generated from Operations	**4,425.34**		**8,788.51**	
Direct Taxes Paid	52.14		-	
Net Cash generated from Operating Activities		**4,373.20**		**8,788.51**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets [including Pre-Operative and Trial Run Expenses (Pending allocation)]	(422.75)		(12,258.69)	
Discard / Sale of Fixed Assets	-		7.75	
Loss on Sale of Fixed Assets	-		(1.40)	
Profit on Sale of Investments	0.22		4.89	
Purchase of Investments	21.82		(2,761.42)	
Sale/ Write off of Investments	-		15.00	
Fixed Deposits (with maturity period of more than three months)	1.52		1,776.96	
Interest received	153.76		526.93	
Dividends received	0.14		0.15	
Net cash used in investing activities		**(245.28)**		**(12,689.83)**

Consolidated Cash Flow Statement

For the year ended 31st March, 2016

Rs. in lacs

	2015-16		2014-15	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Preference Shares including Securities Premium	12,050.50		-	
Long Term Borrowings Received	-		38,990.31	
Long Term Borrowings Repaid	(15,988.84)		(7,121.04)	
Short Term Borrowings Received/ (paid) (Net)	2,313.59		(100.00)	
Cash credit and working capital received/ (paid) (Net)	-		(15,274.42)	
Interest Paid	(3,761.55)		(10,570.21)	
Other Finance Expenses Paid	(415.19)		(352.68)	
Net cash generated in financing activities		**(5,801.49)**		**5,571.96**
D. EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		**-**		**(5.18)**
Net (Decrease) in Cash and Cash equivalents (A+B+C+D)		**(1,673.57)**		**1,665.46**
Cash and Cash equivalents as at the beginning of the year		**1,861.94**		**196.48**
Cash and Cash equivalents as at the end of the year *		**188.37**		**1,861.94**

₹ in lacs

	2015-16		2014-15	
*** Components of Cash and Cash equivalents**				
Cash on hand		12.26		18.64
With Scheduled Banks on Current Account		176.11		1,843.30
		188.37		**1,861.94**

As per our Report of even date
For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

For and on behalf of Board of Director
MSP Steel & Power Limited

Suresh Kumar Agrawal
Chairman (DIN :00587623)

Manish Agrawal
Director (DIN: 00129240)

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

MSP STEEL & POWER LIMITED
SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

MSP Steel & Power Limited ('the Company') is a public company domiciled in India and is listed on the BSE Limited and the National Stock Exchange of India Limited (NSE). The Company is engaged in the manufacture and sale of iron and steel products and generation and sale of power. The Company has manufacturing plant in Raigarh, Chattisgarh.

2. Summary of Significant Accounting Policies

(a) Principles of Consolidation

The Consolidated Financial Statements relate to MSP Steel & Power Limited ('the Holding Company'), its subsidiaries & Associates (collectively referred to as 'Group') and its jointly controlled entity. The details are as given below:

Name of the Subsidiaries / Joint Venture (JV)	Country of Incorporation	Proportion of ownership/interest	
		As at 31st March, 2016	As at 31st March, 2015
MSP Cement Limited	India	100.00%	100.00%
AA ESS Tradelinks Private Limited	India	42.75%	52.32%
Madanpur South Coal Company Limited (JV)	India	14.90%	14.90%

Consolidation Procedure

(i) The Financial Statements of the Group have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances and intra group transactions have been eliminated. The group's interest in the joint venture is accounted using proportionate consolidation.

(ii) The Consolidated Financial Statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances, unless otherwise stated.

(iii) The difference between the costs of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

(iv) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the shareholders of the company. The excess of loss over the minority interest in the equity, if any, is adjusted in majority interest.

(v) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(vi) Investments other than in subsidiaries and joint ventures have been accounted as per AS - 13, 'Accounting for Investments'.

(b) Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements of the company have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The consolidated financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs.

(c) Use of Estimates

The preparation of the consolidated financial statements in

conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(d) Tangible and Intangible Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment if any. The cost of acquisition comprises of purchase price inclusive of duties (net of Cenvat / VAT), taxes, incidental expenses, erection/commissioning/trial run expenses and borrowing cost etc., up to the date the assets are ready for intended use. Borrowing costs relating to acquisition of fixed assets for the period of time for it to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment, is expected to be irregular, are capitalized and depreciated prospectively over the residual life of the respective assets.

All direct expenditure and administrative costs relating to construction/erection of the project for bringing it to the working conditions for intended use are capitalized as "Pre-operative & Trial Run Expenses (pending allocation)".

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment loss, if any.

(e) Depreciation/Amortization of Fixed Assets

The classification of Plant and Machinery into continuous and non-continuous process is done as per the technical evaluation and depreciation thereon is provided accordingly.

Depreciation on fixed assets is provided on a pro-rata basis on the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on assets added / disposed off during the year is provided on pro-rata basis.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

The intangible assets are amortized over the useful economic life of the respective assets.

(f) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as 'operating leases'. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(g) Impairment of Fixed Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'value in use' of the assets. In assessing value in use, the estimated future cash flows are discounted to their present value.

(h) Borrowing Costs

Borrowing cost includes interest, amortization of

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction/erection or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to revenue.

(i) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

(j) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as 'Current Investments'. All other investments are classified as 'Long-term Investments'.

On initial recognition, all investments are measured at cost. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. Provision for diminution in value is recognized when there is an 'other than temporary' decline in the value of the investments.

(k) Inventories

Raw materials, Components, Stores and Spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products for which they will be used are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on 'First in First out' basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on annual average basis.

Saleable scrap and by-products are valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue Recognition

All expenses and income to the extent considered payable and receivable respectively, unless otherwise stated, are accounted for on an accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which generally coincides with delivery.

Sale of Power

Revenue from sale of power is recognized on transmission of power to the customers from the grid.

Sale of Carbon Credits

Revenue is recognized when carbon credit units are sold to third parties and there is no significant uncertainty as regards the collection thereof.

Export Incentives

Export Incentives under the Duty Drawback scheme are recognized when such incentive accrues upon export of goods provided that there is reasonable certainty of receiving the credit and its quantification can be assessed. Income is recognized at lower of the estimated credit receivable and estimated net realisable value.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend

Dividend income on investments is recognised when the right to receive dividend is established.

Insurance Claims

Insurance Claims are accounted depending on the certainty of receipts on settlement.

(m) Foreign Currency Transactions and Balances

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded are recognized as income or expenses in the year in which they arise except for fixed assets.

The premium/ discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts at the reporting date are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

(n) Employee Benefits

Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

The Company's contribution to the Provident Fund and the Family pension fund are charged to Statement of Profit and Loss.

(o) Income taxes

Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates.

Current Tax represents the amount of Income Tax payable in respect of taxable income for the reporting period. Provision for Current Tax is made on the basis of estimated taxable income for the period at the rates prevailing under the Income-tax Act, 1961. Current Tax is net of credit for entitlement for Minimum Alternate Tax (MAT).

Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

Deferred Tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit & Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

(q) Derivative Instruments

Derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

(r) Excise Duty

Excise Duty and Cess on manufacturing goods is accounted for at the time of their clearances from the factory. Excise Duty and Cess in respect of stock of finished goods and scrap awaiting clearance from the factory at the year-end are considered for valuation of inventory.

(s) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ *in lacs*

3. Share Capital	As at 31st March, 2016	As at 31st March, 2015
Authorised shares		
96,000,000 (96,000,000) Equity Shares of ₹ 10/- each	9,600.00	9,600.00
36,000,000 (36,000,000) 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	3,600.00	3,600.00
	13,200.00	**13,200.00**
Issued, subscribed and fully paid-up shares		
88,100,000 (86,200,000) Equity Shares of ₹ 10/- each, fully paid up	8,810.00	8,620.00
32,844,500 (20,719,000) 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid up	3,284.45	2,071.90
Total issued subscribed and fully paid-up share capital	**12,094.45**	**10,691.90**

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Equity shares of ₹ 10/- each fully paid	As at 31st March, 2016		As at 31st March, 2015	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	8,81,00,000	8,810.00	8,81,00,000	8,810.00
Issued during the year	-	-	-	-
Elimination on account of consolidation	-	-	(1,900,000)	(190.00)
Outstanding as at the end of the year	**8,81,00,000**	**8,810.00**	**86,200,000**	**8,620.00**

Preference Shares of ₹ 10/- each fully paid	As at 31st March, 2016		As at 31st March, 2015	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	20,794,000	2,079.40	20,794,000	2,079.40
Issued during the year *	12,050,500	1,205.05	-	-
Elimination on account of consolidation	-	-	(75,000)	(7.50)
Outstanding as at the end of the year	**32,844,500**	**3,284.45**	**20,719,000**	**2,071.90**

* During the year, the Holding Company alloted 12,050,500 6% Non-cumulative Redeemable Preference Shares of ₹ 10/- each to the persons / entities belonging to the Promoter Group or public against the conversion of outstanding unsecured loan on preferential basis at a price of ₹ 100/- each including the premium of ₹ 90/- each in conformity with the provisions of the Companies Act, 2013 read with relevent Rules thereunder for the said preferential issue.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

Terms/ rights attached to equity shares

The company has only one class of Equity Shares having a nominal value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

Terms/rights attached to preference shares

The company has only one class of preference shares (i.e. 6% non cumulative redeemable preference shares) having a nominal value of ₹ 10/- per share. These are non convertible in nature. The preference shareholders shall have the right to vote on any resolution of the Company directly affecting their rights. The company declares and pays preferential dividends in Indian rupees.

The preference share of the Company are non cumulative in nature and therefore in case the Company does not declare dividend in any particular year, dividend right gets lapsed and is not eligible for carry forward in future years.

Preference shares are redeemable within 20 years from the date of allotment at a price to be decided by the Board of Directors at the time of redemption.

In the event of liquidation of the Company, the holders of preference shares will be entitled to receive assets of the company, before its distribution to Equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders.

Details of Shareholders holding more than 5% shares in the company.

Equity Shares of ₹ 10/- each	As at 31st March, 2016		As at 31st March, 2015	
	No.	% holding in the class	No.	% holding in the class
MSP Infotech Pvt Ltd	7,229,760	8.21%	7,229,760	8.39%
Adhunik Gases Ltd.	5,554,000	6.30%	5,554,000	6.44%
MSP Sponge Iron limited	24,736,500	28.08%	24,736,500	28.70%

Preference Shares of ₹ 10/- each	As at 31st March, 2016		As at 31st March, 2015	
	No.	% holding in the class	No.	% holding in the class
B.S.Confin Pvt. Ltd.	2,750,000	8.37%	2,450,000	11.82%
Jaik Leasing and Commercial Investment Pvt. Ltd.	-	-	1,540,000	7.43%
Dexo Trading Pvt. Ltd.	3,920,000	11.94%	3,920,000	18.92%
Hightime Holdings Pvt. Ltd.	2,750,000	8.37%	2,450,000	11.82%
M.A. Hire Purchase Pvt. Ltd.	-	-	1,105,000	5.33%
Ilex Pvt. Ltd.	1,905,000	5.80%	1,800,000	8.69%
Sikhaar Commotrade Pvt. Ltd.	3,935,000	11.98%	3,635,000	17.54%
Adhunik Gases ltd.	1,792,500	5.46%	-	-
Sampat Marketing company pvt. Ltd.	2,155,000	6.56%	-	-
Shringar Mercantile Pvt. Ltd.	2,717,000	8.27%	-	-

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

4. RESERVES AND SURPLUS	As at 31st March, 2016	As at 31st March, 2015
Capital Redemption Reserve		
Balance as per Last Financial Statements	-	-
Addition on account of Buy-back of shares in JV	4.05	-
	4.05	**-**
Securities Premium Account		
Balance as per the last financial statements	33,702.69	33,702.69
Add : Received during the year	10,845.45	-
Add : Adjustment for Post acquisition Securities premium of Associates	891.94	-
Less : Transfer to Capital Redemption Reserve	4.05	-
Closing Balance	**45,436.02**	**33,702.69**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	15,225.66	25,631.33
Profit for the year	(17,847.95)	(10,358.89)
Less : Elimination on account of consolidation	-	29.79
Less: Appropriations	-	-
Depreciation Adjustment	26.46	16.99
Surplus	**(2,648.75)**	**15,225.66**
Foreign Currency Translation Difference Account	**-**	**(2.56)**
Total reserves and surplus	**42,791.33**	**48,925.79**

* During the year, as per the requirement under Schedule II to the Companies Act 2013, vide Notification dated 29th August 2014, the Company based on technical advice identified significant parts & components of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of certain Plant and Machinery and Electrical Installations w.e.ffrom 1st April 2015. Accordingly depreciation of ` 26.46 lacs on account of assets whose useful life is already exhausted on 1st April, 2015 has been adjusted against Surplus in statement in Profit and Loss.

5. Share Application money pending allotment

Terms and Conditions relating to Share Application Money pending allotment

During the year, the share has been alloted against the Share Application Money pending allotment. The Equity shares so issued and allotted in its subsidiary shall rank pari passu in all respects including voting & dividend with the existing Equity Shares of its subsidiary.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

6. LONG TERM BORROWINGS	NON-CURRENT PORTION		CURRENT MATURITIES	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured				
Term loans				
From Banks				
Indian rupee loan	79,077.49	75,385.63	3,448.33	2,343.75
Foreign currency loan	1,500.00	2,700.34	1,283.38	2,400.69
Finance Lease Obligation				
From Banks	5.75	17.57	9.44	20.46
From Body Corporates	-	-	-	10.28
Unsecured				
Inter Corporate Deposits	426.15	8,967.76	-	-
Loans and Advances from related parties	80.00	4,361.39	-	-
	81,089.39	**91,432.69**	**4,741.15**	**4,775.18**
The above amount includes :				
Secured borrowings	80,583.24	78,103.54	4,741.15	4,775.18
Unsecured borrowings	506.15	13,329.15	-	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 11)	-	-	(4,741.15)	(4,775.18)
Net amount	**81,089.39**	**91,432.69**	**-**	**-**

₹ in lacs

7. Components of Deferred Tax Liability / (Assets)	As at 31st March, 2016	As at 31st March, 2015
In respect of the Company		
Timing difference in depreciable assets	132.00	1,010.02
Expenses allowable in future	-	-
Deferred Tax Liability (Net)	**132.00**	**1,010.02**
In respect of the components		
Timing difference in depreciable assets	-	0.02
Expenses allowable in future	-	-
Deferred Tax Assets (Net)	**-**	**0.02**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

8. PROVISIONS	Long-term		Short-term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits				
For Gratuity (Refer Note No. 29)	14.88	84.96	-	-
For Leave Benefits	90.46	103.97	-	-
	105.34	**188.93**	**-**	**-**
Other Provisions				
For Taxation (Net of Advance Tax ₹ Nil (₹ Nil)	-	-	-	3.62
Total	**105.34**	**188.93**	**-**	**3.62**

₹ in lacs

9. SHORT-TERM BORROWINGS	As at 31st March, 2016	As at 31st March, 2015
Secured		
Rupee Loan from Banks		
Cash Credit Facility	25,422.31	23,108.72
Unsecured		
From Body Corporates		
Inter Corporate Deposits	-	205.92
	25,422.31	**23,314.64**
The above amount includes		
Secured Borrowings	25,422.31	23,108.72
Unsecured Borrowings	-	205.92

Terms and conditions attached to Short term borrowings

Cash Credit and Short Term Loan facilities and Foreign Currency Loans from Banks are secured by hypothecation charge of entire current assets of the company both present and future on pari passu basis with other consortium member banks, second charge on the entire fixed assets of the Company ranking pari passu with other member banks of the consortium and personal guarantees of Puran Mal Agrawal, Suresh Kumar Agrawal, Saket Agrawal and Manish Agrawal (Promoters of the Company).

₹ in lacs

10. TRADE PAYABLES	CURRENT	
	As at 31st March, 2016	As at 31st March, 2015
Trade Payables (including acceptances) (Refer note no. 42)	6,851.29	11,500.85
	6,851.29	**11,500.85**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

11. Other Liabilities	Non Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Advance From Customers	-	-	1,493.16	4,052.40
Retention / Security Deposit	204.05	212.32	76.29	88.75
Current Maturities of Long-Term Borrowings (Refer note no. 6)	-	-	4,741.15	4,775.18
Interest accrued and due on borrowings	-	-	27.26	138.80
Interest accrued but not due on borrowings	-	-	12.16	20.43
Other Payables on capital Purchases	-	-	1,663.65	1,714.31
Share Application Money Pending Refund	-	-	-	3.00
Unpaid Dividend*	-	-	2.52	2.52
Others (including Statutory Dues payable)	4.25	1.25	743.23	823.36
	208.30	**213.57**	**8,759.42**	**11,618.75**

*As per the relevant provisions of the Companies Act, there is no amount required to be transferred to the Investor Education and Protection Fund at the year end.

Term Loans from Banks and Financial Institutions

Particulars	Repayment terms			
	Outstanding including current maturities		Date of Maturity with respect to 31st March,2016	Rate of interest (%)
	No. of Installment	₹ in lacs		
From Banks				
Indian rupee loan (Quarterly installments)*	32	69,975.94	Sept.' 2024	10.05%
	24	12,549.88	Sept.' 2022	10.05%
Total (A)		**82,525.82**		
Foreign currency loan External Commercial Borrowing (Half yearly installments)*	1	1,283.38	June, 2016	8.80% (After considering the hedge effect)
FCNRB (Quarterly installments)*	32	1,500.00	Sept.' 2024	6.70%
Total (B)		**2,783.38**		
Finance lease obligation (Monthly installments)**				
From banks	2-29	15.18	June, 2016 - October, 2018	9.72 % - 10.65%
Total (C)		**15.18**		

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

***The details of security for the secured loans are as follows:**

In terms of the Corporate Debt Restructuring (CDR) Package, effective from October 1, 2014, the Loans considered under the said package have been categorised as Term Loans, Working Capital Term Loans, Funded Interest Term Loans which are secured as under:

a. First hypothecation charge on plant, machinery, fixed assets, and other movable assets, both present and future of the company, on pari-passu basis with all term lenders and equitable mortgage of factory land & building on pari passu basis with all Term Lenders.

b. Second charge on entire current assets of the company ranking pari passu with other member banks of the consortium.

c. Pledge of 100% of Promoter's Shareholding representing 71.90% of the paid up capital of the company as on 30/09/2014 has been executed in favour of the CDR lenders.

d. Lien on all Bank Accounts including the Trust and Retention Account.

Further, the above facilities are also covered by the following:

Irrevocable, unconditional personal guarantee of promoters (Mr. Puran Mal Agrawal, Mr. Suresh Kumar Agrawal, Mr. Saket Agrawal, and Mr. Manish Agrawal) of the Company.

Registered mortgage of 150.50 acres of segregated agricultural land. As per valuation report of December 2014, realisable value of the property is Rs. 12.41 Crores. The said land shall be converted into industrial land by 31/03/2016 failing which alternate security will be provided by the Company.

Irrevocable, unconditional Corporate Guarantee of Ilex Private Limited.

** Hire purchases obligations are secured by hypothecation of vehicles purchased under the respective agreements.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

12 A. Tangible Assets

₹ in lacs

Description	Gross Block (at cost)					Depreciation					Net Block
	As at 1st April, 2014	Additions *	Deletions	Borrowing Cost **	As at 31st March, 2015	As at 1st April, 2014	For the year	Less : On Deletions	As at 31st March, 2015	Retained Earnings Adj	As at 31st March, 2015
Freehold Land	983.04	285.17	-	-	1,268.21 (a)	-	-	-	-	-	1,268.21
Factory Building	13,681.61	-	-	-	13,681.61	1,461.23	429.79	-	1,891.02	-	11,790.59
Other Building	3,920.67	3,854.67	-	221.27	7,996.61	100.49	215.05	-	315.54	-	7,681.07
Plant and Machinery	99,090.21	14,162.33	-	812.95	114,065.49	16,581.24	4,542.25	-	21,123.49	-	92,942.00
Vehicles	753.60	15.54	7.03	-	762.11 (b)	384.52	88.41	4.64	468.29	16.99	276.83
Office Equipments	39.86	0.15	0.47	-	39.54	7.82	11.44	0.40	18.86	-	20.68
Furniture and Fixtures	85.82	-	0.25	-	85.57	40.67	7.03	0.18	47.52	-	38.05
Total	**118,554.81**	**18,317.86**	**7.75**	**1,034.22**	**137,899.14**	**18,575.97**	**5,293.97**	**5.22**	**23,864.72**	**16.99**	**114,017.42**

12 A. Tangible Assets contd...

₹ in lacs

Description	Gross Block (at cost)					Depreciation					Net Block
	As at 1st April, 2015	Additions *	Deletions	Borrowing Cost **	As at 31st March, 2016	As at 1st April, 2015	For the year	Less : On Deletions	As at 31st March, 2016	Retained Earnings Adj	As at 31st March, 2016
Freehold Land	1,268.21	-	304.00	-	964.21 (a)	-	-	-	-	-	964.21
Factory Building	13,681.61	-	-	-	13,681.61	1,891.02	429.79	-	2,320.81	-	11,360.80
Other Building	7,996.61	-	-	-	7,996.61	315.54	284.28	-	599.82	-	7,396.79
Plant and Machinery	114,065.49	4,949.90	-	370.06	119,385.45	21,123.49	5,537.92	-	26,661.41	26.46	92,697.58
Vehicles	762.11	-	0.40	-	761.71 (b)	485 .28	62.83	0.36	547.75	-	213.96
Office Equipments	39.54	2.38	-	-	41.92	18.86	11.58	-	30.44	-	11.48
Furniture and Fixtures	85.57	-	-	-	85.57	47.52	7.00	-	54.52	-	31.05
Total	**137,899.14**	**4,952.28**	**304.41**	**370.06**	**142,917.08**	**23,881.71**	**6,333.40**	**0.36**	**30,214.75**	**26.46**	**112,675.87**

*** The figures are eliminated on account of consolidation

Notes:

a) Freehold Land includes ₹ 6.51 lacs (₹ 10.86 lacs), being the cost of land which is yet to be registered in the name of the Company.

b) Vehicles includes cars taken on finance lease:

Gross Block	As at 31st March, 2016	As at 31st March, 2015
Original Cost	761.71	762.11
Depreciation Charge	62.83	88.41
Accumulated Depreciation	547.75	468.29
Retained Earning Adjustment	-	16.99
Net Book Value	**213.96**	**276.83**

c) Depreciation of ₹ 26.46 lacs on account of assets whose useful life is already exhausted on 1st April, 2015 has been adjusted against surplus in Statement of Profit and Loss. Pursuant to requirements under schedule II to companies Act, 2013 vide notification dated 29th August, 2014, the company based on technical advice, identified significant parts & components of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of certain Plant and Machinery and Electrical Installations w.e.f 1st April, 2015. (Refer Note 4).

* Includes ₹ 4,949.90 lacs (₹ 18,017.01 lacs) capitalised from Capital Work in progress (CWIP)

** Represents the amount of borrowing cost transferred from CWIP

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

12 B. Intangible Assets

₹ in lacs

Description	Gross Block (at cost)				Amortization			Net Block
	As at 1st April, 2015	Additions *	Deductions during the year	As at 31st March, 2016	As at 1st April, 2015	For the year	As at 31st March, 2016	As at 31st March, 2016
Goodwill arising on consolidation	367.79	-	309.32	58.47	-	-	-	58.47
Total	**367.79**	**-**	**309.32**	**58.47**	**-**	**-**	**-**	**58.47**

Description	Gross Block (at cost)				Amortization			Net Block
	As at 1st April, 2014	Additions *	Deductions during the year	As at 31st March, 2015	As at 1st April, 2014	For the year	As at 31st March, 2015	As at 31st March, 2015
Goodwill arising on consolidation	310.45	57.24	-	367.79	-	-	-	367.79
Total	**310.45**	**57.24**	**-**	**367.79**	**-**	**-**	**-**	**367.79**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

13 - Capital Work-in-Progress	As at 31st March, 2016	As at 31st March, 2015
Buildings	-	3,588.63
Plant and Machinery	4,461.87	18,072.82
Capital Goods in Stock	-	287.54
[including in transit ₹ Nil (₹ 12.55 lacs)]	-	-
Less: Written Off during the year (Refer Note No. 26)	-	103.60
Less: Capitalised during the year	4,461.87	17,428.27
	-	4,417.11
Pre-Operative and Trial Run Expenses (Pending Allocation)	65.11	6,637.84
	65.11	**11,054.96**
Details of Pre-Operative and Trial run Expenses (Pending Allocation)		
Opening Balance Brought Forward	6,637.84	3,965.85
	-	
Finished Goods Consumed	-	291.00
Personnel Cost		
Salary, Wages and Bonus	5.08	15.42
Contribution to Provident and Other Funds	0.15	1.07
Staff Welfare	-	0.83
Administrative and Other Indirect Overheads		
Stores and Spares Consumed	-	0.62
Power and Fuel	-	13.34
Repairs and Maintenance		
- Plant and Machinery	-	10.65
- Others	-	1.23
Material Handling Charges	-	0.78
Travelling and Conveyance	-	0.02
Vehicle Running and Maintenance Expenses	0.06	0.06
Insurance Charges	-	2.99
Printing and Stationary	0.01	0.16
Postage and Communication	-	0.31
Legal and Professional Charges	-	8.32
Rent and Hire Charges	-	1.81
Rates and Taxes	-	0.35
Miscellaneous Expenses	-	14.19
Borrowing Cost		
Interest on Term Loans	370.06	1,528.80
Finance Charges	0.26	1.25
	7,013.46	**5,859.05**
Add: Transferred from Durgapur Metaliks Limited	-	2,738.69
Less:		
Material Transferred to Finished Goods (Refer note no. 24)	-	279.72
Elimination on account of Consolidation	6,090.26	
Capitalised during the year	858.09	1,680.18
Total	**65.11**	**6,637.84**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

14. Non Current Investments	Number of Shares / Units as at 31st March, 2016	Number of Shares / Units as at 31st March, 2015	Face Value per share / units	As at 31st March, 2016 (₹ in lacs)	As at 31st March, 2015 (₹ in lacs)
Long Term Investments in					
(a) Trade Investments - Unquoted					
Investments in Equity Instruments					
MSP Metallics Limited	420,000	1,441,000	₹10/-	402.00	1,408.60
MSP Properties (I) Limited	7,500	101,070	₹ 10/-	0.75	12.25
MSP Sponge Iron Limited	313,000	584,250	₹ 10/-	49.50	147.70
MSP Power Limited	8,000	8,000	₹ 10/-	0.80	0.80
Adhunik Gases Ltd.	-	20,000	₹ 10/-	-	4.50
Larigo Investment Pvt. Ltd.	-	79,500	₹ 10/-	-	8.95
Ram Rajya Lefin Pvt. Ltd.	-	40,040	₹ 10/-	-	1,205.38
Digvijay Tracon Private Limited	-	23,840	₹ 10/-	-	1,192.00
MSP Infotech (P) Ltd.	-	264,000	₹ 10/-	-	8.50
Mod Commodeal Pvt Ltd.	-	5,000	₹ 10/-	-	5.00
Raj Securities Ltd.	-	600,000	₹ 10/-	-	180.00
Metalite Fuel Industries Ltd	-	129,500	₹ 10/-	-	2.59
Ravi Business Services Pvt Ltd	-	16,650	₹ 10/-	-	1.66
B.S.Confin Pvt Ltd .	-	13,560	₹ 10/-	-	22.20
Hightime Holding Pvt Ltd .	-	134,600	₹ 10/-	-	13.46
K.C.Texofine Pvt. Ltd.	-	29,400	₹ 10/-	-	199.92
Kamyabi Vanijya Pvt Ltd.	-	361,000	₹ 10/-	-	12.80
Nairit Tieup Pvt Ltd.	-	101,000	₹ 10/-	-	5.05
Nivedan Vyapaar Pvt Ltd.	-	195,000	₹ 10/-	-	9.75
Mohit Vyapaar Pvt Ltd	-	600,000	₹ 10/-	-	3,000.00
SK Fintex Pvt Ltd	-	12,600	₹ 10/-	-	63.00
				453.05	**7,504.11**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

13. Non Current Investments	Number of Shares / Units as at 31st March, 2016	Number of Shares / Units as at 31st March, 2015	Face Value per share / units	As at 31st March, 2016 (₹ in lacs)	As at 31st March, 2015 (₹ in lacs)
(b) Non Trade Investments - Quoted					
Investments in Equity Instruments					
Howrah Gases Limited	93,700	111,263	₹ 10/-	15.91	20.18
Ashirwad Steel and Industries Limited	2,500	2,500	₹ 10/-	0.25	0.25
Nageshwar Investment Limited	11,000	11,000	₹ 10/-	0.61	0.61
Indian Overseas Bank	2,900	2,900	₹ 10/-	0.70	0.70
IDFC Bank Limited**	5,201	-	₹ 10/-	0.71	-
IDFC Limited	5,201	5,201	₹ 10/-	1.06	1.77
Arihant Enterprises Ltd.	-	7,100	₹ 10/-	-	0.89
Bakra Pratishtan Ltd.	-	3,000	₹ 10/-	-	0.36
Ginni Filaments Ltd.	-	2,000	₹ 10/-	-	0.70
Reliance Power Limited	-	250	₹ 10/-	-	0.40
				19.24	**25.86**
(c) Equity accounted Associates					
AA ESS Tradelinks Private Limited					
Cost of Investments				4,237.43	-
[including ₹ 894.90 lacs of goodwill arising on consolidation]					
Share of Post Acquisition Profit				888.50	-
				5,125.94	**-**
TOTAL				**5,598.22**	**7,529.97**

** The Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, has sanctioned the Scheme of Arrangement among IDFC Limited (" Transferor Company") and IDFC Bank Limited ("Transferee Company") and their respective shareholders and creditors under section 391 to 394 to the Companies Act, 1956 (" Demerger Scheme").

Pursuant to the Demerger Scheme, IDFC Bank Limited has issued and alloted to the shareholders of IDFC Limited as on the record date i.e., October 5, 2015, one (1) equity share having a face value of ₹ 10 each of IDFC Bank Limited for every one (1) equity share held by them in IDFC Limited, each equity share being fully paid-up.

Cost and market value of quoted and unquoted long term investments:

₹ in lacs

	As at 31st March, 2016		As at 31st March, 2015	
	Cost	Market Value	Cost	Market Value
-Quoted	19.24	28.44	25.86	39.53
-Unquoted	5,578.99	N.A.	7,504.11	N.A.
TOTAL	**5,598.22**		**7,529.97**	

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

15. Loans and Advances	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good Unless Otherwise Stated				
Loans to Bodies Corporate	-	-	844.00	1,812.06
(A)	**-**	**-**	**844.00**	**1,812.06**
Capital Advances	13.73	17.79	-	-
(B)	**13.73**	**17.79**	**-**	**-**
Security Deposit	259.50	661.67	-	-
(C)	**259.50**	**661.67**	**-**	**-**
Advances Recoverable in Cash or Kind				
Considered Good	1.45	1,501.53	12,611.93	14,970.54
Considered Doubtful	19.40	19.40	-	-
	20.85	**1,520.93**	**12,611.93**	**14,970.54**
Less: Provision for Doubtful Advances	19.40	19.40	-	-
(D)	**1.45**	**1,501.53**	**12.611.93**	**14,970.54**
Other Loans and Advances				
MAT Credit Entitlement (*)	4,195.01	4,195.01	-	-
Advance Income Tax & TDS (Net of Provision of ₹ 2,047.44 Lacs (₹ 2,062.37 Lacs)	-	-	68.59	50.15
Prepaid Expenses	-	-	57.86	44.39
Loans and Advances to Employees	-	-	49.99	12.91
Export Incentive Receivable	-	-	100.55	106.54
Balances with Statutory/Government Authorities	-	-	1,206.94	942.98
(E)	**4,195.01**	**4,195.01**	**1,483.93**	**1,156.97**
Loans and Advances to Related Parties	-	-	439.75	1.64
(F)	**-**	**-**	**439.75**	**1.64**
TOTAL (A+B+C+D+E+F)	**4,469.69**	**6,376.00**	**15,379.60**	**17,941.21**
Advances Recoverable in Cash or Kind include				
Dues from officers	-	-	-	8.50
Loans and Advances to Related Parties include				
Dues from companies include enterprises over which Key Management Personnel / Relatives have significant influence.	-	-	439.75	1.64

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

16. Other Assets	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good Unless Otherwise Stated				
Deposits with Banks (Refer Note No. 19)	94.96	63.62	-	-
(A)	**94.96**	**63.62**	**-**	**-**
Unamortized Expenditure				
Unamortized Premium on Forward Contract	-	0.28	-	0.28
(B)	**-**	**0.28**	**-**	**0.28**
Others				
Interest Accrued on Fixed Deposits and Others	-	-	37.98	29.22
Gain Receivable on Forward Exchange Contract	-	326.60	409.63	653.19
(C)	**-**	**326.60**	**447.61**	**682.67**
TOTAL (A+B+C)	**94.96**	**390.50**	**447.61**	**682.95**

₹ in lacs

17. Inventories (Valued at Lower of Cost and Net Realizable Value)	As at 31st March, 2016	As at 31st March, 2015
Raw Materials and Components [includes in transit ₹ 456.26 lacs (31st March 2015: ₹ 4712.93 lacs)	15,355.94	17,008.27
Work - in - Progress	1,915.23	2,314.79
Finished Goods	5,473.72	6,485.73
Trading Goods	-	0.28
Stores and Spares [includes in transit ₹ Nil lacs (31st March 2015 : ₹ 79.89 lacs)]	2,672.76	2,921.32
By Products (at Net Realisable Value)	1,849.97	3,424.42
	27,267.62	**32,154.81**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

18. Trade Receivables	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good Unless Otherwise Stated				
Outstanding for a period exceeding six months from the date they became due for payment.				
Considered Good	-	-	6,064.94	5,011.85
Considered Doubtful	240.39	302.61	-	-
Less: Provision for Doubtful Receivables	(240.39)	(302.61)	-	-
(A)	**-**	**-**	**6,064.94**	**5,011.85**
Other Receivables	-	-	4,922.31	5,194.47
(B)	**-**	**-**	**4,922.31**	**5,194.47**
Total (A)+(B)	**-**	**-**	**10,987.25**	**10,206.32**
Trade receivables include: Dues from companies include enterprises over which Key Management Personnel /Relatives have significant influence.	-	-	1,009.58	435.32

₹ in lacs

19. Cash and Bank Balances	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents				
Balance with Banks:				
On Current Accounts	-	-	176.11	1,843.30
Unpaid Dividend Accounts	-	-	2.52	2.52
Cash on Hand	-	-	12.26	18.64
	-	**-**	**190.89**	**1,864.46**
Other bank balances:				
Fixed Deposits with Original Maturity for more than 12 months*	94.96	63.62	183.05	30.27
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months*	-	-	13.67	167.98
	94.96	**63.62**	**196.72**	**198.24**
Amount Disclosed under Other Non-Current Assets (Note No. 16)	(94.96)	(63.62)	-	-
	-	**-**	**387.61**	**2,062.71**

* Fixed deposits with a carrying amount of ₹ 285.93 lacs (₹ 189.73 lacs) are used towards security given against the Bank Guarantees & Company's Letter of Credits (LC's) issued by the banks and ₹ 5.74 lacs (₹ 5.74 lacs) as security deposit issued to sales tax department on behalf of the Company.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

20. Revenue from Operations	2015-16	2014-15
Sale of Products		
Finished Goods	95,622.07	112,582.05
Power	3,158.98	3,267.92
Traded Goods	884.57	4,256.37
Other Operating Revenue		
Scrap Sales and By Products	451.28	902.63
Sale of Raw Materials	593.18	-
Export Incentives	58.35	68.52
	100,768.43	**121,077.49**

₹ in lacs

Details of Product Sold	2015-16	2014-15
Finished Goods Sold		
Pellet	8,535.24	14,937.22
Sponge Iron	12,735.40	19,244.16
MS Billets	14,536.02	20,100.97
TMT Bar	24,915.57	33,151.61
Structural Steel	26,842.81	24,342.62
Light Structural Steel	8,044.22	700.13
Conveyor Belt Spares	-	102.43
Fly Ash Bricks	1.18	2.91
MS Round 32MM	11.63	-
	95,622.07	**112,582.05**
Traded Goods Sold		
Steel Round	-	1,248.30
Coal	884.57	2,680.28
Steel Flat	-	205.02
M.S. Pipe	-	109.83
Industrial Oxygen Gas		12.94
	884.57	**4,256.37**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

21. Other Income	2015-16	2014-15
Interest income on		
Loans, Fixed Deposits, etc	162.51	526.93
Dividend Income on		
Long-Term Investments	0.14	0.15
Profit on Sale of Investments	0.22	4.89
Other Non-Operating Income	2.35	19.18
	165.67	**551.15**

₹ in lacs

22. Cost of Raw Material and Components Consumed	2015-16	2014-15
Inventory at the beginning of the period	17,008.27	17,828.57
Add : Purchases	71,053.15	89,589.54
Less : Inventory at the end of the period	15,355.94	17,008.27
	72,705.48	**90,409.84**

₹ in lacs

Details of Raw Material and Components consumed	2015-16	2014-15
Coal and Coke (including fines) *	30,246.69	35,270.56
Iron Ore (including fines)	19,170.07	25,867.10
Dolomite/Limestone	255.15	354.66
Iron Ore Pellets	-	1,343.24
Silico Manganese	1,801.71	1,991.86
Sponge/Pig Iron/Scrap/Others	15,489.33	18,789.66
MS Billets	5,742.53	6,792.76
	72,705.48	**90,409.84**

* Includes consumption relating to power plant

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

Details of Inventory	2015-16	2014-15
Raw materials and components		
Coal and Coke	11,366.55	13,911.50
Iron Ore (including fines)	2,909.68	2,524.63
Dolomite/Limestone	29.75	27.32
Sponge/Pig Iron	654.51	219.54
Others	395.45	325.28
	15,355.94	**17,008.27**

₹ in lacs

23. Purchase of Traded Goods	2015-16	2014-15
Steel Round	-	1,169.39
Coal	875.48	2,612.45
Steel Flat	-	193.78
M.S. Pipe	-	105.51
Industrial Oxygen Gas	-	6.79
	875.48	**4,087.92**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

24. Changes in Inventories	2015-16	2014-15
Inventories at the end of the period		
By-Products	1,849.97	3,424.42
Work-in-Progress	1,915.23	2,314.79
Finished Goods	5,473.72	6,485.73
Trading Goods	-	0.28
	9,238.91	**12,225.22**
Transfer from Trial Run - Finished Goods (Refer Note no. 12)	-	279.72
	-	**279.72**
Inventories at the beginning of the period		
By-Products	3,424.42	2,092.40
Work-in-Progress	2,314.79	2,808.93
Finished Goods	6,485.73	4,606.90
Trading Goods	0.28	0.28
	12,225.22	**9,508.51**
Finished Goods transferred to Trial Production	-	291.00
Elimination on account of Consolidation	0.28	-
(Increase)/Decrease in Inventories		
By-Products	1,574.45	(1,332.02)
Work-in-Progress	399.56	494.14
Finished Goods	1,012.01	(1,890.11)
Trading Goods	-	-
	2,986.02	**(2,727.99)**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

Details of Inventories	2015-16	2014-15
By-Products		
Coal Fines	331.36	1,325.49
Dolochar	1,514.39	2,076.22
Coal Tar	4.22	22.71
	1,849.97	**3,424.42**
Work-in-Progress		
Iron Ore Pellet/ Filter Cake	1,150.68	1,449.61
Sponge Iron	231.59	120.40
M.S. Billets	106.21	227.20
Others	426.75	517.58
	1,915.23	**2,314.79**
Finished Goods		
Iron Ore Pellet	1,672.84	1,996.12
Sponge Iron	444.59	266.90
M.S. Billets	629.32	639.49
TMT Bar	956.30	596.17
Structural Steel	1,518.89	2,986.38
Light Structural Steel	251.78	-
Conveyor Belts	-	0.67
	5,473.72	**6,485.73**
Traded Goods		
Industrial Oxygen Gas	-	0.28
	-	**0.28**

₹ in lacs

25. Employee Benefits Expenses	2015-16	2014-15
Salaries, Wages and Bonus	2,775.76	2,955.15
Contribution to Provident and Other Funds	199.49	189.89
Staff Welfare Expenses	18.58	27.19
	2,993.83	**3,172.22**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

26. Other Expenses		2015-16		2014-15
Consumption of Stores and Spares		4,737.36		5,928.34
Increase/(Decrease) of Excise Duty on Inventory		118.37		187.49
Power and Fuel		1,156.16		1,222.29
Rent		124.41		54.71
Rates and Taxes		250.32		281.01
Insurance		48.83		44.67
Repairs and Maintenance				
Plant and Machinery		470.07		1,023.51
Buildings		65.11		57.76
Others		53.35		49.33
Material Handling Charges		1,911.58		1,481.86
Vehicle Running Expenses		365.71		528.82
Cash Discount		264.99		236.01
Advertising and Sales Promotion		17.23		51.34
Freight Outward		628.38		1,137.29
Sales Commission		201.45		214.69
Legal and Professional Charges		316.69		220.16
Charity and Donations		21.13		19.02
Payment to Auditors (Refer details below)		15.31		13.39
Exchange Differences (Net)		267.73		93.50
Irrecoverable Debts, Deposits and Advances Written off	62.21		124.91	
Less : Adjusted with Provisions	(62.21)	-	(18.69)	106.22
Provision for Doubtful Debts and Advances	-		18.69	
Less : Written Back	-	-	(18.69)	-
Loss on Disposal/Discard of Fixed Assets		-		1.40
Prior Period Expenses (Net)		55.12		0.03
Miscellaneous Expenses		846.80		758.22
Capital WIP written off (refer note-13)		-		103.60
Preliminary Expenses Written Off		-		0.28
Total		**11,936.11**		**13,814.94**

₹ in lacs

Payment to Auditors	2015-16	2014-15
As Auditors:		
Statutory Audit fee	10.04	9.24
Limited Review	3.00	3.00
Taxation matters	0.40	0.30
Other Services (certification fees)	1.57	0.55
Reimbursement of expenses	0.30	0.30
	15.31	**13.39**

Other expenses include ₹ 129.97 lacs spent towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

27. Finance Costs	2015-16	2014-15
Interest Expenses	11,060.91	10,570.21
Other Finance Charges	415.19	352.68
Net (gain)/ loss on foreign currency transactions and translation	-	9.20
	11,476.10	**10,932.09**

₹ in lacs

28. Earnings Per Share (EPS)	2015-16	2014-15
Earnings Per Share has been computed as under:		
Profit After Tax	(17,847.95)	(10,358.89)
Less : Dividends on non cumulative Preference Shares and tax thereon	-	-
Net Profit for Calculation of Basic and Diluted EPS	**(17,847.95)**	**(10,358.89)**
	No.	No.
Weighed average number of equity shares in calculating Basic & Diluted EPS	88,100,000	86,200,000
	88,100,000	**86,200,000**
Earnings Per Share		
Basic (₹)	**(20.26)**	**(12.02)**
Diluted (₹)	**(20.26)**	**(12.02)**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

29. Gratuity and Other Post Retirement Benefit Plans

The Company provides gratuity benefits which are funded with Life Insurance Corporation of India in the form of qualifying insurance policy. Leave encashment benefits is an unfunded plan of the Company.

Expenses recognized in the statement of profit and loss / Pre-operative and Trial run expenses (Pending allocation) for respective years are as follows:

₹ in lacs

Particulars	Gratuity		Leave	
	2015-16	2014-15	2015-16	2014-15
Current service cost	70.52	85.70	6.57	8.28
Interest cost	23.09	27.46	7.56	10.13
Expected return on plan assets	(19.71)	(16.21)	-	-
Past Service Cost	-	-	-	-
Net acturial losses/(gains)	(40.67)	(114.49)	(12.94)	(25.85)
Net benefit expense	**33.23**	**(17.54)**	**1.19**	**(7.44)**

Net Liability recognized in the balance sheet as at respective dates are as follows:

₹ in lacs

Particulars	Gratuity		Leave	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligation	319.86	298.36	90.46	101.74
Fair value of plan assets	304.98	213.40	-	-
Net liability	**14.88**	**84.96**	**90.46**	**101.74**

Changes in the present value of the defined benefit obligation during respective years are as follows:-

₹ in lacs

Particulars	Gratuity		Leave	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening defined benefit obligation	298.36	304.89	101.74	113.41
Interest cost	23.09	27.46	7.56	10.13
Current service cost	70.52	85.70	6.57	8.28
Benefit paid	(31.78)	(6.33)	(12.47)	(4.23)
Actuarial losses/(gains)	(40.33)	(113.36)	(12.94)	(25.85)
Closing defined benefit obligation	**319.86**	**298.36**	**90.46**	**101.74**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

The details of fair value of plan assets as on the Balance Sheet date are as follows:

₹ in lacs

Particulars	Gratuity	
	As at 31st March, 2016	As at 31st March, 2015
Opening fair value of plan assets	213.40	160.22
Expected return on plan assets*	19.71	16.21
Contribution by the Company	103.31	42.17
Benefits paid	(31.78)	(6.33)
Actuarial gains / (loss)	0.34	1.13
Closing fair value of plan assets	**304.98**	**213.40**

* Determined based on government bond rate.

The details of plan assets as on the Balance Sheet date are as follows:

₹ in lacs

Particulars	Gratuity	
	As at 31st March, 2016	As at 31st March, 2015
Debt Funds	304.98	213.40
Total	**304.98**	**213.40**

The principal assumptions used in determining gratuity and leave liability are as shown below:

Particulars	As at 31st March, 2016	As at 31st March, 2015
Discount rate (%)	7.87	7.91
Return on Plan Assets (Gratuity Scheme) (%)	7.87	7.91
Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

Amount of expenses incurred for the current and previous years are as follows:

₹ in lacs

Particulars	Gratuity				
	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Defined benefit obligation	319.86	298.36	304.89	257.57	191.14
Fair value of plan assets	304.98	213.40	160.22	149.24	105.33
Deficit	14.88	84.96	144.67	108.33	85.81
Experience adjustments on plan liabilities – (gains)/ losses	(40.67)	(29.03)	0.43	(29.82)	(25.56)
Experience adjustments on plan assets	0.34	1.13	0.57	1.03	Nil

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

The amount provided for defined contribution plan are as follows:

₹ in lacs

Particulars	2015-16	2014-15
Provident Fund	199.64	190.96

30. Related Party Disclosures

Related parties where control exists:

Directors and their Relatives	:	Puran Mal Agrawal - (Father of Manish Agrawal)
		Suresh Kumar Agrawal- Chairman
		Manish Agrawal - Director
		Saket Agrawal - Managing Director
		Dhananjay Uchit Singh - Director
		Kiran Agrawal (Mother of Manish Agrawal)
		Nisha Agrawal (wife of Suresh Agrawal)
		Ekta Agrawal (wife of Saket Agrawal)
		Richa Agrawal (wife of Manish Agrawal)
Key Management Personnel and their relatives	:	Kamal Kumar Jain - CFO
		Shreya Kar - CS (Appointed w.e.f. 01.05.2016)
		Ruchi Garg - CS (Resigned w.e.f. 21.03.2016)
Enterprises over which Key Management Personnel and or relatives have significant influence	:	Chaman Metallics Limited
		Howrah Gases Limited
		Ilex Private Limited
		MSP Energy Limited
		MSP Ferro & Power Limited
		MSP Metallics Limited
		MSP Mines and Minerals Limited
		MSP Power Limited
		MSP Sponge Iron Limited
		Raj Securities Limited

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Sales						
Howrah Gases Limited					-	-
					(1,911.04)	(1,911.04)
MSP Metallics Limited					589.67	589.67
					(220.23)	(220.23)
MSP Sponge Iron Limited					3,551.83	3,551.83
					(2,922.95)	(2,922.95)
Purchase of Raw Material & Components Consumed						
Howrah Gases Limited					-	-
					(872.22)	(872.22)
MSP Metallics Limited					4,497.41	4,497.41
					(8,419.86)	(8,419.86)
MSP Sponge Iron Limited					3,160.48	3,160.48
					(4,701.91)	(4,701.91)
Contractual Services Paid						
MSP Mines and Minerals Limitd					-	-
					(14.77)	(14.77)
Directorial Remuneration						
Puran Mal Agrawal				-		-
				(22.40)		(22.40)
Suresh Kumar Agrawal				-		-
				(18.67)		(18.67)
Saket Agrawal				30.01		30.01
				(11.42)		(11.42)

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Key Managerial Remuneration						
Kamal Kumar Jain				10.71		10.71
				(10.71)		(10.71)
Ruchi Garg				4.98		4.98
				(4.02)		(4.02)
Professional Charges Paid						
MSP Mines and Minerals Limited					8.59	8.59
					(18.23)	(18.23)
Expenses Reimbursed						
Howrah Gases Limited					-	-
					(15.90)	(15.90)
MSP Sponge Iron Limited					2.86	2.86
					(4.16)	(4.16)
MSP Mines and Minerals Limited					0.50	0.50
					(1.72)	(1.72)
Rent Paid						
Ekta Agrawal				8.52		8.52
				(8.52)		(8.52)
Richa Agrawal				6.72		6.72
				(6.72)		(6.72)
Allotment of Shares (Including Share premium)						
Ilex Private Limited					105.00	105.00
					(-)	(-)
Loans & Advances Given						
AA ESS Tradelinks Private Limited		6.25				6.25
		(511.93)				(511.93)

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Repayment of Loans & Advances Given						
AA ESS Tradelinks Private Limited		1,870.50				1,870.50
		(-)				(-)
Madanpur South Coal Company Limited			2.00			2.00
			(-)			(-)
Kamal Kumar Jain				-		-
				(3.00)		(3.00)
MSP Sponge Iron Limited					-	-
					(288.83)	(288.83)
Loans & Advances Taken						
Ilex Private Limited					80.00	80.00
					(-)	(-)
Repayment of Loans & Advances Taken						
Raj Securities Limited					(-)	(-)
					(470.00)	(470.00)
Guarantee obtained						
Puranmal Agrawal				215.15		215.15
				(219.32)		(219.32)
Suresh Kumar Agrawal				222.62		222.62
				(227.02)		(227.02)
Manish Agrawal				278.34		278.34
				(263.40)		(263.40)
Saket Agrawal				276.26		276.26
				(261.53)		(261.53)
Guarantee given on behalf of						
AA ESS Tradelinks Private Limited		-				-
		(2,812.50)				(2,812.50)

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Other Liabilities Paid						
Ilex Private Limited					-	-
					(380.00)	(380.00)
Loans & Advances (Closing balance)						
AA ESS Tradelinks Private Limited		444.35				444.35
		(2,308.61)				(2,308.61)
Kamal Kumar Jain				3.69		3.69
				(1.99)		(1.99)
Madanpur South Coal Company Limited			-			-
			(2.00)			(2.00)
MSP Cement Limited	0.01					0.01
	(0.01)					(0.01)
Richa Agrawal				0.01		0.01
				-		-
MSP Metallics Limited					-	-
					(118.28)	(118.28)
MSP Mines and Minerals Limited					1.63	1.63
					(1.63)	(1.63)
MSP Sponge Iron Limited					-	-
					(262.82)	(262.82)
Trade Receivables (Closing balance)						
Howrah Gases Limited					-	-
					(152.55)	(152.55)
MSP Sponge Iron Limited					991.79	991.79
					(-)	(-)

₹ in lacs

Nature of Transactions (Including taxes & duties where ever applicable)	Subsidiary Company	Associates Company	Jointly Controlled Entity	Key Management Personnel and their relatives	Enterprises over which Key Management Personnel and or relatives have significant influence	Total
Trade Payable (Closing balance)						
MSP Metallics Limited					513.69	513.69
					(-)	(-)
Howrah Gases Limited					176.17	176.17
					(423.40)	(423.40)
Other Liabilities (Closing balance)						
MSP Mines and Minerals Limited					7.51	7.51
					(10.38)	(10.38)
Loans & Advances Taken (Closing balance)						
Ilex Private Limited					80.00	80.00
					(-)	(-)
Investments						
AA ESS Tradelinks Private Limited		4,370.68				4,370.68
		(2,500.18)				(2,500.18)
Howrah Gases Limited					15.91	15.91
					(15.91)	(15.91)
Madanpur South Coal Company Limited			175.65			175.65
			(232.28)			(232.28)
MSP Cement Limited	58.07					58.07
	(58.07)					(58.07)
MSP Metallics Limited					402.00	402.00
					(402.00)	(402.00)
MSP Power Limited					0.80	0.80
					(0.80)	(0.80)
MSP Sponge Iron Limited					49.50	49.50
					(49.50)	(49.50)

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

31. Segment Information

Geographical Segment:

The following table shows the distribution of the Company's Sales and assets by geographical market:

₹ in lacs

Particulars	2015-16	2014-15
Domestic Revenues (Net of Excise Duty and Trade Discount)	86,196.67	103,287.26
Overseas	4,254.84	5,933.49
Total	**90,451.51**	**109,220.75**

The Company has common fixed assets for producing goods for domestic and overseas markets which are located at only one place i.e. Raigarh. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished. Export debtors at the year end amounts to ₹ 846.82 lacs (₹ 176.49 lacs).

31. Operating Lease Company as Lessee

The Company has lease agreement for various premises which are in the nature of Operating Lease. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non- cancellable Operating Leases are as follows :

Rs. in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Within one year	50.40	55.66

32. Interest in Joint Venture

The Company has a 14.90 % (14.90%) interest in Madanpur South Coal Company Limited (a Joint Venture Company), incorporated in India.

The Company's interest in this Joint Venture is reported as Non-Current Investment (Refer Note 13) and is stated at cost (net of provision for other than temporary diminution in value).

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

The Company's share of the assets and liabilities related to its interest in this Joint Venture as at the respective Balance Sheet dates is as follows:

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Share Capital	12.57	16.62
Reserve & Surplus	126.14	102.13
Non Current Liabilities		0.89
Current Liabilities	0.12	0.65
Non Current Assets	116.24	51.14
Current Assets	22.59	69.15
Revenue	0.67	4.80
Other Expenses	0.82	117.84
Tax Expenses		0.18
Profit/(Loss) After Tax	(0.15)	(113.22)

The Company's proportionate share of the capital commitments in this Joint Venture amounts to ₹ Nil (₹ Nil).

34. Impairment of Assets

On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March 2016.

35. Disclosures for AS 29, 'Provisions, Contingent Liabilities and Contingent Assets' issued by ICAI:

₹ in lacs

Particulars	Provision for Doubtful Debts		Provision for Advances	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Carrying amount- beginning of the year	302.61	321.30	19.40	19.40
Additional provision during the year	-	-	-	-
	302.61	321.30	19.40	19.40
Less: written back during the year	62.21	18.69	-	-
Carrying amount- end of the year	**240.40**	**302.61**	**19.40**	**19.40**

36. Contingent Liabilities not Provided for in Respect of:

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Excise Matters under dispute/ appeal	1,684.99	2,103.52
Sales Tax & VAT Matters under dispute/ appeal	347.05	400.28
Income Tax Matters under dispute/ appeal	0.55	0.55
CDR Related Liability (Right to Recompense)	27,801.00	27,801.00
Corporate Guarantees given*	-	-

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

There is no possibility of any reimbursement on any of the cases listed above

37. Derivative instruments and unhedged foreign currency exposure

Derivative contracts outstanding as at the Balance Sheet Date:

₹ in lacs

Particulars	Purpose
**Forward contract to buy US $** US$ 24,03,846.15 (31st March 2015 : US$ 24,03,846.16) (₹ 1,500 lacs (31st March 2015: ₹ 1500 lacs))	Hedge of foreign currency loan
Forward contract to buy Singapore Dollar (SGD) SGD 26,25,000 (31st March 2015: SGD 78,75,000) (₹ 1,283.38 lacs (31st March 2015: ₹ 3,601.03 lacs))	Hedge of foreign currency loan
Interest rate swaps on SGD loan of SGD 26,25,000 (31st March 2015: SGD 78,75,000) (₹ 1,283.38 lacs (31st March 2015: ₹ 3,601.03 lacs))	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 8.80% p.a. and receive a variable interest @ SGD 3m SOR plus spread of 2.05% on the notional amount.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

Particulars of unhedged foreign currency exposure as at the Balance sheet date

₹ in lacs

Particulars	Amount
Trade payables (including acceptances)	US $ Nil (31st March 2015: US $ 48,15,706) ₹ Nil (31st March 2015: ₹ 2985.74 lacs)
Foreign Currency Loans From Banks	US$ 24,03,846.15 (31st March 2015 : US$ 24,03,846.16) (₹ 1,500 (31st March 2015: ₹ 1,500))
Interest accrued but not due on borrowings	US $ Nil (31st March 2015: US$ NIL) ₹ Nil (31st March 2015: ₹ NIL)

38. Value of Imports (calculated on CIF basis)

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Goods	-	-
Stores, Spares and Consumables	120.92	46.37
Raw Materials	5,827.06	13,150.31

39. Expenditure in Foreign Currency (on accrual basis)

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest	263.97	339.81
Travelling	0.48	0.69

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

40. Earning in Foreign Currency (on accrual basis)

₹ in lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
FOB Value of Exports (excluding sales made in Indian Rupees ₹ 3,990.33 lacs (₹ 1,940.42 lacs)	205.32	3,915.19

41. Break-up of Consumption of Raw Materials, Stores and Spares Consumed including Amount Debited to Pre-Operative and Trial Run Expenses (Pending Allocation)

Particulars	Raw Materials		Stores and Spares Consumed	
	₹ in lacs	%	₹ in lacs	%
Indigenous	56,642.71	77.91	4,708.22	99.39
	(79,438.46)	(83.81)	(5,876.32)	99.11
Imported	16,062.77	22.09	29.13	0.61
	(10,971.37)	(16.19)	(52.64)	0.89
Total	**72,705.48**	**100.00**	**4,737.35**	**100.00**
	(90,409.83)	**(100.00)**	**(5,928.96)**	**(100.00)**

42. Valuation of Current Assets, Loans & Advances and Current Liabilities

In the opinion of the management, current assets (including trade receivables), loans and advances and current liabilities (including trade payables) have the value at which these are stated in the Balance Sheet, unless otherwise stated, and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

43. As per information available with the Company, there are no suppliers covered under **"Micro, Small and Medium Enterprise Development Act, 2006"**. As a result, no interest provision/payment has been made by the Company to such creditors, if any, and no disclosure thereof is made in the accounts.

44. The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required. No amount has been written back / written off during the year in respect of due to / from related parties.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2016 (Contd.)

45. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

46. During the year, the Subsidiary of the Company, M/s. AA ESS Tradelinks Private Limited has been converted into Associate of the Company.

47. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. Bifurcation of assets and liabilities into Non-Current and Current for preparation of financial statements has been made by the management.

As per our report of even date:

For **Sunil Kumar Agrawal & Associates**
Firm Registration No: 323133E
Chartered Accountants

CA Sunil Kumar Agrawal
Partner
Membership No: 057731

Date: 27th May, 2016
Place: Kolkata

For and on behalf of Board of Director
MSP Steel & Power Limited

Suresh Kumar Agrawal
Chairman (DIN :00587623)

Manish Agrawal
Director (DIN: 00129240)

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary

Notes

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