

To
The Board of Directors,
MSTC Limited

Independent Auditors' Examination Report on Restated Consolidated Indian Accounting Standards ("Ind AS") Financial Information in connection with offering of equity shares of INR 10 each of the Company through an offer of sale by the President of India acting through Ministry of Steel, Government of India in the Initial Public Offering ("IPO") of MSTC Limited(the "Company").

1. We have examined the attached Restated Consolidated Ind AS Financial Statements of the Company and its subsidiary(the Holding Company and its subsidiary collectively referred to as the 'Group') and joint venture, comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flow for the half year ended September 30, 2018 and years ended March 31, 2018, March 31, 2017 and March 31, 2016 and Significant Accounting Policies read together with the annexures and notes thereto and other restated consolidated financial information explained in paragraph 7 below (collectively, the "Restated Consolidated Financial Information") as approved by the Board of Directors at their meeting held on January 11, 2019 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed IPO in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act") and
- b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") read with SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosure in offer documents.

The preparation of the Restated Consolidated Ind AS Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Ind AS Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Companies Act and ICDR Regulations.

2. We have examined such Restated Consolidated Ind AS Financial Information taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 26, 2018 in connection with the proposed IPO; and
 - b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("The Guidance Note").
3. These Restated Consolidated Ind AS Financial Information have been compiled by the Management from:
 - a. The audited consolidated financial statements of the Group and its joint venture as at and for the half year ended September 30, 2018, prepared in accordance with the Ind AS prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and on which we have expressed an unmodified audit opinion vide our report dated January 11, 2019 and that have been approved by the Board of Directors at their Board meeting held on January 11, 2019.



We draw attention to the following emphasis of matters:

- i) Note no. 9.4 (Trade Receivables) and Note no. 47 of notes to the Restated Consolidated Ind AS financial statements;
- ii) In the case of the Subsidiary Company M/s (Ferro Scrap Nigam Limited), the valuation method of non-moving inventories adopted by the Company is not in accordance with Ind AS 2 on Valuation of Inventories.

Our opinion is not modified in respect of these matters

- b. The audited Consolidated Ind AS financial statements of the Group and its joint venture as at and for the year ended March 31, 2018 prepared in accordance with the Ind AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015(as amended) and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on July 27, 2018;
 - c. The audited Consolidated Ind AS financial statements of the Group and its joint venture as at and for the year ended March 31, 2017, prepared in accordance with the Ind AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended)and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on July 28, 2017. These audited Consolidated Ind AS financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS which have been examined by us;
 - d. The audited consolidated financial statements of the Group as at and for the year ended March 31, 2016 prepared in accordance with Companies (Accounting Standards) Rules, 2006, as amended, other accounting principles generally accepted in India ("Previous GAAP" or "iGAAP") and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on July 22, 2016 .
 - e. We did not audit the consolidated financial statements of the Group as at and for the years ended March 31, 2017 and March 31, 2016. Audit for the financial years ended March 31, 2017 and March 31, 2016 was conducted by the predecessor auditor, M/s Ray & Co., whose reports dated July 28, 2017 and July 22, 2016, respectively, expressed qualified opinion on those consolidated financial statements and our opinion in the consolidated examination report in so far as it relates to the amounts included in Restated Consolidated Ind AS Financial Information in respect of these years on the basis of these consolidated financial statements is based solely on the audit reports of such predecessor auditor.
4. We did not audit the standalone financial statements of the wholly owned subsidiary, M/s Ferro Scrap Nigam Limited and joint venture, M/s Mahindra MSTC Recycling Pvt Ltd as at and for the half year ended September 30, 2018, March 31, 2018 and March 31, 2017 and March 31, 2016 as applicable whose aggregate share of total assets, total revenues, net cash flows and share of profit / loss in joint venture, included in the Restated Consolidated Financial Information, for the relevant years are tabulated below:

(In ₹ million)

Particulars	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Total Assets*	3663.75	3606.60	3383.00	3683.70
Revenue*	1793.79	3403.00	3283.00	3470.70
Net Cash Inflows*	52.31	(228.76)	154.10	1132.00
Share of profit/ (loss) in its joint ventures	(9.85)	(13.10)	(4.70)	-

* Gross before giving consolidation adjustments.

The financial statements of the wholly owned subsidiary have been audited by other audit firms, namely M/s Laxmi Tripti & Associates for the half year ended September 30, 2018 and M/s Agrawal & Pansari for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 whose reports have been furnished to us by the Company and our opinion in so far as it relates to the amounts included in these Restated Consolidated Ind AS Financial Information are based solely on the audit reports of the predecessor auditor.

The financial statements of the joint venture have been audited by other audit firm, namely M/s BSR & Co. LLP for the half year ended September 30, 2018, March 31, 2018 and March 31, 2017 whose reports have been furnished



to us by the Company and our opinion in so far as it relates to the share of loss included in these Restated Consolidated Ind AS Financial Information are based solely on the audit reports of the predecessor auditor. Investment in Joint Venture has been accounted under the equity method wherein the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss and the Group's share of other comprehensive income of the investee. There is no line by line consolidation of items in accounting of investment in joint venture.

5. In accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013("the Act") read with ICDR Regulations and the Guidance Note, we report that:

- a. The Restated Consolidated Statement of Assets and Liabilities of the Group as at and for the half year ended September 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 examined by us, as set out in Annexure I to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement on Adjustments to the Audited Consolidated Financial Statements.
- b. The Restated Consolidated Statement of Profit and Loss (including other comprehensive income) of the Group, for the half year ended September 30, 2018 and years ended March 31, 2018, March 31, 2017 and March 31, 2016 examined by us, as set out in Annexure II to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement on Adjustments to the Audited Consolidated Financial Statements.
- c. The Restated Consolidated Statement of Cash Flow of the Group, as at and for the half year ended September, 2018 and years ended March 31, 2018, March 31, 2017 and March 31, 2016 examined by us, as set out in Annexure III to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement on Adjustments to the Audited Consolidated Financial Statements.
- d. The Restated Consolidated Statement of Changes in Equity of the Company, for the half year ended September 30, 2018 and years ended March 31, 2018, March 31, 2017 and March 31, 2016 examined by us, as set out in Annexure IV to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VII: Statement on Adjustments to the Audited Consolidated Financial Statements.

6. Based on the above and according to the information and explanations given to us and also as per the reliance placed on the financial statements audited by the predecessor auditors, M/s Ray & Co., Chartered Accountants for the years ended March 31, 2017 and March 31, 2016 and their audit reports which have been furnished to us by the Company, we further report that the Restated Consolidated Ind AS financial information:

- a. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
- c. do not contain any extraordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.

7. We have also examined the following Restated Consolidated Ind AS financial information of the Group set out in the Annexures prepared by the Management and approved by the Board of Directors on January 11, 2019 for the half year ended September 30, 2018 and years ended March 31, 2018, March 31, 2017 and March 31, 2016. In respect of the years ended March 31, 2017 and March 31, 2016, our examination was based upon the financial statements audited and reported by M/s Ray & Co., Chartered Accountants and relied upon by us:

- a. Annexure V : Restated Consolidated Statement of Significant Accounting Policies;
- b. Annexure VI : Notes to Restated Consolidated Financial Information;
- c. Annexure VII : Statement on Adjustments to Audited Consolidated Financial Statements;
- d. Annexure VIII : Restated Consolidated Statement of Accounting Ratios;



e. Annexure IX : Restated Consolidated Statement of Capitalization;

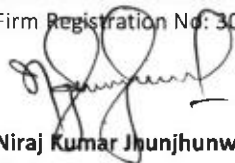
According to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the predecessor auditors, M/s Ray & Co., Chartered Accountants, in our opinion, the Restated Consolidated Ind AS financial information and the above restated financial information contained in Annexure VI to IX accompanying the Restated Consolidated Ind AS financial information, read with Restated Consolidated Statement of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

8. This Report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by the predecessor auditors, M/s Ray & Co., Chartered Accountants, nor should this Report be construed as a new opinion on any of the audited consolidated financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with Securities and Exchange Board of India, the Stock Exchanges where the equity shares are proposed to be listed and the Registrar of Companies, located at Kolkata, in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For D.K. Chhajjer & Co.

Chartered Accountants

Firm Registration No: 304138E



Niraj Kumar Jhunjhunwala

Partner

Membership Number: 057170

Place: Kolkata

Date: January 11, 2019



MSTC LIMITED

Amount ₹ in Millions

Annexure I : Restated Consolidated Statement of Assets and Liabilities

	Notes	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment	2	704.20	677.10	641.90	615.50
(b) Capital Work in Progress	2	169.39	104.40	21.80	41.40
(c) Intangible assets	2	10.50	13.30	16.40	1.10
		884.09	794.80	680.10	658.00
(d) Financial assets					
(i) Investments					
In Joint Venture	3	78.15	88.00	26.30	0.00
(ii) Trade receivables	16	-	4.40	0.50	0.20
(iii) Other financial assets	4	255.40	555.60	804.90	580.30
(e) Non-Current tax assets	5	394.11	571.54	151.70	90.60
(f) Deferred tax assets (net)	7	2,637.28	2,815.76	3,170.50	3,124.20
(g) Other non-current assets	6	166.76	104.00	39.30	58.30
Total non-current assets		4,415.79	4,934.10	4,873.30	4,511.60
(2) Current assets					
(a) Inventories	8A	58.38	41.60	743.90	191.70
(b) Financial assets					
(i) Trade receivables	9	31,881.49	36,167.61	34,598.14	25,815.94
(ii) Cash and cash equivalents	10	1,508.66	1,758.60	902.40	3,071.15
(iii) Other Bank Balances	11	4,028.72	3,789.40	3,986.00	7,005.11
(iv) Other financial assets	12	481.51	517.75	696.20	823.25
(c) Other current assets	13	162.54	143.50	171.80	176.20
		38,121.30	42,418.55	41,098.44	37,083.35
Assets classified as held for sale	28	29.19	25.90	26.40	26.80
Total current assets		38,150.49	42,444.46	41,124.84	37,110.15
TOTAL ASSETS		42,566.28	47,378.56	45,998.14	41,621.75
EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital	14	352.00	352.00	176.00	88.00
(b) Other equity	15	2,927.18	3,309.59	3,884.30	3,058.70
Total equity		3,279.18	3,661.59	4,060.30	3,146.70
(2) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	21	33.41	-	-	-
(ii) Trade payables	17	2.64	2.64	2.64	2.64
(iii) Other financial liabilities	18	8.53	9.40	6.80	8.40
(b) Provisions	19	569.91	893.34	652.90	458.00
(c) Other non-current liabilities	20	80.38	73.69	56.80	62.70
Total non-current liabilities		694.87	979.07	719.14	531.74
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	22	2,986.02	7,661.80	6,883.50	6,533.31
(ii) Trade payables	23	21,901.30	26,038.20	25,596.80	21,731.70
(iii) Other financial liabilities	24	13,146.84	8,556.90	8,105.30	8,827.40
(b) Other current liabilities	26	296.72	265.80	164.40	208.60
(c) Provisions	25	258.90	212.70	468.00	621.90
(d) Current Tax Liability	27	-	-	-	19.60
		38,589.78	42,735.40	41,218.00	37,942.51
		38,589.78	42,735.40	41,218.00	37,942.51
Liabilities directly associated with assets classified as held for sale	28	2.45	2.50	0.70	0.80
Total current liabilities		38,592.23	42,737.90	41,218.70	37,943.31
Total liabilities		39,287.10	43,716.97	41,937.84	38,475.05
TOTAL EQUITY AND LIABILITIES		42,566.28	47,378.56	45,998.14	41,621.75

The accompanying Restated Consolidated Statement of Significant Accounting Policies in Annexure V and Notes to Restated Consolidated Financial Information in Annexure VI are an integral part of this statement.

In terms of our report of even date.

For D.K. Chhajjar & Co.
Chartered Accountants
FRN : 304138E

(CA Nitya K Jhunjhunwala)
Partner
M.No : 057770

For and on behalf of the Board of Directors of

MSTC LIMITED

(B.P. Singh)
CHAIRMAN-CUM-
MANAGING DIRECTOR
(DIN- 03212787)

(R K Chaudhuri)
CHIEF GENERAL MANAGER
FINANCE & ACCOUNTS

Subrata Sarkar

(Subrata Sarkar)
DIRECTOR
FINANCE
(DIN- 8290021)

(Ajay Kumar Rai)
COMPANY SECRETARY

Dated 11.01.2019
Place: Kolkata



MSTC LIMITED
Annexure II : Restated Consolidated Statement of Profit & Loss

Amount ₹ in Millions

Particulars	Note	For the Half year ended 30.09.2018	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
I Revenue from operations	29	14,769.12	22,654.00	17,392.20	32,251.60
II Other Income	30	146.38	5,277.50	1,369.80	826.40
III Total Revenue (I + II)		14,915.50	27,931.50	18,762.00	33,078.00
IV EXPENSES					
(a) Purchases of Stock-in-Trade/Operational Consumables & Spares	31	11,070.94	15,192.80	12,826.10	25,909.80
(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	8B	-	707.40	(554.50)	1,315.40
(c) Employee benefit expense	32	787.40	2,114.90	1,491.50	1,401.30
(d) Finance costs	33	334.58	673.60	677.20	973.80
(e) Depreciation and amortisation expense	2	63.75	123.90	121.30	116.10
(f) Other expenses	34	2,244.28	8,771.31	2,367.30	5,301.00
V Total Expenses		14,500.95	27,583.91	16,928.90	35,017.40
VI Profit/(Loss) before exceptional items and tax (III - V)		414.55	347.59	1,833.10	(1,939.40)
VII Exceptional Items	35	-	-	0.50	4.00
VIII Profit before share of profit/(loss) of Joint Ventures and tax (VI - VII)		414.55	347.59	1,832.60	(1,943.40)
IX Share of profit/(loss) of Joint Ventures	3	(9.85)	(13.10)	(4.70)	-
X Profit/(Loss) before tax (VIII + IX)		404.70	334.49	1,827.90	(1,943.40)
XI Tax Expense					
(a) Current tax	40	393.50	53.26	451.00	610.00
(b) Deferred tax		170.04	346.04	(14.60)	(82.40)
Total tax expense		563.54	399.30	436.40	527.60
XII Profit/(Loss) for the period (X - XI)		(158.84)	(64.81)	1,391.50	(2,471.00)
XIII Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss	45	56.73	(30.80)	(87.80)	(286.50)
(ii) Income tax on above		(19.82)	(2.10)	30.40	99.10
B Share of Other Comprehensive Income of Joint Venture		36.91	(33.10)	(57.40)	(187.40)
XIV Total comprehensive income for the period (XII + XIII)		(121.93)	(97.91)	1,334.10	(2,658.40)
XV Earnings per equity share (face value of ₹ 10 each):	41				
(1) Basic (in ₹)		(2.26)	(0.92)	19.77	(35.10)
(2) Diluted (in ₹)		(2.26)	(0.92)	19.77	(35.10)

The accompanying Restated Consolidated Statement of Significant Accounting Policies in Annexure V and Notes to Restated Consolidated Financial Information in Annexure VI are an integral part of this statement.

In terms of our report of even date.

For D.K. Chhajjar & Co.

Chartered Accountants

FRN : 304138E

(CA Niraj K Jhunjhunwala)

Partner

M. No : 057170

For and on behalf of the Board of Directors of

MSTC LIMITED

(B. B. Singh)
CHAIRMAN-CUM-
MANAGING DIRECTOR
(DIN- 03212787)

(R K Chaudhuri)
CHIEF GENERAL MANAGER
FINANCE AND ACCOUNTS

subrata sarkar

(Subrata Sarkar)
DIRECTOR
FINANCE
(DIN- 8290021)

(Ajay Kumar Rai)
COMPANY SECRETARY

Dated : 11.01.2019

Place: Kolkata



MSTC LIMITED
Annexure III : Restated Consolidated Statement of Cash Flows

Amount ₹ in Millions

Particulars	For the Half year ended 30.09.2018	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) for the year	404.70	334.49	1,827.90	(1,943.40)
Adjustments for:				
Depreciation / Amortisation of non-current assets	63.75	123.90	121.30	116.10
Loss/(Gain) on disposal of Property Plant and Equipment	(0.19)	(0.50)	5.70	(2.20)
Finance Cost	334.58	673.60	677.20	973.80
Interest Income recognised in profit & loss	(134.92)	(267.30)	(440.10)	(713.90)
Provision no Longer Required Written Back	(0.63)	(4,718.20)	(890.90)	(31.50)
Bad Debt Written Off	-	4,594.10	241.80	-
Provision for Bad and Doubtful Advances/Debts	1,285.65	2,225.11	312.20	3,586.80
Liability written Back	-	(281.70)	-	(71.10)
Operating profit before Working Capital changes	1,952.94	2,683.50	1,855.10	1,914.60
Adjustments for changes in Operating Assets & Liabilities				
<u>Adjustments for (increase) / decrease in Operating Assets:</u>				
<u>Movement in working capital:</u>				
(Increase)/decrease in Trade and Other Receivables	3,341.81	(2,905.93)	(9,031.18)	8,398.66
(Increase)/decrease in Other Assets	(84.99)	(36.00)	23.75	4.20
(Increase)/ decrease in Inventories	(16.78)	702.30	(552.20)	1,322.88
<u>Adjustments for increase / (decrease) in Operating Liabilities:</u>				
Increase/ (decrease) in Trade Payables & Others Financial Liabilities	452.17	895.90	3,140.44	(8,862.10)
Increase/ (decrease) in Other Liabilities	37.57	120.09	(50.25)	(140.80)
Increase/ (decrease) in Provisions	(220.51)	(45.66)	(46.70)	328.40
Cash generated from Operations	5,462.21	1,414.20	(4,661.04)	2,965.84
Direct Taxes Paid (Net of Refund)	(227.32)	(466.60)	(532.80)	(732.50)
Net cash from Operating Activities	5,234.89	947.60	(5,193.84)	2,233.34
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Property, Plant & Equipment	(193.11)	(262.90)	(193.80)	(140.00)
Proceeds from disposal of Property Plant & Equipment	40.27	24.80	44.70	5.30
Investment In Fixed Deposits	(239.33)	196.60	3,525.30	2,472.10
Investment in Joint Venture	9.85	(61.70)	(26.30)	0.00
Interest received	134.92	208.20	421.70	713.90
Net cash (used) in Investing Activities	(247.40)	105.00	3,771.60	3,051.30
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short term borrowings	(2,999.22)	30.30	1,217.10	(2,305.50)
Interest Paid	(334.58)	(673.90)	(676.20)	(973.80)
Dividend Paid	(260.48)	(249.90)	(347.60)	(182.20)
Tax on Dividends Paid	-	(50.90)	(72.90)	(49.30)
Net cash used in Financing Activities	(3,594.28)	(944.40)	120.40	(3,510.80)
Net Increase/(decrease) in Cash & Cash equivalents(A+B+C)	1,393.22	108.20	(1,301.84)	1,773.84
Cash and Cash equivalents at the beginning of the Period	(281.00)	(389.20)	912.64	(861.20)
Cash and Cash equivalents at the end of the Period	1,112.22	(281.00)	(389.20)	912.64

Notes:

1. Figures in brackets indicate outflows.

2. Statement Showing Cash and Cash Equivalents

Particulars	For the Half year ended 30.09.2018	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016
Cash and Cash equivalents at the end of the Period	1,508.66	1,758.60	902.40	3,071.15
Less : Over Draft Balances at the end of the Period	396.44	2,039.60	1,291.60	2,158.51
Net Cash and Cash equivalents at the end of the Period	1,112.22	(281.00)	(389.20)	912.64

The accompanying Restated Consolidated Statement of Significant Accounting Policies in Annexure V and Notes to Restated Consolidated Financial Information in Annexure VI are an integral part of this statement

In terms of our report of even date.

For D.K. Chhajjar & Co.

Chartered Accountants

FRN : 304138E

(CA Nraj K Chhunjwala)

Partner

M. No : 957170

Dated : 11.01.2019

Place: Kolkata

For and on behalf of the Board of Directors of

MSTC LIMITED

 B. B. Singh
CHAIRMAN-CUM
MANAGING DIRECTOR
(DIN- 03212787)

 R K Chaudhuri
CHIEF GENERAL MANAGER
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Subrata Sarkar

 Subrata Sarkar
DIRECTOR
FINANCE
(DIN- 8290021)

 Ajay Kumar Rai
COMPANY SECRETARY


MSTCLIMITED

Amount ₹ in Millions

Annexure IV : Restated Consolidated Statement of Changes in Equity**A. Equity Share Capital**

Particulars	Nos	Face Value (₹)	Amount (₹)
Balance as at March 31, 2016	88,00,000	10	88.00
Bonus Shares issued in the ratio 1:1	88,00,000	10	88.00
Balance as at March 31, 2017	1,76,00,000	10	176.00
Bonus Shares issued in the ratio 1:1	1,76,00,000	10	176.00
Balance as at March 31, 2018	3,52,00,000	10	352.00
Balance as at September 30, 2018	3,52,00,000	10	352.00

B. Other Equity

	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as at April 1, 2015	341.60	5,374.70	232.40	5,948.70
Profit/(Loss) for the year	-	-	(2,471.00)	(2,471.00)
Other Comprehensive Income for the year, net of Income tax	-	-	(187.40)	(187.40)
Less: Final Dividend FY 14-15	-	-	(182.20)	(182.20)
Less: Dividend Distribution Tax on Final Dividend FY 14-15	-	-	(50.20)	(50.20)
Add: Excess provision of DDT written Back	-	0.80	-	0.80
Transfer to General Reserve/(From) Retained Earning	-	528.20	(528.20)	-
Restated Balance as at March 31, 2016	341.60	5,903.70	(3,186.60)	3,058.70
Profit/(Loss) for the year	-	-	1,391.50	1,391.50
Other Comprehensive Income for the year	-	-	(57.40)	(57.40)
Transfer to General Reserve/(From) Retained Earning	-	148.90	(148.90)	-
Less: Final Dividend FY 15-16	-	-	(180.40)	(180.40)
Less: Dividend Distribution Tax on Final Dividend FY 15-16	-	-	(36.80)	(36.80)
Less: Interim Dividend FY 16-17	-	-	(167.20)	(167.20)
Less: Dividend Distribution Tax on Interim Dividend FY 16-17	-	-	(36.10)	(36.10)
Less: Issue of Bonus Shares	-	-	(88.00)	(88.00)
Restated Balance as at March 31, 2017	341.60	6,052.60	(2,509.90)	3,884.30
Profit/(Loss) for the year	-	-	(64.81)	(64.81)
Other Comprehensive Income for the year	-	-	(33.10)	(33.10)
Transfer to General Reserve/(From) Retained Earning	-	429.90	(429.90)	-
Less: Final Dividend FY 16-17	-	-	(249.90)	(249.90)
Less: Dividend Distribution Tax on Final Dividend FY 16-17 & Interim Dividend of Subsidiary Company in FY 17-18	-	-	(50.90)	(50.90)
Less: Issue of Bonus Shares	-	-	(176.00)	(176.00)
Restated Balance as at March 31, 2018	341.60	6,482.50	(3,514.51)	3,309.59
Profit/(Loss) for the period	-	-	(158.84)	(158.84)
Other Comprehensive Income for the period	-	-	36.91	36.91
Transfer to General Reserve/(From) Retained	-	-	-	-
Final Dividend FY 17-18	-	-	(260.48)	(260.48)
Balance as at September 30, 2018	341.60	6,482.50	(3,896.92)	2,927.18

The accompanying Restated Consolidated Statement of Significant Accounting Policies in Annexure V and Notes to Restated Consolidated Financial Information in Annexure VI are an integral part of this statement.

In terms of our report of even date.

For D K Chhajjer & Co.

Chartered Accountants
FRN : 304138E

(CA Nitai K Jhunjhunwala)
Partner
M. No : 057170

For and on behalf of the Board of Directors of

MSTC LIMITED

(B B Singh)
CHAIRMAN-CUM-
MANAGING DIRECTOR
(DIN- 03212787)

(Subrata Sarkar)
DIRECTOR
FINANCE
(DIN- 8290021)

(R K Chaudhuri)
CHIEF GENERAL MANAGER
FINANCE & ACCOUNTS

(Ajay Kumar Rai)
COMPANY SECRETARY

Dated : 11.01.2019
Place: Kolkata



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

1.A .General Information

MSTC Limited (the "Company") is a Miniratna Category-I Company was incorporated under the Companies Act, 1956 on 9th September, 1964. It is domiciled in India, having registered office at 225 C AJC Bose Road Kolkata 700020 and limited by shares(CIN:U27320WB1964GOI026211). The Company undertakes trading activities, e-commerce and also disposal of ferrous and non-ferrous scrap, surplus stores, minerals, agri and forest produces etc. mostly from Public Sector Undertakings and Govt. Departments. The core activity of the Company has been divided into two Operational Divisions, i.e. e-Commerce and Trading. The e-Commerce division undertakes disposal of Scrap, surplus stores, e-sales of minerals, agri and forest produces, and e procurement. The list of Principals includes Ministry of Defence, State Governments, PSUs like Indian Oil Corporation Ltd., Oil and Natural Gas Corporation Ltd, Bharat Sanchar Nigam Ltd, Hindustan Petroleum Corporation Ltd. etc. The mode of disposal includes e-auction, e-tender, e-reverse auction etc. Besides, MSTC also e-auctions coal from Coal India Ltd, Singareni Coalfields Ltd etc. Apart from these MSTC also provides e-procurement solution. The trading division handles import/export and domestic trade of mainly bulk industrial raw material. It looks after sourcing, purchase and sales of industrial raw materials like Heavy Melting Scrap, Low Ash Metallurgical Coke, HR Coil, Crude Oil, Naptha, Coking Coal, Steam Coal etc. for supply to Indian industries. The end customers are Coal/Steel Industries, Oil sector, State owned Power Companies etc.

It is having wholly owned subsidiary company, Ferro Scrap Nigam Limited (FSNL) with CIN : U27102CT1989GOI005468, which was incorporated on 28th March 1979. FSNL undertakes the job of recovery and processing of scrap from slag and refuse generated during iron and steel making at Steel Plants. They offers specialised services for Dig and Haul of Blast Furnaces and Steel Melting Shop Slag at slag yards, processing of iron and steel skulls, Mill rejects and Maintenance scrap as per customer's requirement. FSNL also offers scarfing of slabs, crushing and screening of LC slag to be used in sinter plant, blast furnace, steel melting shop and rail ballast. It removes sludge and ash deposit from sludge compartments and ash ponds. They also handle and neutralise Acid Sludge in open Hearth Muck Dump. FSNL is also providing (a) Custodian service for warehouse management to the clients of MSTC Limited and (b) Valuation services for plant and machinery/scrap, movable and immovable material/properties.

1.B Significant Accounting Policies

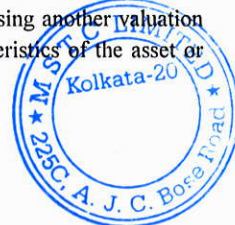
1.B.1 (a) Basis of preparation

The restated consolidated financial statements of the Group have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies ("RoC") and Stock Exchanges in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Consolidated Financial Information comprise of the restated consolidated statement of assets and liabilities as at September 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, the restated consolidated statement of profit and loss, the restated consolidated statement of changes in equity and restated consolidated statement of cash flows for the period ended September 30, 2018 and years ended March 31, 2018, March 31, 2017 and March 31, 2016 and accompanying restated consolidated statements of significant accounting policies and notes to restated consolidated financial information (hereinafter collectively referred to as "the Restated Consolidated Financial Information").

The restated consolidated financial information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 ("ICDR Regulations").

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair value at the end of each reporting period by Ind ASs. The financial statements of the Group have been prepared to comply with the Indian Accounting Standards ('Ind ASs'), including the rules notified under the relevant provisions of the Companies Act 2013.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional Currency and Presentation Currency

The financial statements are prepared in Indian Rupees (Rs.) which is the Group's functional currency for all its operations. All financial information presented in Indian Rupees (Rs.) has been rounded to the nearest lakhs, unless otherwise stated.

Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013 and Ind AS 1 – 'Presentation of Financial Statements'.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

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

Use of estimates and critical judgements

The preparation of accounts in accordance with Ind ASs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Group's accounting policies arise in relation to property, plant and equipment, current asset provisions, deferred tax, retirement benefits. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

1.B.1(b) Principles of consolidation

The consolidated financial statements relate to MSTC Ltd ('the Company') and its subsidiary company Ferro Scrap Nigam Ltd. and Joint Venture Mahindra MSTC Recycling Pvt Ltd. The consolidated financial statements have been prepared on the following basis:

- A. The financial statements of the Company and its subsidiary has been combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- B. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.
- C. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- D. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

- E. Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- F. Non Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- G. Investment in Joint Venture has been accounted under the equity method as per Ind AS 28 - *Investments in Associates and Joint Ventures*.

Equity method

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee. Dividends from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

1.B.2 Foreign currency translation

In preparing the financial statements of the Group, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the period. Exchange differences arising on retranslation on non-monetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

Wherever foreign exchange fluctuations are to be borne by the customers as per agreement with them, foreign exchange gain/ loss are not recognised in the books of the Group.

1.B.3 (a) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

Included in property, plant and equipment are loose plant and tools which are stated at cost less amounts written off related to their expected useful lives and estimated scrap value and also spares, against which impairment provisions are made where necessary to cover slow moving and obsolete items.

Capital work-in-progress is valued at cost and includes equipment in transit and the cost of fixed assets that are not ready for their intended use at the reporting date.

"Assets classified as held for sale" is under "Non-current Asset" at their carrying amount will be recovered principally through a sale transaction, rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for asset such as Deferred Tax Asset, Assets arising from employee benefits, Financial Assets which are specifically exempt from this requirement. Further, where the management expects that any part of said assets is likely to be disposed off within one year on the Balance Sheet date, the same are classified as current assets.

"Assets classified as held for sale" is classified under "Non-current Asset" at their net written down value since these assets have already been retired from normal continuing operations and is held only for sale/ auction.

"Assets classified as held for sale" are presented separately from the other assets in the balance sheet. The liabilities classified as held for sale are presented separately from the other liabilities in the balance sheet.

1.B.3(b) Depreciation of property, plant and equipment

Depreciation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value. These charges are commenced from the date the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

Depreciation is provided to allocate the costs of property, plant and equipment, net of their residual values, over their useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives for the main categories of property, plant and equipment are:

Type of Asset	Estimated Useful life(Years)
Office Equipment	5
Vehicles	8
Furniture and Fixtures	10
Partition and Cubicles	10
Building	60
Air Conditioners	10
Computers	3
Servers	6
Plant and Machinery used for hot slang handling	5
Dozer	7
Excavators 1.2 to 5 Cum	7
Cranes	15
Magnetic Separators	15
All assets under "Plant and Machinery" except assets mentioned above	9.19
Assets with value less than Rupees Five Thousand	100 %
Solar Plant	10



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1.B.3 (c) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software is amortised over its estimated useful life of 6 years (without any residual value) on a straight line basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Further, the management estimates that the intangible assets are having zero carrying cost at the end of its useful life i.e. zero residual value.

1.B.4 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication, the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the Statement of Profit and Loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

1.B.5 Investment in Subsidiaries and Joint venture

Investment in subsidiary and Joint venture are carried at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary and joint venture, the difference between net disposal proceeds and carrying amounts are recognised in Statement of Profit and Loss.

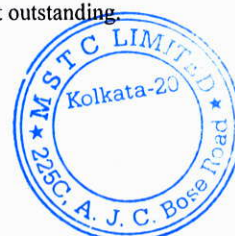
1.B.6 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

a) Financial assets

1. Financial assets at amortised cost

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



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

II. Financial assets measured at fair value through Other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income. However, the interest income, losses & reversals, and foreign exchange gains and losses are recognised in the Statement of Profit and Loss.

III. Financial assets measured at fair value through profit or loss

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised borrowing of the proceeds received.

b) Financial liabilities and equity instruments

Classification

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.



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Annexure V : Restated Consolidated Statement of Significant Accounting Policy

Financial Liabilities

The Group's financial liabilities include Trade and other payables and borrowings including bank overdrafts are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

1.B.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalent includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, cash at bank, and bank overdraft and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

1.B.8 Inventories

Stock in trade including material-in-transit is valued at cost or estimated net realisable value whichever is less.

In case of subsidiary:

- (i) Inventories other than non-moving inventories are valued at cost of estimated net realizable value whichever is less. The cost includes purchase cost and other direct expenses but exclude excise duty on such goods where the company is eligible to take cenvat credit in accordance with rule 3(1) of the Cenvat Credit Rules 2004.
- (ii) The inventory items, which have not moved for more than three years, are considered as non-moving inventories. Non-moving inventories are valued at cost reduced by ten percent of cost every year from the year 2001-02.
- (iii) The scrapped/redundant stores items are valued at cost of estimated net realizable value whichever is lower.

1.B.9 Revenue recognition

Revenue is recognised on accrual basis except in the following items which are accounted on actual realization since realisability of such items is uncertain in accordance with the provisions of the accounting standards:

- i) Decrees pending for execution/contested dues and interest thereon, if any.
- ii) Interest on overdue recoverables where realisability is uncertain.
- iii) Liquidated damages on suppliers or contractors.
- iv) Refund of Income-Tax/Sales Tax/VAT and interest thereon.



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v) Dividend income is recognised when right to receive payment is established

SALES

- i) High sea sales are booked on the basis of date of issuance of high sea sale letter. As regards value, sales are booked either at contracted forward exchange rates, if booked, or provisionally on the basis of FEDAI spot exchange rates prevailing on the last date of the financial year, where forward cover was not taken, which includes C&F / CIF price, usance interest followed by final adjustment on due date of payment in subsequent financial year.
- ii) In case of indigenous material, sales are accounted for on the basis of date of transport documents and as regards value, based on the value of invoices. In case of sale on door delivery basis sales are booked on sales invoice dates.
- iii) In case of export, sales are accounted for on the basis of date of shipment. As regards value, sales are booked either at contracted forward exchange rates, if booked, or at the FEDAI rate on the date of shipment as per custom clearance document, followed by final adjustment on actual realisation of export proceeds.

SERVICE CHARGES

Remuneration for transaction in Marketing Department through facilitator mode and for conducting sales/procurement on behalf of Principals, by way of auctions, tenders, or any other means, are accounted for as service charges.

(a) Service charges are accounted for as income at contracted rates on:

- i. Tender/Auction sale on behalf of Public Sector Undertakings, Defence and other Government Departments on issuance of sale orders / delivery orders.
- ii. On satisfactory completion of e-sales.

In respect of (i) & (ii), service charges are accounted for on bid price of auction with adjustments, if any, on the basis of actual delivery by the Principals, in case service charges are payable on percentage basis.

- iii. On occurrence of event, in case of service contract on event basis.
 - iv. In case of E -Procurement Service charges are booked, where service charges are collectable from the Principal, on completion of event.
- (b) E Procurement transaction fees collected from bidders are accounted on successful conduct of event.
- (c) Service charges accrued in respect of purchase as facilitator are accounted for at the contracted rate on the basis of date of bill of lading / railway receipt / lorry receipt as the case may be. For imported materials, value is ascertained either at forward cover rate or at FEDAI spot rate prevailing on the last date of the Financial Year. Final adjustment is made on actual payment. In case of indigenous materials, value is ascertained on the basis of actual payment at contracted rate.
- (d) In case of subsidiary, service charges represent the income earned for processing of scrap and other items, custodian services for warehouse management and service related to valuation of assets done by the company at the rates agreed with/offered to the respective Steel Plants and other parties.

E-AUCTION REGISTRATION

E-auction Registration fees collected from buyers is considered as income of the current year if the validity of registration is upto one year. In case of life long registration, the amount so collected is distributed in five years equally.

PURCHASES



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

- (i) Imported materials are accounted for as purchase on the basis of date of bill of lading. As regards value, purchase are booked on the basis of actual remittance and where such remittance are outstanding at the close of the year, on the basis of contracted forward exchange rates, if booked, or FEDAI spot exchange rates prevailing on the last date of the financial year, in case forward cover is not taken, as the case may be. Purchase value includes material value freight, insurance etc. and usance interest followed by final adjustments on actual payment in subsequent financial year.
- (ii) In case of indigenous materials, purchases are booked on the basis of transport documents and as regards value, based on the value of invoices.

1.B.10 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.B.11 Employee benefits

(a) Short term benefits

Short term employee benefits are accounted for at their undiscounted amount in the accounting period in which the services are rendered by the employees are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(b) Leave encashment

The liabilities for earned leave and commuted leave are not expected to be settled wholly within 12 month after the end of the period in which the employees render related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on actuarial valuation using the projected unit credit method.

The benefits are discounted using the market yield at the end of the reporting period that have terms of approximating to the terms of related obligations. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The facility is funded through LIC of India.

(c) Post-employment obligation

Defined Contribution Plan- Provident Fund

Provident Fund is administered by a Trust recognised by Income Tax Authorities and contribution to this Fund is charged to revenue. Pensioner's Benefits are secured through Employees' Pension Scheme 1995.



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

Defined Benefit Plan- (a) Service Gratuity

The liabilities or assets recognised in the Balance Sheet in respect of defined gratuity plan is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefits obligations are calculated annually by actuaries using projected unit credit method. The present value of defined benefits obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that are terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discounted rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of defined benefit obligation resulting from amendments and curtailments are recognised immediately in profit or loss as past service cost. The Gratuity obligation is funded through Group Gratuity Life Assurance Scheme of Life Insurance Corporation of India and is administered through a separate irrevocable trust created by the Group for this purpose.

a. Post Retirement medical benefit

The Group provides post retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to the retirement age and the completion of minimum service period. The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. The fund is administered through a separate trust created for this purpose.

1.B.12 Taxation

Tax expense for the year comprises current and deferred tax.

(i) Current tax

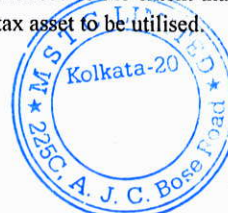
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax for the year as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in the country where the Group operates by the end of the reporting period.

(ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

1.B.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the Balance Sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingent liabilities are disclosed by way of notes. These are reviewed at each Balance Sheet date and are adjusted to reflect the current estimate of management.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.B.14 Segment reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures. The Group undertakes trading activities, and also acts as e-commerce service provider. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates Group's performance and allocates resources on an analysis of various performance indicators by operating segments. In terms of above the Group has identified Marketing and e-Commerce as its two Primary Reportable Business Segments. Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable to that segment. Rest of the items of revenue and expenses, which cannot be specifically allocated under specific segments are separately disclosed as unallocated.

1.B.15 Critical accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

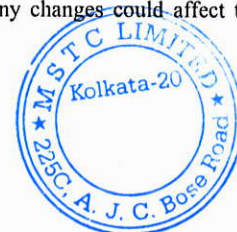
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

(i) Useful economic lives and impairment of other assets

The estimated useful life of property, plant and equipment (PPE) and intangible asset is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Group reviews the useful life of PPE and intangibles at the end of each reporting date and any changes could affect the depreciation rates prospectively.



MSTC LIMITED

Annexure V : Restated Consolidated Statement of Significant Accounting Policy

The Group also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Group's business plans and changes in regulatory environment are taken into consideration.

(ii) *Contingencies and commitments*

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

(iii) *Actuarial Valuation*

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend on assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(iv) *Fair Value measurements and valuation processes*

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

(v) *Recognition of deferred tax assets for carried forward tax losses and unused tax credit*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.



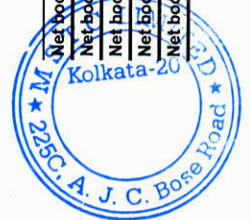
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Annexure VI : Notes to Restated Consolidated Financial Information

2 . Property, Plant and Equipment

Amount ₹ in Millions

Particulars	Freehold Buildings	Office Equipment	Office Air Conditioner	Furniture and fixtures	Office Partition & Cubicles	EDP Equipments	Plant and Equipment	Vehicles	Total Tangible Assets
Gross Block as at April 01, 2015									
Additions	33.30	10.00	3.70	13.00	10.10	19.40	524.30	12.20	626.00
Disposals	5.10	1.40	-	2.00	0.50	1.80	96.20	4.00	111.00
	-	0.50	-	-	0.10	2.30	5.60	0.30	8.80
Gross Block as at March 31, 2016									
Additions	38.40	10.90	3.70	15.00	10.50	18.90	614.90	15.90	728.20
Disposals	1.00	0.40	0.40	2.10	0.80	3.80	137.40	9.10	155.00
						2.00	9.00	0.40	11.40
Gross Block as at March 31, 2017									
Additions	39.40	11.30	4.10	17.10	11.30	20.70	743.30	24.60	871.80
Disposals	1.80	3.10	0.50	1.60		4.00	140.40	4.60	156.00
					2.00	0.50	2.30	0.10	4.90
Gross Block as at March 31, 2018									
Additions	41.20	14.40	4.60	18.70	9.30	24.20	881.40	29.10	1,022.90
Disposals	3.85	3.42	0.00	0.12	0.00	0.83	82.00	1.99	92.21
	0.00	0.36	0.45	0.29	0.00	0.67	3.99	0.04	5.80
Gross Block as at September 30, 2018									
	45.05	17.46	4.15	18.53	9.30	24.36	959.41	31.05	1,109.31
Depreciation as at April 01, 2015									
Charge for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	2.10	3.00	1.20	5.00	4.70	6.90	90.70	2.20	115.80
	0.00	0.50	0.00	0.00	0.10	2.30	0.00	0.20	3.10
Depreciation as at March 31, 2016									
Charge for the year	2.10	2.50	1.20	5.00	4.60	4.60	90.70	2.00	112.70
Disposals	2.80	2.40	0.90	3.60	2.20	7.10	99.40	2.60	121.00
						2.10	1.50	0.20	3.80
Depreciation as at March 31, 2017									
Charge for the year	4.90	4.90	2.10	8.60	6.80	9.60	188.60	4.40	229.90
Disposals	3.20	2.30	0.50	1.70	0.30	6.30	100.80	3.20	118.30
					1.50	0.40	0.50		2.40
Depreciation as at March 31, 2018									
Charge for the year	8.10	7.20	2.60	10.30	5.60	15.50	288.90	7.60	345.80
Disposals	1.33	1.28	0.31	0.64	0.16	1.42	53.85	1.89	60.87
	0.00	0.35	0.45	0.29	0.00	0.47	0.00	0.00	1.56
Depreciation as at September 30, 2018									
	9.43	8.13	2.46	10.65	5.76	16.45	342.75	9.49	405.11
Net book value as at April 01, 2015									
	33.30	10.00	3.70	13.00	10.10	19.40	524.30	12.20	626.00
Net book value as at March 31, 2016									
	36.30	8.40	2.50	10.00	5.90	14.30	524.20	13.90	615.50
Net book value as at March 31, 2017									
	34.50	6.40	2.00	8.50	4.50	11.10	554.70	20.20	641.90
Net book value as at March 31, 2018									
	33.10	7.20	2.00	8.40	3.70	8.70	592.50	21.50	677.10
Net book value as at September 30, 2018									
	35.62	9.33	1.69	7.88	3.54	7.91	616.66	21.56	704.20

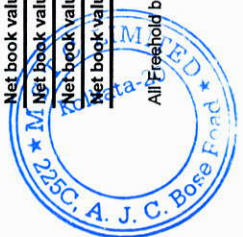
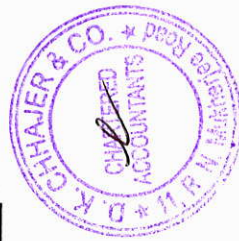


Particulars	Capital Work in Progress	Computer Software	Intangible Assets under Development	Total Intangible Assets including intangible under development
Gross Block as at April 01, 2015				
Additions	12.40	0.50	6.70	7.20
Disposals	29.00	0.90	-	0.90
Gross Block as at March 31, 2016				
Additions	41.40	1.40	0.00	6.70
Disposals	23.20	14.70	0.90	1.40
Gross Block as at April 01, 2017				
Additions	42.80	0.00	0.00	15.60
Disposals	21.80	16.10	0.90	0.00
Gross Block as at September 30, 2018				
Additions	104.40	0.50	2.00	17.00
Disposals	21.80	0.00	0.00	2.50
Gross Block as at March 31, 2018				
Additions	104.40	16.60	2.90	0.00
Disposals	100.83	0.07	0.00	19.50
Gross Block as at September 30, 2018				
Additions	35.83	0.00	0.00	0.07
Disposals	169.39	16.67	2.90	0.00
Gross Block as at September 30, 2018				19.57

Depreciation as at April 01, 2015	0.00	0.00	0.00	0.00
Charge for the year	-	0.30	-	0.30
Disposals	-	-	-	0.00
Depreciation as at March 31, 2016	0.00	0.30	0.00	0.30
Charge for the year	0.00	0.30	0.00	0.30
Disposals	0.00	0.00	0.00	0.00
Depreciation as at April 01, 2017	0.00	0.60	0.00	0.60
Charge for the year	0.00	5.60	0.00	5.60
Disposals	0.00	0.00	0.00	0.00
Depreciation as at March 31, 2018	0.00	6.20	0.00	6.20
Charge for the year	0.00	2.87	0.00	2.87
Disposals	0.00	0.00	0.00	0.00
Depreciation as at September 30, 2018	0.00	9.07	0.00	9.07

Net book value as at April 01, 2015	12.40	0.50	6.70	7.20
Net book value as at March 31, 2016	41.40	1.10	0.00	1.10
Net book value as at March 31, 2017	21.80	15.50	0.90	16.40
Net book value as at March 31, 2018	104.40	10.40	2.90	13.30
Net book value as at September 30, 2018	169.39	7.60	2.90	10.50

All Freehold buildings of Holding Company are under attachment by the order of DRT, Mumbai.



MSTC Limited

Amount ₹ in Millions

Annexure VI : Notes to Restated Consolidated Financial Information
3. Investment in Unquoted Equity Shares, fully paid up- carried at cost.

Particulars	No. of Shares				Amount(₹ in Millions)			
	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Investment in 50:50 Joint Venture Company								
Mahindra MSTC Recycling Private Limited (Face Value ₹10/- each)	1,06,00,000	1,06,00,000	31,00,000	Nil	106.00	106.00	31.00	Nil

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Opening Balance of Investment Value (₹)	88.00	26.30	31.00	Nil
Investment During the Year (₹)	-	75.00	-	-
Decrease in Value due to Current Period Loss in JV shown in P/L	(9.85)	(13.10)	(4.70)	-
Decrease in Value due to Current Period Loss in JV Shown in OCI	-	(0.20)	-	-
Closing Balance of Investment Value (₹)	78.15	88.00	26.30	-



MSTC Limited

Amount in ₹ Millions

Annexure VI : Notes to Restated Consolidated Financial Information

4 . Other financial assets (Non Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Security deposits	10.53	10.90	12.30	17.40
(b) Other loans and advances				
Loans to employees	45.94	48.70	55.80	56.00
(c) Interest accrued on loans to employees	0.48	0.60	0.60	0.70
(d) Term Deposits with original maturity of more than 12 months	198.45	495.40	736.20	506.20
Net other financial assets	255.40	555.60	804.90	580.30

4.1 In case of company, the 4(d) deposit includes ₹ 99.45 Millions for the period ended 30th Sept 2018 , in F.Y 2017-18 ₹ 198.40 Millions , in F.Y. 2016-17 ₹ 582.66 and in F.Y 2015-16 ₹ 234.40 pledged with Banks against Bank Guarantee & Overdraft facility.

5 . Non-Current tax assets

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Advance payment of Taxes	7,009.42	6,782.10	6,315.50	336.70
Less: Provision for Taxation	6,615.31	6,210.56	6,163.80	246.10
Net	394.11	571.54	151.70	90.60
Non-Current tax assets	394.11	571.54	151.70	90.60



MSTC LIMITED**Annexure VI : Notes to Restated Consolidated Financial Information**

Amount ₹ in Millions

6 . Other assets (Non Current)

Particulars (Unsecured, considered good)	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Advance with public bodies				
(a) Customs, Excise, Sales Tax ,Port Trusts etc.	29.56	29.60	30.80	56.00
(b) Prepaid Lease Payment Cost #	71.96	72.30	-	0.10
(c) Other loans and advances				
(a) Prepaid expenses	0.47	0.50	0.90	1.20
(b) Others	1.14	0.10	1.10	1.00
(d) Post Retirement benefit assets	-	-	6.50	
(e) Advance for Building Construction	63.63	1.50	-	
Total Other assets	166.76	104.00	39.30	58.30

6.1 # The land on which the plant and building of the subsidiary company are situated at Rourkela, Burnpur, Bhilai, Bokaro Vizag, Durgapur & Duburi are neither freehold nor leasehold. The group has acquired right of free use from landholders as a part of service agreement. The group has however, acquired leasehold land from SAIL - BSP on perpetual lease of 33 years w.e.f 29th December 1988 on which the Registered Office Building of the subsidiary company has been constructed.



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Annexure VI : Notes to Restated Consolidated Financial Information

Amount ₹ in Millions

7 . Deferred Tax Assests (Net)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Deferred tax (liabilities) / assets:				
Tax effect of items constituting deferred tax liabilities				
On difference between book balance and tax balance of Property, Plant and Equipment & Intangible assets and Others	(28.50)	(27.80)	(21.60)	(17.10)
Tax effect of items constituting deferred tax liabilities	(28.50)	(27.80)	(21.60)	(17.10)
Tax effect of items constituting deferred tax assets				
Allowance for doubtful debts / advances	1,858.80	1,858.80	2,950.90	2,927.40
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	220.44	246.60	198.00	203.20
On difference between book balance and tax balance of Property, Plant and Equipment	0.51	0.70	-	-
MAT credit Entitlement	329.47	-	-	-
Provision for claim payable to vendor against escalation claim	8.30	8.10	7.70	7.10
Provision for Interest on Service tax	1.33	1.30	1.30	1.30
Provision for Demand on Compensation	-	-	2.50	2.30
Unabsorbed business losses	232.38	704.96	-	-
Through Other Comprehensive Income	14.55	23.10	31.70	-
Tax effect of items constituting deferred tax assets	2,665.78	2,843.56	3,192.10	3,141.30
Deferred tax (liabilities) / assets (net)	2,637.28	2,815.76	3,170.50	3,124.20

8A . Inventories

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Stock in transit	-	-	707.40	152.90
(b) Stores and Spares parts including loose tools	49.52	32.40	25.20	25.81
(c) Stock of Non-Moving inventory	15.85	16.30	21.10	22.99
(d) Stock of Obsolete Inventory	-	-	2.30	2.34
(e) Stores and Spares - Awaiting Disposal	2.60	2.60	0.40	0.40
(f) Inventory Shortage-Pending Adjustment	0.01	-	-	2.43
(g) Goods in Transit	-	0.10	0.10	0.12
(h) Stock of Printing & Stationary	0.96	1.00	0.90	1.08
(i) Less: Provision				
(1) for stock of non-moving	9.15	9.40	12.00	12.42
(2) for stores & spares - awaiting disposal	1.40	1.40	-	-
(3) for inventory shortage	0.01	-	-	2.42
(4) for obsolete inventory	-	-	1.50	1.53
Total Inventories	58.38	41.60	743.90	191.70

8B . Changes in Stock in Trade

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Opening Stock	-	707.40	152.90	1,468.30
Closing Stock	-	-	707.40	152.90
Changes in stock of finished goods, work-in-progress and stock-in-trade	-	707.40	(554.50)	1,315.40



MSTC LIMITED

Annexure VI : Notes to Restated Consolidated Financial Information

Amount ₹ in Millions

9. Trade receivables (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Trade receivables				
(a) Secured, considered good	29,647.61	34,570.81	31,411.56	21,307.24
(a) Unsecured, considered good	2,233.88	1,596.80	3,186.58	4,508.70
(b) Unsecured, considered doubtful	10,249.58	8,963.91	6,825.90	7,351.30
Less: Allowance for Doubtful trade receivables (expected credit loss allowance)	10,249.58	8,963.91	6,825.90	7,351.30
Total	31,881.49	36,167.61	34,598.14	25,815.94

9.1 Trade Receivables

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment				
Secured, Considered good	6,218.11	8,186.91	4,241.06	6,075.04
Unsecured, Considered good	446.42	-	1,812.88	-
Unsecured, Considered Doubtful	10,076.85	8,963.91	6,825.90	7,351.30
Less: Provision for doubtful debts	10,076.85	8,963.91	6,825.90	7,351.30
	6,664.53	8,186.91	6,053.94	6,075.04
Trade Receivables outstanding for a period less than six months from the date they are due for payment				
Secured, Considered good	23,429.50	26,383.90	27,170.50	15,232.20
Unsecured, Considered good	1,787.46	1,596.80	1,373.70	4,508.70
Unsecured, Considered Doubtful	172.73	-	-	-
Less: Provision for doubtful debts	172.73	-	-	-
	25,216.96	27,980.70	28,544.20	19,740.90
Total	31,881.49	36,167.61	34,598.14	25,815.94

9.2: Trade Receivables include an amount of ₹1478.20 Millions on account of export of gold jewellery during 2008-09. The said receivables were purchased by Standard Chartered Bank (SCB) under a Receivable Purchase Agreement. As per the said agreement, SCB would purchase the bills raised by MSTC on foreign buyers and pay 95% of the amount to MSTC and foreign buyers would be paying against the bills directly to SCB on respective due dates of the bills. The said export transactions were also insured by SCB with ICICI Lombard General Insurance Company. On non receipt of proceeds from the foreign buyers, SCB claimed the amount from the insurance company. The Insurance company repudiated the claim of SCB. Thereafter SCB converted the receivables into debt and filed a case in Debt Recovery Tribunal, Mumbai. MSTC has been contesting the case in DRT and other forums against the said claim of SCB. SCB has also filed a suit against the insurance company for the said amount of unrealized dues which is yet to be disposed off. Pending disposal of the cases, MSTC has been showing the amount as receivables without adjusting the same against the amount paid by SCB to MSTC against purchase of the said receivables (export bills) which is being shown in books separately as Borrowing (Current) vide Note No. 22.

9.3: Trade receivables are generally secured either by way of stocks pledged by the customers with the Company or Bank Guarantees or by liability where there is back to back arrangement with the associate suppliers. In case there is a significant depletion in realizable value of such pledged stock against the book value of the corresponding receivables, the differential amount has been shown under 'Unsecured'.

9.4: Trade Receivable includes Rs. 1123.80 Millions (Previous year ending 31.03.18: Rs. 1148.43 Millions) due from M/s Jai Balaji Industries Ltd. for procuring and supply of materials. Entire amount of present outstanding is overdue for a period of more than three years. The arbitration award is in the favour of the Company. As per the Arbitration award, MSTC will procure raw materials for the party against advance payment only. During the current period i.e. from 1st April 2018 to 30th September 2018, JBIL has paid Rs. 257.50 Million. Out of the payment, 10 % has been adjusted against old receivables and for balance 90% fresh procurement has been made by MSTC. However, the party is allowed to lift, out of total procurement of 90%, old materials to the tune of 45% and new materials to the tune of 45%, thereby replacing the old materials with the new one and in the process improving the quality of the security. The market price of the pledged stock as per the last concluded volumetric assessment is Rs. 1318.25 Millions., which is much higher than the outstanding as on date. We have also started process for risk sale of some of their stock. In view of the improved market condition, regular payment by the party and the demand of their finished products, no provision has been considered necessary.

9.5: Trade Receivables include ₹ 16638.98 Million, against business done in facilitator mode (net of provision), in F.Y.2017-18 ₹ 25750.19 Million, in F.Y. 2016-17 ₹ 24812.40 Million and in F.Y. 2015-16 ₹ 12537.60 Million.

10. Cash and Cash Equivalents

Amount ₹ in Millions

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Cash in hand	0.20	0.30	0.20	0.47
(b) Balances with banks				
(1) In Current Account	1,508.46	1,758.30	902.20	2,570.68
(2) In Deposit Account	-	-	-	500.00
Total	1,508.66	1,758.60	902.40	3,071.15

11. Bank balances other than Cash & cash equivalents

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Earmarked Balances with banks				
(i) In Unclaimed dividend account	270.31	9.90	8.60	6.10
(ii) Deposits with original maturity of more than 3 months but less than 12 months	3,758.41	3,779.50	3,977.40	6,999.01
Total	4,028.72	3,789.40	3,986.00	7,005.11

11.1 The a(ii) deposits include ₹ 2,870.93 Million pledged with banks against over draft facility in F.Y. 2017-18 ₹ 3,182.80 Million, in F.Y. 2016-17 ₹ 3611.70 Million and in F.Y. 2015-16 ₹ 5520.00 Million. Margin against guarantee ₹ 98.581 Million, in F.Y. 2017-18 ₹ 95.5 Million, in F.Y. 2016-17 ₹ 95.38 Million and in F.Y. 2015-16 ₹ 90.30 Million.

11.2 In case of subsidiary, the a(ii) deposits includes ₹ 364.75 Millions, in F.Y. 2017-18 ₹ 384.44 Millions, in F.Y. 2016-17 ₹ 0.23 Million, and in F.Y. 2015-16 ₹ 346.71 Million pledged with Indian Bank, Andhra Bank and Bank of Baroda against Bank Guarantee and Overdraft facility.



MSTC LIMITED**Annexure VI : Notes to Restated Consolidated Financial Information**

Amount ₹ in Millions

12 . Other financial assets (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Security deposits	348.93	352.60	513.60	757.64
(b) Other loans and advances				
(1) Loans to employees	5.51	6.90	8.10	7.54
(2) Advances to employees	7.13	5.40	5.50	4.94
(3) Receivable from vendors / contractors / third party	8.15	5.40	97.80	-
(4) Claims Receivable	-	-	4,508.10	4,508.14
(3) Other Advances	3.36	18.50	1.40	1.51
(c) Interest accrued on				
(1) Term deposits	108.35	128.80	69.70	51.34
(2) Loans to employees	0.08	0.15	0.10	0.24
	481.51	517.75	5,204.30	5,331.35
Less: Allowances for bad & doubtful other financial assets	-	-	4,508.10	4,508.10
Other financial assets	481.51	517.75	696.20	823.25
Classification of other financial assets (Current):				
Unsecured, considered good	481.51	517.75	696.20	823.25
Doubtful	-	-	4,508.10	4,508.10
Less: Allowance for bad and doubtful financial assets	-	-	4,508.10	4,508.10
Net Loans and advances	481.51	517.75	696.20	823.25

13 .Other assets (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Advance with public bodies				
(1) Customs, Excise, Sales Tax ,Port Trusts etc.	124.62	106.10	48.00	132.74
(b) Prepaid Lease Payments Cost	0.76	0.70	0.00	-
(d) Other loans and advances				
(a) Advances to employees	23.62	14.40	15.30	13.74
(b) Ex-employees (employer's PF contribution)	-	-	4.50	-
(c) Advances to suppliers and service providers	9.28	5.20	5.10	9.74
(d) Prepaid expenses	1.01	13.90	14.90	16.74
(e) Others	3.25	3.30	84.00	3.24
Total Other assets	162.54	143.60	171.80	176.20
Classification of other assets:				
Secured, considered good	9.82	8.40	7.40	-
Unsecured, considered good	152.72	135.20	164.40	176.20
Doubtful	-	-	-	-
Gross Loans and advances	162.54	143.60	171.80	176.20



MSTC LIMITED

Annexure VI : Notes to Restated Consolidated Financial Information

14 . Share Capital

Amount ₹ in Millions

Particulars**Authorised:**

5,00,00,000 Ordinary Shares of ₹10 each

Issued, Subscribed and fully paid up :

352,00,000 Ordinary Shares of ₹10 each

As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
500.00	500.00	500.00	500.00
500.00	500.00	500.00	500.00
352.00	352.00	176.00	88.00
352.00	352.00	176.00	88.00

14(a)(i) Statement of Reconciliation of Shares Outstanding

Particulars	As at September 30, 2018			As at March 31, 2018			As at March 31, 2017			As at 31 March 2016		
	Number	Face Value (Rs.)	Amount (Rs. Millions)	Number	Face Value (Rs.)	Amount (Rs. Millions)	Number	Face Value (Rs.)	Amount (Rs. Millions)	Number	Face Value (Rs.)	Amount (Rs. Millions)
Opening Shares Outstanding	3,52,00,000	10	352.00	1,76,00,000	10	176.00	88,00,000	10	88.00	88,00,000	10	88.00
Add:												
Issue of Bonus Shares				1,76,00,000	10	176.00	88,00,000	10	88.00			
Closing Shares Outstanding	3,52,00,000	10	352.00	3,52,00,000	10	352.00	1,76,00,000	10	176.00	88,00,000	10	88.00

Rights, preferences and restrictions attached to equity shares.

14(a)(ii) The Company has only one class of ordinary shares ('Equity Shares') having a par value of ₹10 each. Each holder of ordinary shares ('Equity Shareholders') is entitled to one vote per share and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

14(a)(iii) 66,00,000 bonus shares have been issued during F.Y 2012-13 in the ratio of 3:1

14(a)(iv) : 88,00,000 bonus shares have been issued during F.Y 2016-17 in the ratio of 1:1

14(a)(v) : 1,76,00,000 bonus shares have been issued during F.Y 2017-18 in the ratio of 1:1

14(a)(vi) : Details of shareholders holding more than 5% of share holding

Name of the Shareholder	As at September 30, 2018		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
President of India including his nominees	31625600	89.85%	31625600	89.85%	15812800	89.85%	7906400	89.85%



MSTC LIMITED

Annexure VI : Notes to Restated Consolidated Financial Information

Amount ₹ in Millions

15 .Other Equity

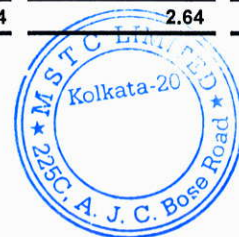
Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Capital Reserve				
Opening balance	341.60	341.60	341.60	341.60
Add: Transfer from Retained Earnings	-	-	-	-
Closing Balance	341.60	341.60	341.60	341.60
General Reserve				
Opening balance	6,482.50	6,052.60	5,903.70	5,374.70
Add: Transfer from Retained Earnings	0.00	429.90	148.90	528.20
Add: Excess provision for DDT written back	-	-	-	0.80
Closing Balance	6,482.50	6,482.50	6,052.60	5,903.70
Retained Earnings				
Opening balance	(3,514.51)	(2,509.90)	(3,186.60)	232.40
Add: Profit/(Loss) for the period	(158.84)	(64.81)	1,391.50	(2,471.00)
Other Comprehensive income for the year	36.91	(33.10)	(57.40)	(187.40)
Less: Final Dividend: FY 14-15	-	-	-	182.20
Less: Final Dividend: FY 15-16	-	-	180.40	-
Less: Final Dividend: FY 16-17	-	249.90	-	-
Less: Final Dividend: FY 17-18	260.48	-	-	-
Less: Interim Dividend FY 16-17	-	-	167.20	-
Less: Dividend Distribution Tax: FY 14-15 (on final)	-	-	-	50.20
Less: Dividend Distribution Tax: FY 15-16 (on final)	-	-	36.80	-
Less: Dividend Distribution Tax: FY 16-17 (on final)	-	38.50	-	-
Less: Dividend Distribution Tax: FY 16-17 (on interim)	-	-	36.10	-
Less: Dividend Distribution Tax in Subsidiary : FY 17-18 (on interim)	-	12.40	-	-
Less: Issue of Bonus Shares	-	176.00	88.00	-
Less: Transfer to General Reserve	-	429.90	148.90	528.20
Closing Balance	(3,896.92)	(3,514.51)	(2,509.90)	(3,186.60)
Total Other Equity	2,927.18	3,309.59	3,884.30	3,058.70

16 . Trade Receivables (Non Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Trade Receivables				
(1) Unsecured, considered good	-	4.40	0.50	0.20
Total Trade Receivables	0.00	4.40	0.50	0.20

17 .Trade payables (Non Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
# Creditors for supplies and services				
- Dues to micro and small enterprises	-	-	-	-
- Others	2.64	2.64	2.64	2.64
Total trade payables	2.64	2.64	2.64	2.64



MSTC LIMITED

Annexure VI : Notes to Restated Consolidated Financial Information

Amount ₹ in Millions

18 . Other financial liabilities (Non Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Liability under EFBS Scheme	8.53	9.40	6.80	8.40
Total other financial liabilities	8.53	9.40	6.80	8.40

19 - Provisions (Non Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits				
(1) Defined benefit Obligations				
(i) Employees Family Benefit Scheme	58.18	61.20	49.60	28.10
(ii) Gratuity	38.74	285.60	40.10	-
(2) Retirement Benefit Obligations				
(i) Post Retirement Medical Benefit	208.17	242.90	276.70	186.90
(ii) Contributory Post Retirement Medical Benefit	16.34	16.70	22.20	19.50
(iii) Employees Settlement Benefit Scheme	3.29	3.60	3.80	3.70
(3) Other employee benefits				
(i) Leave Encashment Benefit	216.15	255.10	233.40	193.70
(ii) Long Service Awards	0.53	0.24	0.20	0.30
(b) Other Provisions				
Claim Payable to vendor for escalation claim	28.51	28.00	26.90	25.80
Total Provisions	569.91	893.34	652.90	458.00



MSTC Limited**Annexure VI : Notes to Restated Consolidated Financial Information****20 . Other liabilities (Non Current)**

Amount ₹ in Millions

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(i) Advance from customers	64.39	57.70	40.80	36.80
(ii) Others	15.99	15.99	16.00	25.90
Total Other liabilities	80.38	73.69	56.80	62.70

21 - Borrowings (Non Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Secured Borrowings				
Repayable on Demand from Bank				
House Building Loan from SBI	33.41	-	-	-
Total	33.41	0.00	0.00	0.00

The amount represents the loan obtained from State Bank of India for the construction of Office Building at Newtown, Rajarhat Kolkata. Out of the total sanctioned amount of Rs 300 Million Rs 60.76 Million has been disbursed on 29/09/2018. The amount is secured by way of mortgage of the proposed office building. The loan is repayable in 24 Quarterly EMI bearing interest @ 8.75% p.a., commencing from 30th June 2019 and last installment falling due on 31st March 2025. Interest is computed on daily balance method and is payable on monthly rest basis from the date of disbursement. Prepayment charges as applicable shall be payable in case of prepayment of Term loan installments.

22 . Borrowings (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
A. Secured Borrowings				
(a) Repayable on Demand From Banks				
(i) Working Capital Demand Loans#	1,128.38	4,186.00	3,155.70	938.60
(ii) Overdraft against lien on FDR*	396.44	2,039.60	1,291.60	2,158.51
(iii) House Building Loan from SBI (Refer Note No. 21)	25.00	-	-	-
Total Secured Borrowings	1,549.82	6,225.60	4,447.30	3,097.11
B. Unsecured Borrowings				
(a) Repayable on Demand				
From Banks	1,436.20	1,436.20	2,436.20	3,436.20
Total Unsecured Borrowings	1,436.20	1,436.20	2,436.20	3,436.20
Total Borrowings	2,986.02	7,661.80	6,883.50	6,533.31

a) The above secured borrowings includes Loan from Indian Overseas Bank (IOB) amounting to ₹13.8 Million : (lying since 19.9.2011)

This amount represents legal fees paid by the bank in defending their claims to which the Company has lodged its protest with the Bank. MSTC has filed a case in Hon'ble High Court of Calcutta against IOB for ₹ 365.6 Million (which includes ₹ 279.8 Million towards debit of LC value & ₹ 85.8 Million as debit towards legal expenses).

b) The above unsecured borrowings represents amount of ₹1436.20 Millions on account of payment by Standard Chartered Bank(SCB) to MSTC towards purchase of exports bills for gold jewellery during 2008-09, under a Receivable Purchase Agreement. Under the said agreement SCB would be paying 95% of the value of export bills to MSTC and foreign buyers would be paying for the bill directly to SCB on respective due dates of the bills. The same transactions were covered by SCB through an insurance policy with ICICI Lombard General Insurance Company. On non receipt of proceeds from foreign buyers, SCB submitted claims with the insurance company. The Insurance company repudiated the claim of SCB. There after, SCB converted the receivables into loan, claimed the amount from MSTC and filed a case in DRT, Mumbai in 2012. Subsequently SCB also filed a suit in Bombay High Court against the insurance company which is yet to be disposed off. MSTC has been contesting the claim of SCB in DRT and other forums. Pending disposal of the cases, MSTC has shown the amount simultaneously as Borrowing and Receivables under Note No 9 for better presentation.

Appropriate disclosure has been made as contingent liabilities for the interest claimed by SCB on the above mentioned amount of claim as per IndAS 37.

Secured against Current Assets .

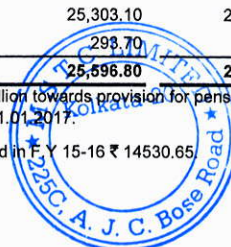
* Secured by lien on FDR current year ₹ 2,870.93 Million , 2017-18 ₹ 3,182.80 Million , 2016-17 ₹ 3611.70 Million & 2015-16 ₹ 5520.00 Million.

23 . Trade payables (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(1) Creditors for supplies and services				
- Dues to micro and small enterprises	-	-	-	-
- Others #	21,408.68	25,473.10	25,303.10	21,506.00
- Accrued wages and salaries*	492.62	565.10	293.70	225.70
Total trade payables	21,901.30	26,038.20	25,596.80	21,731.70

*Includes ₹ 170.26 Millions , in F.Y 2017-18 ₹158.2 Millions, in F.Y 2016-17 ₹ 132.20 Million and in F.Y 2015-16 ₹ 110.80 Million towards provision for pension benefit of employees, and ₹148.3 Millions (previous years ₹107.7 Millions) towards wage revision of the employees due from 01.01.2017.

Trade Payable includes ₹ 15629.51 Million backed by Letter of credit , in 2017-18 ₹ 19921.20, in F.Y 2016-17 ₹ 20933.28 and in F.Y 15-16 ₹ 14530.65



MSTC LIMITED**Annexure VI : Notes to Restated Consolidated Financial Information**

Amount ₹ in Millions

24 . Other financial liabilities (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Interest payable				
(i) Interest accrued but not due on borrowings	788.90	788.90	788.90	788.90
(ii) Interest accrued and due on borrowings	0.00	0.70	1.00	-
(b) Unclaimed dividends	270.31	9.90	8.60	6.10
(c) Creditors for other liabilities				
(1) Security deposits/EMD	7,134.29	3,888.10	6,048.04	7,668.80
(2) Deposits received from customers	4,925.58	3,846.30	1,244.44	348.60
(3) Deposit under EFBS	12.76	13.20	7.40	7.40
(4) Payable under EFBS Deposit schemes	2.95	3.10	2.20	2.20
(5) Others	12.05	6.70	4.72	5.40
Total other financial liabilities	13,146.84	8,556.90	8,105.30	8,827.40

25 . Provisions (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits				
(1) Defined benefit Obligations				
(i) Employee Family Benefit Scheme	14.27	15.50	11.20	8.50
(2) Retirement Benefit Obligations				
(i) Post Retirement Medical Benefit	3.37	5.70	5.00	5.70
(ii) Contributory Post Retirement Medical Benefit	0.86	0.70	0.50	0.30
(iii) Employees Settlement Benefit Scheme	0.37	0.30	0.30	0.30
(3) Other employee benefits				
(i) Leave Encashment Benefit	18.98	14.20	9.40	9.70
(ii) Long Service Awards	0.19	0.10	0.20	0.20
(iii) Wage Revision	131.49	94.30	355.20	258.00
(iv) Additional Resource Generation Scheme payable to Non-executives	6.55	6.50	7.50	8.10
(v) Performance Related Pay	-	14.20	27.00	20.30
For 2016-17	12.58	-	-	-
For 2017-18	1.61	-	-	-
(vi) Gratuity Payable	-	-	-	223.60
(vii) Pension Scheme	51.71	44.30	29.10	61.70
(b) Other Provisions*	16.92	16.90	22.60	25.50
Total Provisions	258.90	212.70	468.00	621.90

* Other Provisions includes accident claim, demand raised by MVI, etc. in case of subsidiary company.



Annexure VI : Notes to Restated Consolidated Financial Information

26 . Other liabilities (Current)

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(i) Statutory Dues				
(a) Sales tax and VAT payable	-	-	25.10	69.70
(b) Service Tax & GST payable	225.29	136.00	60.00	54.40
(c) Tax deducted and collected at source	19.34	77.00	38.70	47.10
(d) Provident Fund and Pension	16.84	20.80	13.90	13.60
(e) Others	0.45	0.20	3.00	2.00
(ii) Advance from customers	34.80	31.80	23.70	21.80
Total Other liabilities	296.72	265.80	164.40	208.60

27 - Tax Liability

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Provision for tax	-	-	-	5,337.30
Less: Advance Tax	-	-	-	5,317.70
Net Tax Liability	-	-	-	19.60
Total Other liabilities	0.00	0.00	0.00	19.60

28 . Assets classified as held for sale

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Property, Plant and Equipment	29.19	25.90	26.40	26.80
(b) Liabilities associated with asset held for sale	2.45	2.50	0.70	0.80

(1) Asset classified as held for sale is classified under "Current Assets" at their written down value since these assets have already been retired from normal continuing operations and is held only for sale / auction. Further, where management expects that any part of the said assets is likely to be disposed off within one year on the Balance Sheet date, the same are classified as current assets.

(2) The material value of asset classified as held for sale deposited by the vendor has been covered under liabilities associated with asset held for sale till the lifting of material.



MSTC LIMITED**Annexure VI : Notes to Restated Consolidated Financial Information**

Amount ₹ in Millions

29 . Revenue from operations

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Sale of Goods	10,952.14	15,652.40	11,955.00	26,948.00
(b) Service Charges	1,425.85	2,756.20	2,028.00	1,519.20
(c) Other Operating Revenues	647.52	1,054.00	303.90	448.30
(d) Processing of scrap & other items	1,742.36	3,171.00	3,086.00	3,316.00
(e) Custodian Services for Warehouse Management	0.00	18.30	15.70	20.10
(f) Service related to valuation of assets	1.25	2.10	3.60	-
Total Revenue from Operations	14,769.12	22,654.00	17,392.20	32,251.60

(a) During the year, an amount of ₹28.45 Millions in F.Y. 2017-18 ₹60.80 Millions, in F.Y. 2016-17 ₹ 34.60 and in F.Y 2015-16 ₹ 36.90 Million was collected towards E-auction Registration. Out of total collection of current year, an amount of ₹ 25.62 Millions till Sept 2018, F.Y. 2017-18 ₹48.70 Million, F.Y. 2016-17 ₹ 27.60 Million and in F.Y. 2015-16 ₹ 29.60 Million has been kept in liabilities to be distributed in subsequent four years, since related registration is valid for life long. Accumulated undistributed balance standing as on 30.09.2018 is ₹ 99.19 Millions, as on 31.03.2018 balance is ₹89.50 Millions, as on 31.03.2017 balance is ₹ 64.50 Million and as on 31.03.2016 balance is ₹ 58.60 Million. Balance amount for which registration is valid upto one year is accounted for as income during the current year.

(b) Other Operating Revenues also include Interest from customers ₹ 605.18 Millions in current year, in F.Y. 2017-18 ₹ 967.3 Millions, in F.Y 2016-17 ₹ 242.40 Million and in F.Y 2015-16 ₹ 249.30 Million.

(c) Tax deducted at source on Service Charge and Interest income amounts to ₹ 80.71 Millions in current year, in F.Y 2017-18 ₹ 180.60 Millions, in F.Y 2016-17 ₹ 212.90 Million and in F.Y 2015-16 ₹ 175.60 Million.

30 . Other income

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Interest income				
(1) Interest on FDR	134.92	267.30	440.10	713.90
(2) Interest on Employee Advances	1.71	3.90	4.10	3.90
(b) Liability written back	0.00	281.70	0.00	71.10
(c) Provision no longer required written back	0.63	4,718.20	890.90	31.50
(d) Sale of Sub-assemblies	-	-	1.80	0.20
(e) Profit on Sale of Assets	0.22	0.50	0.60	3.50
(f) Liquidated damages and other recoveries	0.85	2.00	2.00	0.90
(g) Miscellaneous income	8.05	3.90	30.30	1.40
Total Other Income	146.38	5,277.50	1,369.80	826.40

30.1 Tax deducted at source from interest on bank deposits amounted to ₹ 9.45 Millions, in F.Y. 2017-18 ₹ 18.90 Millions, in F.Y 2016-17 ₹ 34.50 Million and in F.Y 2015-16 ₹ 57.40 Million).



MSTC LIMITED**Annexure VI : Notes to Restated Consolidated Financial Information**

Amount ₹ in Millions

31 . Purchases of Stock-in-Trade

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Purchases of Stock-in-Trade	10,834.97	14,789.60	12,424.70	25,538.40
(b) Lancing Tubes	1.41	4.10	4.30	5.90
(c) Oxygen & Acetylene	11.93	36.20	47.00	45.50
(d) Lubricants	7.18	14.90	15.10	16.40
(e) Diesel & Gasolene	146.17	233.40	210.60	172.90
(f) Stores & Spare Parts	61.34	103.20	114.10	122.00
(g) Water, Power, Fuel	7.94	11.40	10.30	8.70
Total	11,070.94	15,192.80	12,826.10	25,909.80

32 . Employee Benefit Expense

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Salaries and wages, including bonus	646.57	1,534.60	1,221.20	1,099.60
(b) Contribution to provident and other funds				
(1) Provident Fund	72.41	400.50	110.50	95.90
(c) Staff welfare expenses	68.42	179.80	159.80	205.80
Total Employee Benefit Expense	787.40	2,114.90	1,491.50	1,401.30

(I) In pursuant to Ministry of Steel's Order , complying the directive of Honble High Court of Kolkata, pay correction of Executive employees of holding company was effected w.e.f. 01.04.1999. The impact of this is ₹ 157.40 Millions which is included in the figures of F.Y 2017-18.

(II) As per Gazette Notification S.O 1420(E) dated 29/03/2018 the ceiling of Gratuity has been enhanced from ₹ 1.00 Millions to ₹ 2 .00 Millions. ₹ 249.10 Millions towards the impact of this charge has been recognised as past service cost in F.Y 2017-18.

33 . Finance costs

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Interest expense				
(1) Interest on Short term borrowings	99.19	193.30	500.80	779.70
(2) Interest Paid to Customers	235.04	480.30	175.80	193.40
(3) Interest on account of EFBS Deposits	0.35	-	0.60	0.70
Total finance costs	334.58	673.60	677.20	973.80



MSTC LIMITED**Annexure VI : Notes to Restated Consolidated Financial Information****34 . Other expenses**

Amount ₹ in Millions

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Repairs and Maintenance	42.90	98.50	89.30	71.10
(b) EDP Expenses	6.14	15.00	27.10	28.00
(c) Insurance charges	7.90	10.40	6.50	4.90
(d) Rent	18.16	36.60	34.30	48.00
(e) Rates and taxes	6.10	22.50	64.80	5.60
(f) Bank Charges	63.18	180.10	107.20	68.90
(g) Travelling Expenses	18.11	45.90	46.00	40.10
(h) Foreign Travelling Expenses	1.31	0.80	1.10	2.60
(i) Car Hire Charges	4.40	12.30	12.20	10.90
(j) Meeting and Conference	5.64	11.00	18.30	7.30
(k) Training	0.49	4.80	1.50	1.60
(l) Directors' Sitting Fees	0.30	0.30	0.20	0.20
(m) Statutory Auditors' Remuneration				
(i) Audit Fees	0.28	0.80	0.80	0.70
(ii) Tax Audit Fees	-	0.10	0.10	0.10
(iii) Out-of-Pocket Expenses	0.48	0.80	0.50	0.50
(n) Telex, Postage and Telegram	4.08	4.80	4.90	4.70
(o) Electricity	6.87	11.90	11.90	12.90
(p) Printing and Stationery	1.75	6.40	7.60	7.50
(q) Entertainment	1.24	2.20	2.00	2.20
(r) Telephone Charges	1.92	5.50	6.20	5.90
(s) Advertisement	6.05	10.20	17.80	11.90
(t) Legal Expenses	5.09	13.80	17.30	29.00
(u) Consultancy Charges	4.11	11.10	11.90	5.80
(v) Internal Audit fees	0.00	0.20	0.20	0.20
(w) Out-of-Pocket Expenses (Internal Auditor)	0.18	0.40	0.40	0.30
(x) Miscellaneous Expenses	12.76	23.90	26.10	28.70
(y) Staff Recruitment Expenses	1.80	2.80	0.20	1.10
(z) Newspaper, Books and Periodicals	0.12	0.50	0.30	0.50
(aa) Corporate Social Responsibility (Refer Note No - 45)	2.60	27.80	14.70	16.80
(ab) Auction Tender Expenses	1.23	5.30	5.10	7.40
(ac) Cost of services through outside agency/Equipment rent	669.33	1,267.00	1,194.60	1,227.20
(ad) Hiring of manpower for operational activities	36.70	54.00	32.30	27.10
(ae) Security Services	16.54	35.30	20.60	17.00
(af) Expenses for Custodian Services	1.45	17.40	10.60	12.20
(ag) Provision for claim payable	0.55	1.10	1.10	1.10
(ah) Swachh Bharat Cess	0.00	1.60	6.60	2.90
(ai) Expenses for Valuation Services	0.28	0.60	0.60	-
(aj) Bad Debts Written off	-	4,594.10	241.80	-
(ak) Allowance for Bad and Doubtful Advances/Debts *	1,285.65	2,225.11	312.20	3,586.80
(al) Stock Yard Expenses	5.51	1.00	-	-
(am) Freight	2.68	6.70	4.10	-
(an) Loss of written off / Sale of Fixed Assets	0.03	-	6.30	1.30
(ao) Plot Rent	0.37	0.70	-	-
Total Other Expenses	2,244.28	8,771.31	2,367.30	5,301.00

*** Notes on Allowance for Bad and Doubtful Advances/Debts**

a) Trade Receivables included, M/s Adhunik Metaliks Ltd. The company stood referred to NCLT, Kolkata on a petition filed by a creditor w.e.f. 03/8/2017. MSTC duly registered its Claim with the Resolution Professional. Resolution Plan approved at NCLT had not considered procurements made by MSTC during the CIRP of the Company as part of CIRP costs having priority over other debts of the Company and provided for NIL liquidation value payable to MSTC. MSTC have lodged a complaint in NCLT against Shri Sumit Binani, (Resolution Professional) and Grant Thornton INDIA (Adviser to Resolution Professional) for which hearing is continuing. It is also learnt that the successful resolution applicant M/s Liberty House Group has not paid the EMD and upfront charges within the stipulated period as per the Resolution Plan. Hence there is a doubt of the sustainability of M/s Adhunik Metaliks Ltd. as a going concern. Besides as per the last volumetric assessment conducted by M/s Cotecna Inspection India Private Limited in the month of August 2018, huge shortage of material for almost all materials valuing Rs. 969.78 Millions was detected. Besides the usability and realizability of the material which is still lying in stockyard is uncertain since the plant is close down for more than 6 months.

In view of the above as per prudent accounting practice provision for the entire outstanding net of EMD, for Rs. 1100.81 Millions has been made in the books of accounts.

(b) Trade Receivables included Global Coke Ltd. The book balance of the customer as on 30.09.2018 is Rs. 282.80 Millions, net of EMD balance of Rs. 1.00 Millions Out of which a token provision of Rs. 103.00 Millions is already existing in books of accounts.

The party has been referred to NCLT and MSTC has filed its claim before Resolution Professional (RP). Although the Sindhudurg Plant of the Company is operational, the Jamnagar Plant is still closed. Our Pledged material is lying in Jamnagar Plant and due to its closure the consumption is not possible. We have requested the RP to allow us to sale the pledged materials under Risk Sale Clause with the consent of Committee of Creditors (COC). However the RP replied that as per COC, the pledged materials are an encumbered asset, thus as per IBC code sell of such asset is falling beyond the power of COC.

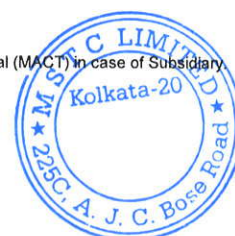
Thus in view of the uncertainties involved for realisation, as per prudent accounting practice provision for the entire outstanding net of EMD for Rs. 179.80 Millions has been made in the books of accounts.

35 - Exceptional Items

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Provision for Demand on Compensation	-	-	0.50	4.00
Total	-	-	0.50	4.00

Explanation to Exceptional Items

The amount of exceptional item shown above is in respect of interest payable to the claimant as per the order of Motor Accident Claim Tribunal (MACT) in case of Subsidiary.



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Annexure VI : Notes to Restated Consolidated Financial Information

Note 36 (a) . Statement of Opening Stock, Purchases, Sales and Closing Stock for the period ended 30th Sept, 2018

		(Qty '000 MT) (Amount ₹ in Millions)							
Description of material		Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Crude Oil	Sept 2018	-	-	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-	-	-
	2016-17	-	-	1,170.00	3,462.00	1,170.00	3,497.40	-	-
	2015-16	-	-	-	-	-	-	-	-
Coke / Coal	Sept 2018	-	-	1,328.47	9,070.11	1,328.47	9,176.21	-	-
	2017-18	104.00	707.40	2,533.35	13,730.65	2,637.35	14,584.71	-	-
	2016-17	40.00	152.90	2,291.00	8,955.20	2,227.00	8,429.20	104.00	707.40
	2015-16	337.00	1,468.30	5,658.00	25,493.50	5,955.00	26,902.30	40.00	152.90
Pipes & Tubes	Sept 2018	-	-	97.34 mt.	1,764.87	97342 mt.	1,775.94	-	-
	2017-18	-	-	31.38 mt.	757.41	31.38	762.21	-	-
	2016-17	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-	-	-
Iron Ore	Sept 2018	-	-	-	-	-	-	-	-
	2017-18	-	-	63.34	302.65	63.34	307.19	-	-
	2016-17	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-	-	-
	Sept 2018				10,834.97		10,952.14		
	2017-18				14,790.72		15,654.11		
	2016-17				12,417.20		11,926.60		
	2015-16				25,493.50		26,902.30		
Add :	Sept 2018	Final Bill Adjustment							
	2017-18				(1.07)		(1.72)		
	2016-17				5.10		28.40		
	2015-16				44.90		45.70		
Add :	Sept 2018	Other Direct Expenses							
	2017-18								
	2016-17				2.40				
	2015-16				-		-		
Closing	Sept 2018				10,834.97		10,952.14		
	2017-18				14,789.65		15,652.39		
	2016-17				12,424.70		11,955.00		
	2015-16				25,538.40		26,948.00		

Note: Opening & Closing Stocks are both stock in transit.



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Note 36 (b) . In addition to above the Company have also purchased material as facilitator as per details below:

		(Qty '000 MT) (Amount ₹ in Millions)		
Description of material		Qty	Purchase Value	Service Charges Earned
H R Coil	Sept 2018	-	-	-
	2017-18	10.00	476.60	4.50
	2016-17	1.00	31.30	0.30
	2015-16	1.00	12.00	0.30
Coke / Coal	Sept 2018	568.44	6,484.93	92.94
	2017-18	1,650.00	13,222.30	184.70
	2016-17	1,052.00	7,789.10	160.30
	2015-16	500.00	2,584.00	74.10
Billets	Sept 2018	-	-	-
	2017-18	25.00	779.70	7.70
	2016-17	53.00	1,278.50	13.90
	2015-16	-	-	-
Naptha	Sept 2018	-	-	-
	2017-18	109.00	3,397.20	37.80
	2016-17	267.00	7,988.00	87.30
	2015-16	382.00	9,128.10	113.40
Iron Ore / Pellete	Sept 2018	6,442.42	20,613.64	230.99
	2017-18	12,222.00	31,702.90	384.80
	2016-17	3,884.00	4,907.60	81.90
	2015-16	525.00	2,487.00	72.20
Manganese Ore	Sept 2018	-	-	-
	2017-18	55.00	663.30	6.60
	2016-17	3.00	54.60	0.90
	2015-16	18.00	124.60	5.00
DRI	Sept 2018	-	-	-
	2017-18	318.00	1,253.10	16.80
	2016-17	25.00	370.90	5.60
	2015-16	-	-	-
Misc Items	Sept 2018	361.20	925.85	10.94
	2017-18	1,625.00	2,154.30	29.50
	2016-17	116.00	4,263.90	47.70
	2015-16	-	-	-
TMT Bar	Sept 2018	281.12	3,843.79	34.08
	2017-18	290.00	12,725.80	119.40
	2016-17	85.00	3,275.60	30.90
	2015-16	-	-	-
Chrome Ore	Sept 2018	37.49	464.21	4.64
	2017-18	23.00	255.00	2.50
	2016-17	127.00	927.20	11.40
	2015-16	4.00	35.90	1.60
Channel	Sept 2018	107.40	1,432.53	12.89
	2017-18	-	-	-
	2016-17	63.00	2,186.50	20.60
	2015-16	-	-	-
Electrical Equipment/Project Materials	Sept 2018	15.70	4,181.17	35.99
	2017-18	-	16,254.70	147.50
	2016-17	-	478.60	7.40
	2015-16	-	1,611.90	29.80
Total	Sept 2018	7,833.77	37,946.13	422.48
	2017-18	16,327.00	82,884.90	941.80
	2016-17	5,676.00	33,551.80	468.20
	2015-16	1,430.00	15,983.50	296.40



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Note 36(c) . Segmental Reporting as per IndAS 108:

In terms of IndAS 108 the Group has identified Marketing, E-Commerce and Scrap Recovery & Allied Jobs as its three Primary Reportable Business Segments. There is no Secondary Segment.

Amount ₹ in Millions

Particulars		Marketing	E-Commerce	Others (unallocated)	Scrap Recovery & Allied Jobs	Total
Total Revenue	Sept 2018	12,075.18	1,045.71	2.80	1,791.81	14,915.50
	2017-18	22,627.50	1,900.60	5.10	3,398.30	27,931.50
	2016-17	13,854.10	1,618.80	6.60	3,282.50	18,762.00
	2015-16	28,114.70	1,277.50	219.40	3,466.40	33,078.00
Total Expenses	Sept 2018	12,506.95	12.48	395.11	1,596.26	14,510.80
	2017-18	23,169.01	25.60	1,129.90	3,272.50	27,597.01
	2016-17	13,199.10	33.20	781.00	2,920.80	16,934.10
	2015-16	31,468.30	40.70	648.40	2,864.00	35,021.40
Profit/(Loss) before Tax	Sept 2018	(431.77)	1,033.23	(392.31)	195.55	404.70
	2017-18	(541.51)	1,875.00	(1,124.80)	125.80	334.49
	2016-17	655.00	1,585.60	(774.40)	361.70	1,827.90
	2015-16	(3,353.60)	1,236.80	(429.00)	602.40	(1,943.40)
Tax expenses	Sept 2018					563.54
	2017-18					399.30
	2016-17					436.40
	2015-16					527.60
Profit/(Loss) for the year	Sept 2018					(158.84)
	2017-18					(64.81)
	2016-17					1,391.50
	2015-16					(2,471.00)

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between the segments. Hence the Management believes, that it is currently not practicable to provide segment disclosure related to assets and liabilities.

Information about major customers

The revenues from transactions with a single external customer amounting to 10 per cent or more of the entity's revenues are given below:-

(Amount in ₹ Millions)

Major Customer (Customer having more than 10% revenue)	Sept 2018	2017-18	2016-17	2015-16
Total Revenue	10952.14	15,435.60	10,008.30	20046.21
No. of Customers	3	3	3	3
% of Total Revenue	74.00	68.00	58.00	62.00
Product Segment	Marketing and Scrap Recovery & Allied Jobs	Marketing and Scrap Recovery & Allied Jobs	Marketing and Scrap Recovery & Allied Jobs	Marketing and Scrap Recovery & Allied Jobs



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Annexure VI : Notes to Restated Consolidated Financial Information

Amount ₹ in Millions

37 (a) Expenditure incurred in Foreign Currency :

Particulars	As at September 30, 2018	2017 - 2018	2016 - 2017	2015-16
Import of Goods	10876.88	22,530.00	19,224.30	13593.60
Travelling Expenses & other	0.65	0.30	0.80	1.70
Total	10,877.53	22,530.30	19,225.10	13,595.30

37 (b) Earnings in Foreign Currency :

Particulars	As at September 30, 2018	2017 - 2018	2016 - 2017	2015-16
E auction Registration fees	0.27	0.1	0.1	0.50
Total	0.27	0.1	0.1	0.50

38 . Contingent Liabilities & Commitments**(a) Contingent Liabilities**

SI No.	Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1	Sales Tax & Customs	365.23	421.40	483.40	475.00
2	Money Suits	1420.56	1,452.20	1,672.90	1,560.50
3	Arbitration	3.02	3.00	4.40	265.50
4	Legal Expense	0.00	-	-	32.50
5	Income Tax	65.42	70.60	52.90	42.90
6	Service Tax	970.28	956.20	930.10	835.00
7	Claims against the company not acknowledged as debt	6.14	6.00	7.30	7.30
8	Outstanding Bank Guarantees	137.56	137.56	162.56	42.69
	Total	2968.20	3,046.96	3,313.56	3,261.39

(b) Commitments

SI No.	Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1	Construction of New Office Building at New town Kolkata	101.47	265.10	-	
2	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	124.57	43.56	15.92	55.70
	Total	226.04	308.66	15.92	55.70

39 . Micro Small And Medium Enterprises

The amount due to MSME (as disclosed in note no 23) is to the extent such undertakings have been identified. The company has normally made payment to MSME units in due time and there are no claim from the parties for interest or overdue payment. The company is following the guidelines of Public Procurement Policy for Micro & Small Enterprises (MSMEs) Order 2012.



40. Tax Expenses

(i) Income Tax Recognised in the Statement of Profit and Loss

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(1) Current Tax				
- For the current period	393.50	53.26	445.10	600.60
- For earlier years	0.00	0.00	5.90	9.4
(2) Deferred Tax	170.04	346.04	(14.60)	(82.40)
Total income tax expense recognised in the current year	563.54	399.30	436.40	527.60

(ii) The income tax expense for the period can be reconciled to the accounting profit (loss) as follows:

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(1) Profit before tax for the year	414.55	347.59	1,832.60	(1,943.40)
(2) Income tax expense calculated at 34.944 % (2017-18, 34.608 %)	-	410.00	429.00	505.50
(3) Effect of expenses that are not deductible in determining taxable profit	110.02	(717.70)	8.20	22.20
(4) Effect of income that is exempt from tax	(1.39)	2.70	(5.40)	(0.30)
(5) Effect of expenses that are deductible in determining taxable profit	232.37	(0.70)	(1.30)	0.20
(6) Carry Forward of Business Loss	-	705.00	-	-
(7) Adjustment in respect of current tax of prior years	-	-	5.90	-
(8) Reversal of MAT credit	222.54	-	-	-
	563.54	399.30	436.40	527.60

The tax rate used for the year 2018-19 and 2017-18 in the reconciliations above is the corporate tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4 %) and 34.608% (30% plus surcharge @ 12% and education cess @ 3 %) respectively payable by corporate entities in India on taxable profits under the Indian tax law.

For Deferred Tax calculation of financial year 2018-19, income tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4 %).

There is carry forward of business loss and depreciation aggregating to ₹664.97 Millions. However the holding company has a MAT liability of ₹329.47 Millions for which company is entitled to credit in next assessment years against tax payable on income for those years. The Company feels that it will earn sufficient profit in coming years, not only to offset the carry forward loss but also will have taxable profit. Accordingly deferred tax assets has been recognised for carry forward of business loss, depreciation and MAT credit entitlement. However no Deferred tax asset has been created on the provision for Doubtful Debts of ₹ 4933.36 Millions in case of holding company as per Conservative approach.

Disclosure in terms of IndAS-8

Particulars	As at March 31, 2018
Total Comprehensive Income attributable to owners of the company reported earlier	739.10
Adjustments for Prior period items:	
MAT credit reversed in Tax Expenses	(222.54)
MAT credit reversed in Deferred Tax Assets	222.54
Total Comprehensive Income attributable to owners of the company reported	739.10
Deferred Tax Assets	3,038.30
Adjustment for MAT credit reversal	(222.54)
Net	2,815.76
Non Current Tax Assets	349
Adjustment for MAT credit reversal	222.54
Net	571.54

Note: There was an error in the calculation of MAT for F.Y 2017-18, A.Y 2018-19 in case of holding company. The MAT was not applicable for that year. Accordingly the same has been rectified during the same period in terms of provision of IndAS-8. There is no effect in total comprehensive income for the period due to this adjustment.



(iii) Movement in Deferred Tax

Particulars	As at March 31, 2016	Charge/ (credit) for the Year	As at March 31, 2017	Charge/ (credit) for the Year	As at March 31st 2018	Charge/ (credit) for the Year	As at September 30, 2018
Through Profit or Loss							
Deferred Tax Liabilities							
Employee Family Benefit Scheme	-	-	-	-	-	-	-
Property Plant & Equipment and Intangible Assets and others	17.10	4.50	21.60	6.20	27.80	0.70	28.50
	17.10	4.50	21.60	6.20	27.80	0.70	28.50
Deferred Tax Assets							
Property Plant & Equipment Others	-	-	-	0.70	0.70	(0.19)	0.51
Provision against other expenses	203.20	(5.20)	198.00	48.60	246.60	(26.19)	220.43
Provision for Doubtful Debts & Advances	1,367.20	23.50	1,390.70	468.10	1,858.80		1,858.80
Allowances for Doubtful Claims Receivable	1,560.20	-	1,560.20	(1,560.20)	-	-	-
Provision for Vendor Escalation	1.30	-	1.30	6.80	8.10	0.11	8.30
Unabsorbed business losses	-	-	-	704.96	704.96	(472.58)	232.38
Others	9.40	0.80	10.20	(8.80)	1.30	0.04	1.34
MAT credit entitlement						329.47	329.47
Net Deferred Tax (Liabilities)/ Assets	3,141.30	19.10	3,160.40	(339.84)	2,820.46	(169.34)	2,651.23
Total Deferred Tax (Liabilities)/ Assets	3,124.20	14.60	3,138.80	(346.04)	2,792.66	(170.04)	2,622.73
Through Other Comprehensive Income							
Deferred Tax Assets							
Remeasurement of Defined Benefit Plan			31.70		23.10	(8.55)	14.55
Gross Deferred Tax (Liabilities)/ Assets	3,124.20	14.60	3,170.50	(346.04)	2,815.76	(178.59)	2,637.28

41 . Earnings per Share

Particulars	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Profit for the year	(158.84)	(64.81)	1,391.50	(2,471.00)
Profit attributable to Shareholders	(158.84)	(64.81)	1,391.50	(2,471.00)
Weighted average No. of Shares for Basic EPS	7,04,00,000	7,04,00,000	7,04,00,000	7,04,00,000
Nominal value of Ordinary Shares (₹)	10.00	10.00	10.00	10.00
Basic/Diluted Earnings per Share (₹ Per Share)	(2.26)	(0.92)	19.77	(35.10)

Note - The Company has issued/allotted Bonus Shares in the ratio of 1:1 in the Board Meeting held on 11th Jan 2019 to the shareholders whose name are appearing on the record date.



42 . Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note to the consolidated financial statements.

(1) Categories of Financial Instruments

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end. Carrying value is equivalent to the fair value.

Financial assets	As at 30th Sept 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	Measured at
	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	
Trade Receivables	31881.49	36172.01	34598.64	25816.14	Amortised cost
Other Financial Assets	736.91	1073.35	765.40	1403.55	Amortised cost
Cash and Cash Equivalents	1508.66	1758.60	902.40	3071.15	Amortised cost
Other Bank Balances	4028.72	3789.40	4721.70	7005.11	Amortised cost
Investments	78.15	88.00	26.30	0.00	Amortised cost
Total Financial Assets	38233.93	42881.36	41014.44	37295.94	
Financial Liabilities					
Borrowings	3019.43	7661.80	6883.50	6533.31	Amortised cost
Trade Payables	21903.94	26040.84	25599.44	21734.34	Amortised cost
Other Financial Liabilities	13155.37	8566.30	8112.10	8835.80	Amortised cost
Total Financial Liabilities	38078.74	42268.94	40595.04	37103.45	

(2) Capital Management

The Company manages its capital to ensure that the company is able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group is not subject to any externally imposed capital requirements.

(3) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (like-currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade of financial instruments, including derivative financial instruments, for speculative purposes.

(a) Market Risk

The Company's activities exposes it, primarily to the financial risks of changes in foreign currency exchange rates. On a case to case basis, the Group enters into Forward foreign exchange contracts to hedge the exchange rate risk.

(a) Interest rate risk management

At present Company has converted maximum of its loan to MCLR based, hence the rate is firm for a contract period usually for a year. Further Interest on Overdraft facility is linked with interest of Fixed deposits, which are usually firm for one year.

(b) Foreign Currency risk management

The foreign currency exposure of the Company is due to import liabilities. Transactions are on back to back basis with customers. The gain and loss if any is passed on to the customers. Some times forward cover is taken to hedge the related foreign currency exposure in terms of discussion with the customers. Wherever foreign exchange fluctuations are to be borne by the customers as per agreement with them, foreign exchange gain/ loss are not recognized in the books of the Group.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transact with entities that are rated by agencies where available and if not available, the Group uses other publicly available financial information and its own past records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are monitored and the aggregated value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Senior management committee.

(c) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual undiscounted cash obligations of financial liabilities including estimated interest payments September 30, 2018, as at March 31, 2018, as at March 31, 2017 & as at March 31, 2016.

Financial Liabilities	As at 30th Sept 2018				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions
Borrowings	3,019.43	3,019.43	3,019.43	-	-
Trade payables	21,903.94	21,903.94	21,901.34	2.60	-
Other financial liabilities	13,155.37	13,157.69	13,147.49	7.90	2.30
	35,059.31	35,061.63	35,048.83	10.50	2.30



Financial Liabilities	As at March 31, 2018				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions
Borrowings	7,661.80	7,661.80	7,661.80	-	-
Trade payables	26,040.84	26,040.84	26,038.24	2.60	-
Other financial liabilities	8,566.30	8,569.00	8,557.00	8.30	3.70
	34,607.14	34,609.84	34,595.24	10.90	3.70

Financial Liabilities	As at March 31, 2017				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions
Borrowings	6,883.50	6,883.50	6,883.50	-	-
Trade payables	25,599.44	25,599.44	25,596.84	2.60	-
Other financial liabilities	8,112.10	8,114.46	8,105.26	6.10	3.10
	33,711.54	33,713.90	33,702.10	8.70	3.10

Financial Liabilities	As at March 31, 2016				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions	amount ₹ in Millions
Borrowings	6,533.31	6,533.31	6,533.31	-	-
Trade payables	21,734.34	21,734.34	21,731.74	2.60	-
Other financial liabilities	8,835.80	8,838.80	8,827.40	7.40	4.00
	30,570.14	30,573.14	30,559.14	10.00	4.00



Annexure VI : Notes to Restated Consolidated Financial Information
43 . Related Party Transaction

(a) Compensation to Key Managerial Personnel

Particulars	Nature of related party / relationship	Short Term benefit (amount ₹ in Millions)			
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	Total
Current Period as at Sept 30th,2018					
Sri Bambahadur Singh	Chairman cum Managing Director	2.67	0.04	-	2.71
Sri A.K Basu	Director (Finance)	2.00	0.05	-	2.05
Smt Bhanu Kumar	Director (Commercial)	2.38	0.03	-	2.41
Sri S.K Ray (upto 27.07.2018)	Company Secretary	0.48	-	-	0.48
Sri A.K.Rai (From 27.07.2018)	Company Secretary	0.61	-	-	0.61
Sri Gangaram Aloria	Independent Director	0.09*	-	-	0.09
Dr. Rudramauni Shivayogeppa Yeli	Independent Director	0.06*	-	-	0.06
Smt. Pravati Parida	Independent Director	0.03*	-	-	0.03
Sri T V Muralivallabhan	Independent Director	0.12*	-	-	0.12
Sri Rajib Bhattacharya	Managing Director	1.80	0.03	0.15	1.97
Sri Satadal Mitra	Chief Financial Officer	1.44	0.08	0.20	1.72
Sri Ashok Mishra	Company Secretary	0.69	0.03	0.04	0.75
As at March 31st,2018					
Sri Bambahadur Singh	Chairman cum Managing Director	4.22	0.95	0.92	6.10
Sri A.K Basu	Director (Finance)	4.03	0.96	0.38	5.37
Smt Bhanu Kumar (from 12.10.2017)	Director (Commercial)	1.19	0.90	0.70	2.79
Sri S.K Ray	Company Secretary	3.00	0.09	-	3.09
Sri Gangaram Aloria	Independent Director	1.05*	-	-	0.10
Sri T V Muralivallabhan	Independent Director	1.65*	-	-	0.17
Sri Rajib Bhattacharya	Managing Director	4.00	0.80	0.10	4.90
Sri Satadal Mitra	Chief Financial Officer	3.10	0.20	-	3.30
Sri Ashok Mishra	Company Secretary	1.30	-	0.10	1.40
As at March 31st,2017					
Sri Bambahadur Singh (From 01.06.2016-31.03.2017)	Chairman cum Managing Director	3.60	0.30	-	3.90
Sri Bambahadur Singh (From 01.04.2016-31.05.2016)	Director (Commercial)	-	-	-	-
Sh. S.K Tripathi (From 01.04.2016.-31.05.2016)	Chairman cum Managing Director	2.90	0.10	-	3.00
Sri A.K Basu	Director (Finance)	4.00	0.20	-	4.20
Sri S.K Ray	Company Secretary	2.80	0.10	-	2.90
Sri Ajay Kumar Goyal	Independent Director	1.19*	-	-	0.19
Sri Rajib Bhattacharya	Managing Director	2.60	-	0.10	2.70
Sri Satadal Mitra	Chief Financial Officer	2.10	0.10	0.20	2.40
Sri A P Sharma	Company Secretary	2.10	-	-	2.10
Sri Ashok Mishra	Company Secretary	0.20	-	-	0.20



As at March 31st, 2016

Sh. S.K Tripathi (From 01.04.2016-31.05.2016)	Chairman cum Managing Director	6.70	0.30	-	7.00
Sri A.K Basu	Director (Finance)	4.40	0.20	-	4.60
Sri Bambahadur Singh	Director (Commercial)	4.10	0.20	-	4.30
Sri S.K Ray	Company Secretary	3.60	0.20	-	3.80
Sri N C Jha	Independent Director	.18*	-	-	0.18
Sri Rajib Bhattacharya	Managing Director	2.38	1.18	-	3.56
Sri A. P. Sharma (From 01.04.2016- 31.05.2016)	Company Secretary	2.22	0.49	-	2.72

Note : * It indicate Directors Sitting Fees.

(i) Since the facility of private use of car for limited mileage is provided by the company to the Directors, such facility has not been considered as benefit/perquisite.

(ii) The above includes Performance related pay on actual payment basis.

(b) Transaction with FSNL Limited (100% Subsidiary)

Particulars	(amount ₹ in Millions)			
	As at 30th Sept 2018	2017-18	2016-17	2015-16
Payment of Custodian Service for the Warehouse Management	1.98	23.00	17.60	25.55
Amount Received for providing E-Auction Service	0.02	0.10	0.10	0.01

(c) Transaction with Mahindra MSTC Recycling Private Limited (50:50 Joint Venture)

Particulars	(amount ₹ in Millions)			
	As at 30th Sept 2018	2017-18	2016-17	2015-16
Investment in Joint Venture	-	75.00	31.00	-
Amount received towards reimbursement of expenditure	0.47	0.80	0.70	-
Deposit for Appointment of Director paid	-	0.10	-	-
Deposit for Appointment of Director received back	-	0.10	-	-

Note- The above list of Related Party is as per disclosure requirement of IndAS 24 .



MSTC Limited

Annexure VI : Notes to Restated Consolidated Financial Information

44 . Employee Benefits

Defined Contribution Plans

1. Provident Fund

12% of Basic pay and dearness allowance contributed to the provident fund trust by the Group.

2. Leave Encashment Benefit

In case of subsidiary, it is payable on separation to eligible employees, shall be limited to 300 days (Earned Leave and Half-Pay Leave combined), and HPL shall not be commuted as per DPE Guidelines for calculation of 300 days limit. Encashment of accumulated earned leave is also allowed upto 30 days once in a calendar year.

3. Post Retirement Settlement Benefit

In case of subsidiary, it is payable to retiring employees for settlement at their declared home town.

4. Employee Family Benefit Scheme

In case of subsidiary, monthly payment to disabled separated employees / legal heirs of deceased employees in lieu of prescribed deposit till the notional date of superannuation of deceased employees.

5. Long Term Service Award

In case of subsidiary, it is payable in kind for rendering minimum 25 years of service and also on superannuation.

Defined Benefits Plans

1. Gratuity:

The Gratuity is payable on separation at the rate of 15 days pay for each completed year of service to eligible employees who render continuous service for a minimum period of 5 years and upto 30 years. The Gratuity is calculated at the rate of one month's wages last drawn by the employee for every completed year of service in excess of 30 years. The maximum amount of Gratuity payable to employee is ₹ 2 Million.

The Gratuity is funded with LIC of India. Till March'18 the Company contributed in the fund every year as premium on the basis of demand raised by LIC of India which was accounted as Gratuity on the basis of payment of premium. In addition, the company has done actuarial valuation of Gratuity Fund in accordance with Ind AS 19.

2. Post Retirement Medical Benefit:

The Post Retirement Medical Benefit is a medical benefit to the superannuated employees and their spouse. The members will be covered through Mediclaim Insurance admitted of the Insurance Company. This is available to superannuated employees at any hospital under the Mediclaim Insurance Policy. In addition to this expenses incurred in domiciliary treatment is also reimbursed as per prescribed ceiling. The benefits are funded through a separate trust formed for this purpose. The Company provides the corpus for this. Deficit if any is being compensated by the company. Till F.Y 2015-16, the company used to contribute to the fund based on own estimates. From F.Y 2016-17, first time actuarial valuation has been done and accordingly liability has been provided in the books of accounts.

3. Contributory Scheme for Post Retirement Medical Facilities (Domiciliary):

In case of subsidiary, the payment of medical facilities (Domiciliary) to the separated executives as covered under contributory scheme for post retirement medical facilities (domiciliary) for executives.

Investment risk		The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments. Further, the overseas plan has a relatively balanced investment in equity securities, debt instruments and real estates. Due to the long-term nature of the plan liabilities, the board of the overseas Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk		A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk		The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk		The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(a) The company has recognised an amount of ₹ 125.62 Million in Statement of Profit and Loss for the half year ended 30th Sept 2018, in F.Y 2017-2018 ₹ 149.20 Million, in F.Y 2016-17 ₹ 117.50 Million and in F.Y 2015-16 ₹ 96.80 Million as expenses under defined contribution plans.

Benefit (Contribution to)	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Provident Fund & others	125.62	149.20	117.50	96.80
Total	125.62	149.20	117.50	96.80



(b) The company operates post retirement defined benefit plans as follows :

i. Funded:

- a. Gratuity.
- b. Post Retirement Medical Benefit Scheme.

ii. Unfunded:

- a. In case of subsidiary, Post Retirement Medical Benefit Scheme is unfunded.

(c) Details of the Gratuity Plan are as follows :

Description	As at September 30, 2018	For the year ended		
		March, 31st 2018	March, 31st 2017	March, 31st 2016
1. Assumptions				
a. Discount rate (per annum)	8.00%	7.40%	6.90%	
b. Estimated rate of return on plan assets (per annum)	8.00%	7.40%	6.90%	
c. Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	
In case of subsidiary, rate of escalation in salary (per annum)	Non-Executive-10% for the first year and 6% thereafter Executive-10% for first year and 5% thereafter	Non-Executive-10% for the first year and 6% thereafter Executive-10% for first year and 5% thereafter	Non-Executive-10% for the first year and 6% thereafter Executive-10% for first year and 5% thereafter	
2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Gratuity are as follows:				
	As at September 30, 2018	For the year ended		
		March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
a. Current service cost	55.25	258.60	10.40	NA
b. Service Cost	55.25	258.60	10.40	
c. Net Interest on net defined benefit liability / (asset)	17.92	0.90	8.70	
d. Cost recognized in P&L	73.16	259.50	19.10	
Remeasurement on the net				
a. Actuarial (gain)/loss due to DBO Experience	62.44	38.60	(16.60)	
b. Actuarial (gain)/loss due to DBO assumption	(79.19)	(2.40)	30.50	
c. Actuarial (gain)/loss arising during period	(16.75)	36.20	13.90	
d. Return on plan assets (greater)/less than discount	(10.81)	(2.20)	0.90	
e. Actuarial (gains)/losses recognised in OCI	(27.56)	34.00	14.80	
f. (Income)/Cost recognized in OCI	(27.56)	34.00	14.80	

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss w.e.f F.Y 2017-18 on the basis of actuarial valuation under INDAS 19.

4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

5(a). Movements in the present value of the defined benefit obligation are as follows	For the year ended			
	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
a. Obligation as at the beginning of	2,578.16	593.10	588.30	NA
b. Current Service Cost	55.25	9.40	10.40	
c. Interest Cost on DBO	91.49	39.00	43.70	
d. Past Service Cost- Plan	-	249.10	-	
e.Acquisitions (credit)/cost	10.68			
f. Actuarial gains and losses arising	(81.66)	(2.40)	30.50	
g. Actuarial gains and losses	64.91	38.60	(16.60)	
h. Benefits paid from plan asset	(210.67)	(55.60)	(63.20)	
i. Closing defined benefit	2,508.17	871.20	593.10	
5(b). Movements in the fair value of the plan assets are as follows	For the year ended			
	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
a. Fair value of the assets at the	1,674.74	559.50	364.70	NA
b. Interest Income on plan assets	73.58	38.10	35.00	
c. Employer Contributions	838.40	41.30	223.90	
d. Return on plan assets	10.81	2.20	(0.90)	
e. Benefits paid	(210.67)	(55.60)	(63.20)	
f. Fair Value of assets at the end	2,386.85	585.50	559.50	



6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of a 1% change in discount rate	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Increase				
(i) aggregate current service and interest cost	(124.17)	(43.00)	(31.60)	
(ii) closing balance of obligation	2,384.00	828.20	561.60	
Decrease				NA
(i) aggregate current service and interest cost	139.42	47.30	35.00	
(ii) closing balance of obligation	2,647.59	918.60	628.10	

Effect of a 1% change in salary escalation rate	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Increase				
(i) aggregate current service and interest cost	79.62	32.70	6.60	
(ii) closing balance of obligation	2,587.78	903.90	599.80	
Decrease				NA
(i) aggregate current service and interest cost	(80.54)	(34.30)	(8.10)	
(ii) closing balance of obligation	2,427.63	836.90	585.00	

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

8. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years

Details of the Post Retirement Medical Benefit Scheme are as follows :

Description	As at September 30, 2018	For the year ended		
		March, 31st 2018	March, 31st 2017	March, 31st 2016
1. Assumptions				
a. Discount rate (per annum)	8.00%	7.40%	6.90%	NA
b. Medical Inflation (per annum)	5.00%	5.00%	5.00%	
2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Post Retirement Medical Benefit Scheme are as follows:				
	As at September 30, 2018	For the year ended		
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
a. Current service cost	25.64	8.80	10.20	
b. Service Cost				
c. Net Interest on net defined benefit liability / (asset)	30.30	17.30	15.10	
d. Cost recognized in P&L	55.94	26.10	25.30	
Remeasurement on the net defined benefit liability/asset:				
e. Actuarial (gain)/loss due to DBO Experience	(64.14)	34.30	36.10	NA
f. Actuarial (gain)/loss due to DBO assumption	(130.21)	(24.60)	36.40	
g. Actuarial (gain)/loss arising during period	(194.35)	9.70	72.50	
h. Return on plan assets (greater)/less than discount	(54.21)	(5.70)	(0.40)	
i. Actuarial (gains)/losses recognised in OCI	(248.56)	4.00	72.10	
j. Adjustments for limit on net assets	-	-	-	
k. (Income)/Cost recognized in OCI	(248.56)	4.00	72.10	

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.

4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

Movements in the present value of the defined benefit obligation are as follows	As at September 30, 2018	For the year ended		
		March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
a. Obligation as at the beginning of the year	1,909.38	330.90	240.30	
b. Current Service Cost	25.64	8.80	10.20	
c. Interest Cost	69.32	22.30	18.30	
d. Actuarial gains and losses arising from changes in financial assumptions	(129.03)	(24.60)	36.30	NA
e. Actuarial gains and losses arising from experience adjustments	(65.31)	34.40	36.10	
f. Benefits paid directly by the Company	(71.43)	(14.40)	(10.40)	
g. Closing defined benefit Obligation	1,738.56	357.40	330.80	



6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of a 1% change in discount rate	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
Increase	₹ in Million	₹ in Million	₹ in Million	₹ in Million
(i) aggregate current service and interest cost	(181.84)	(42.20)	(41.70)	
(ii) closing balance of obligation	1,556.72	315.20	289.10	
Decrease				NA
(i) aggregate current service and interest cost	222.05	51.90	51.90	
(ii) closing balance of obligation	1,960.61	409.30	382.70	

Effect of a 1% change in medical inflation rate	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
Increase	₹ in Million	₹ in Million	₹ in Million	₹ in Million
(i) aggregate current service and interest cost	158.79	45.10	44.50	
(ii) closing balance of obligation	1,897.35	402.50	375.30	
Decrease				NA
(i) aggregate current service and interest cost	(129.69)	(36.90)	(36.00)	
(ii) closing balance of obligation	1,608.87	320.50	294.80	

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

8. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

In case of subsidiary, details of the Contributory Scheme for Post Retirement Medical Facilities (Domiciliary) are as follows :

Description	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
1. Assumptions				
a. Discount rate (per annum)	8.00%	7.40%	6.90%	NA
b. Medical Inflation (per annum)	Not Applicable	Not Applicable	Not Applicable	

2. Amounts recognised in	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
a. Current service cost	0.28	0.81	0.79	
b. Service Cost	0.28	0.81	0.79	
c. Net Interest on net defined	0.64	1.55	1.53	NA
d. Immediate recognition of	-	-	-	
e. Cost recognized in P&L	0.92	2.36	2.33	
Remeasurement on the net				
a. Actuarial (gain)/loss due to DBO Experience	0.09	(6.09)	(1.29)	
b. Actuarial (gain)/loss due to DBO assumption	(0.96)	(1.08)	2.20	
c. Actuarial (gain)/loss arising during period	(0.88)	(7.18)	0.91	NA
d. Actuarial (gains)/losses recognised in OCI	(0.88)	(7.18)	9.07	
e. (Income)/Cost recognized in	(0.88)	(7.18)	9.07	

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.

4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

5. Movements in the present value of the defined benefit obligation are as follows	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
a. Obligation as at the beginning of the year	(17.45)	(22.72)	(19.82)	
b. Current Service Cost	(0.28)	(0.81)	(0.79)	
c. Interest Cost	(0.64)	(1.55)	(1.53)	
d. Actuarial gains and losses arising from experience adjustments	-	-	-	NA
g. Benefits paid directly by the Company	0.29	0.46	0.33	
h. Amounts recognized in OCI	0.88	7.18	(0.91)	
i. Closing defined benefit Obligation	(17.20)	(17.45)	(22.72)	



6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of a 1% change in discount rate	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Increase				
(i) aggregate current service and interest cost	(1.75)	(1.89)	(2.42)	
(ii) closing balance of obligation	(18.96)	(19.34)	(25.15)	
Decrease				NA
(i) aggregate current service and interest cost	2.09	2.27	2.92	
(ii) closing balance of obligation	(15.11)	(15.18)	(19.81)	

Effect of a 1% change in medical inflation rate	As at September 30, 2018	March, 31st 2018	March, 31st 2017	March, 31st 2016
Increase				
(i) aggregate current service and interest cost	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(ii) closing balance of obligation	-	-	-	
Decrease				
(i) aggregate current service and interest cost	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(ii) closing balance of obligation	-	-	-	

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

8. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



MSTC LIMITED
45. Statement of other comprehensive income for the period
Amount ₹ in Millions

	As at 30th Sept 2018	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2016
I Items not subsequently reclassified to profit or loss				
(a) Remeasurement gains / (losses) on defined benefit plans				
(i) Remeasurement gains / (losses) on defined benefit plans during the p	56.73	(30.80)	(87.80)	(286.50)
(ii) Net movement in regulatory deferral account balances related to remeasurement gains/(losses)				
(iii) Share of joint ventures				
(iv) Share of associates				
(v) Tax on remeasurement gain / (loss) on defined benefit plans	(19.82)	(2.10)	30.40	99.10
(b) Fair valuation of equity instruments designated as fair value through OCI			-	-
(i) Gain/(loss) on fair valuation				
(iii) Net movement in regulatory deferral account balances related to fair value of equity instruments				
(iv) Share of joint ventures		0.20		
(v) Share of associates				
(vi) Tax impact				
Total Other Comprehensive Income (a+b)	36.91	(33.10)	(57.40)	(187.40)



MSTCLimited**Annexure VI : Notes to Restated Consolidated Financial Information****46 . Expenditure incurred on Corporate Social Responsibility Activities**

- a. In accordance to Section 135 of the Companies Act 2013 , gross amount required to be spent by the company during the period - ₹ 20.00 Millions.
- b. The group has incurred ₹ 2.6 Millions in current half year, in F.Y 2017-18 ₹ 27.80 Millions , in F.Y 2016-17 ₹ 15.73 Million and in F.Y 2015-16 ₹ 14.70 Million as CSR expenditure.

Particulars	Amount ₹ in Millions			
	As at 30th Sept 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(1) Construction/ Renovation of any asset	2.00	12.90	4.60	2.80
(2) Construction of Toilet Blocks	-	4.00	4.50	10.00
(3) Tube Wells	-	6.90	0.80	0.50
(4) other	0.60	4.00	4.80	3.50
	2.60	27.80	14.70	16.80

Above figures are disclosed separately in note no 34(aa).

- 47 . Balances of Trade Receivables, Trade Payables and Advances includes balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made.

- 48 . The Company is preparing the financials for six months period ending 30.09.2018 (April'18 to Sept'18)for the first time. Hence the comparable figures of previous six months is not available.

In terms of our report of even date

For D.K. Chhajjer & Co.

Chartered Accountants

FRN : 304138E



(CA Niraj K Ujjhwal)

Partner

M. No : 057170

Dated : 11.01.2019

Place Kolkata

For and on behalf of the Board of Directors of

MSTC LIMITED



(B.B. Singh)

CHAIRMAN CUM

MANAGING DIRECTOR

(DIN- 03212787)



(R K Chaudhuri)

CHIEF GENERAL MANAGER

FINANCE & ACCOUNTS

Subrata Sarkar

(Subrata Sarkar)

DIRECTOR

FINANCE

(DIN- 8290021)



(Ajay Kumar Rai)

COMPANY SECRETARY



Annexure VII : Statement on Adjustment to Audited Consolidated Financial Statements

Amount ₹ in Millions

Reconciliation of Profit/(Loss)				
Particulars	Sept 2018	2017-18	2016-17	2015-16
Audited Profit/(Loss) After Tax	(3,806.55)	772.20	798.40	932.80
Add(Less): Effect of Qualified Opinion of Auditors on Trade Receivable	(3,647.71)	837.01	(593.10)	3,403.80
Resated Profit/(Loss) After Tax	(158.84)	(64.81)	1,391.50	(2,471.00)

Amount ₹ in Millions

Reconciliation of Other Equity				
Particulars	Sept 2018	2017-18	2016-17	2015-16
Audited Other Equity	2,927.16	6,957.30	6,695.00	6,462.50
Opinion of Auditors on Trade Receivable	-	(3,647.71)	(2,810.70)	(3,403.80)
Resated Other Equity	2,927.16	3,309.59	3,884.30	3,058.70

In terms of our report of even date.

For D K Chhajer & Co.

Chartered Accountants

FRN : 304138E



(CA Niraj K Jhunjhunwala)

Partner

M. No : 057170

Dated 11.01.2019

Place: Kolkata



For and on behalf of the Board of Directors

MSTC LIMITED


(B.B. Singh)

CHAIRMAN-CUM-
MANAGING DIRECTOR
(DIN- 03212787)


(R K Chaudhuri)

CHIEF GENERAL MANAGER
FINANCE & ACCOUNTS

subrata sarkar

(Subrata Sarkar)

DIRECTOR
FINANCE

(DIN- 8290021)



(Ajay Kumar Rai)

COMPANY SECRETARY



Annexure VIII : Restated Consolidated Statement of Accounting Ratios

Reporting Date	As at September 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Particulars				
(a) Networth (₹ in Millions)	3,279.18	3,661.59	4,060.30	3,146.70
(b) Net Profit (₹ in Millions)	(158.84)	(64.81)	1,391.50	(2,471.00)
(c) No of Shares as on 30.09.2018	35200000	35200000	35200000	35200000
(d) No of Shares as on reporting date #	70400000	70400000	70400000	70400000
(e) EPS (Basic) (₹)	(2.26)	(0.92)	19.77	(35.10)
(f) EPS (Diluted) (₹)	(2.26)	(0.92)	19.77	(35.10)
(g) Return on Net Worth (percentage)	-4.84%	-1.77%	34.27%	-78.53%
(h) Net Asset Value Per Share (₹)	46.58	52.01	57.67	44.70
(i) EBITDA (₹ in Millions)	803.03	1,131.99	2,626.40	(853.50)
(j) Face Value per Share (₹)	10.00	10.00	10.00	10.00

1. The amounts disclosed above are based on the Restated Consolidated Financial Information of the Company.

2.# Earning Per Share (EPS) are calculated taken into account of the bonus shares issued/allotted in the Board Meeting held on 11/01/2019.

3. The ratio has been computed as below:

Basic Earning Per Share (₹) =
$$\frac{\text{Net profit after tax attributable to owners of the company, as restated}}{\text{Number of equity shares outstanding during as per note 2 above}}$$

Diluted Earning Per Share (₹) =
$$\frac{\text{Net profit after tax attributable to owners of the company, as restated}}{\text{Number of equity shares outstanding during as per note 2 above}}$$

Return on Net Worth (%) =
$$\frac{\text{Net profit after tax attributable to owners of the company, as restated}}{\text{Net Worth as restated as at financial statement date}}$$

EBITDA (₹) = Profit Before Tax (-) Finance Costs(-) Depreciation and Amortisation Expense

In terms of our report of even date
For **D.K. Chhajjer & Co.**
Chartered Accountants
FRN : 304138E

(CA Nishu K. Chhunjhunjwala)
Partner
M. No : 057170

Dated 11.01.2019
Place : Kolkata



For and on behalf of the Board of Directors of
MSTC LIMITED

(B.B. Singh)
CHAIRMAN & MANAGING DIRECTOR
(DIN- 03212787)
(R K Chaudhuri)
CHIEF GENERAL MANAGER
FINANCE & ACCOUNTS

subrata sarkar

(Subrata Sarkar)
DIRECTOR
FINANCE
(DIN- 8290021)

(Ajay Kumar Rai)
COMPANY SECRETARY



MSTC Limited

Annexure IX: Restated Consolidated Statement of Capitalization

Capitalization Statement

	Pre-Issue as at September 30, 2018		Adjusted for the post-Offer #
	Amount ₹ in Crores	Amount ₹ in million	
	Total borrowings		
Current Borrowings*	298.60	2986.02	
Non-current borrowings (including current maturity)*	3.34	33.41	
	Total Equity		
Equity Share Capital*	35.20	352.00	
Other equity*	292.72	2927.18	
Total Capital	327.92	3279.18	
Ratio: Non-Current borrowings / Total equity	0.01	0.01	

* The terms shall carry the meaning as per Schedule –III of the Companies Act 2013 (as amended).

The Company has issued/allotted Bonus Shares in the ratio of 1:1 in the Board Meeting held on 11th Jan 2019 to the shareholders whose name are appearing on the record date. Post this the Equity Share Capital stands at ₹ 70.40 crores / ₹ 704.00 millions.

These amounts (as adjusted for post offer) are not determinable at this stage, hence has not been furnished.

In terms of our report of even date.

For D K Chhajjer & Co.

Chartered Accountants

FRN : 304138E

(CA Niraj K Jhunjhunwala)

Partner

M. No : 057176

For and on behalf of the Board of Directors of

MSTC LIMITED

(R.B. Singh)

CHAIRMAN-CUM-
MANAGING DIRECTOR
(DIN- 03212787)

subratasarkar

(Subrata Sarkar)

DIRECTOR
FINANCE
(DIN- 8290021)

Dated : 11.01.2019

Place: Kolkata



(R K Chaudhuri)

CHIEF GENERAL MANAGER
FINANCE & ACCOUNTS

(Ajay Kumar Rai)
COMPANY
SECRETARY