

HIRA

GODAWARI POWER & ISPAT



ANNUAL REPORT

2018-19

Forward looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substances in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

| | |
|--|------------|
| Company Information | 02 |
| Directors' Report | 03 |
| Corporate Governance Report | 47 |
| Management Discussion & Analysis | 68 |
| Standalone Financials | 75 |
| Consolidated Financials | 115 |
| Financial information of Subsidiary Companies, Associate and Joint Venture Companies | 153 |

Company Information

BOARD OF DIRECTORS

| | |
|----------------------------|---------------------------------|
| Mr. Biswajit Choudhuri | Chairman (Independent Director) |
| Mr. Bajrang Lal Agrawal | Managing Director |
| Mr. Abhishek Agrawal | Executive Director |
| Mr. Dinesh Agrawal | Executive Director |
| Mr. Vinod Pillai | Executive Director |
| Mr. Dinesh Gandhi | Non-Executive Director |
| Mr. Siddharth Agrawal | Non-Executive Director |
| Mr. Shashi Kumar | Independent Director |
| Mr. Bhrigu Nath Ojha | Independent Director |
| Mr. Harishankar Khandelwal | Independent Director |
| Ms. Bhavna G. Desai | Independent Woman Director |

CFO

| | |
|-------------------|-------------------------|
| Mr. Sanjay Bothra | Chief Financial Officer |
|-------------------|-------------------------|

COMPANY SECRETARY

| | |
|--------------|--|
| Mr. Y.C. Rao | Company Secretary & Compliance Officer |
|--------------|--|

AUDITORS

M/s. JDS & Co.
Chartered Accountants, Raipur (C.G.)

BANKERS

| | |
|-----------------------------|----------------------|
| Canara Bank | State Bank of India |
| Bank of Baroda | Axis Bank Ltd. |
| IDBI Bank Ltd. | Indian Overseas Bank |
| The Lakshmi Vilas Bank Ltd. | |

SECURITY / DEBENTURE TRUSTEE:

| | |
|-------------------------------|-----------------------------------|
| Axis Trustee Services Limited | IDBI Trusteeship Services Limited |
|-------------------------------|-----------------------------------|

REGISTERED OFFICE & WORKS:

Plot No. 428/2, Phase I, Industrial Area,
Siltara - 493 111, Dist. Raipur,
Chhattisgarh, India.
Tel: +91 - 771 4082333; Fax: +91 771 4082234

CORPORATE OFFICE

First Floor, Hira Arcade, Near New Bus Stand,
Pandri, Raipur - 492 004, Chhattisgarh, India
Tel.: +91 - 771 - 4082001 Fax: 4057601
Email: yarra.rao@hiragroup.com

MUMBAI OFFICE

Unit No. 403, Synergy Business Park, Sahakar Wadi,
Goregaon (East), Mumbai - 400 063, Maharashtra, India,
Tel: +91 - 22 - 64586100

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 20th Annual Report on the business & operations of the Company together with the Standalone and Consolidated Audited Financial Statement for the year ended 31st March 2019.

1. HIGHLIGHTS OF PERFORMANCE

Standalone Operations:

- Revenue from operations for the year increased by 35.25% to ₹ 2875.25 Crores as compared to ₹ 2125.89 Crores achieved during previous Financial Year.
- EBITDA for the year increased by 43.15% to ₹ 622.63 Crores as compared to EBITDA of ₹ 434.96 Crores achieved in previous Financial Year.
- Profit after tax increased by 17.21% to ₹ 213.26 Crores as compared to net profit of ₹ 181.95 Crores in previous Financial Year.

Consolidated Operations:

- Revenue from operations for the year increased by 31.43% to ₹ 3321.64 Crores as compared to ₹ 2527.38 Crore during the previous Financial Year;
- EBITDA for the year increased by 32.52% to ₹ 795.20 Crores as compared to EBITDA of ₹ 600.04 Crores achieved during previous Financial Year.
- Profit after tax during the year increased by 21.41% to ₹ 260.66 Crores as compared to net profit after tax of ₹ 214.69 Crores during previous Financial Year.

2. FINANCIAL RESULTS

| Particulars | Standalone | | Consolidated | |
|---|----------------|---------|----------------|---------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Gross Revenue from operations | 2875.25 | 2125.89 | 3321.64 | 2527.38 |
| Other Income | 3.00 | 8.21 | 5.83 | 8.66 |
| Total Revenue | 2878.25 | 2134.10 | 3327.47 | 2536.04 |
| Operating expenses | 2255.62 | 1693.62 | 2532.27 | 1930.48 |
| Profit before Interest, Depreciation, Tax and Amortization (EBIDTA) | 622.63 | 440.48 | 795.20 | 605.56 |
| Finance Costs | 182.13 | 184.81 | 252.61 | 263.31 |
| Depreciation and amortization expenses | 90.51 | 89.49 | 132.85 | 131.80 |
| Add: Share of Profit/(Loss) of Associates & Joint Ventures (after tax) | - | - | 3.84 | 3.40 |
| Profit/(loss) before exceptional item and tax | 349.99 | 166.18 | 413.58 | 213.85 |
| Exceptional item | - | 5.52 | - | 5.52 |
| Profit/(Loss) Before Taxation | 349.99 | 160.66 | 413.58 | 208.33 |
| Taxation (including Deferred Tax) | 136.73 | (21.28) | 152.92 | (6.36) |
| Profit/(Loss) after Taxation (PAT) | 213.26 | 181.95 | 260.67 | 214.69 |
| Other Comprehensive Income | (3.10) | 0.73 | (13.85) | 19.67 |
| Total Comprehensive Income for the period comprising profit/(loss) & other comprehensive income for the period | 210.16 | 182.68 | 246.81 | 234.36 |

3. REVIEW OF PERFORMANCE

The Financial Year 2018-19 was yet another challenging year in view of US-China trade dispute and slowing international prices. The business sentiments and demand also had an impact during year under review in view of State and Central Government elections leading to slow down in the consumption and lower GDP growth. The steel prices remained volatile during the year.

Despite the challenging environment your Company's performance has improved considerably net sales growing over 35% and EBITDA registering growth over 43% led by higher production volumes and better pricing environment supported by export of iron ore pellet from the Raipur plant. The company continues to make efforts to divert part of its pellet production to global market. Your company is also endeavoring to produce higher grade of iron ore pellets for export market, which may help Company improve the operating performance.

Stand-alone Operations:

The performance of your Company during the year under review substantially improved due to buoyancy in the steel demand, consumption in domestic markets and export of iron ore pellets. The Company's performance during the year was highest ever in all fronts like sales, operating margins, EBITDA and Net Profit. The highlights of the financial performance for the year are as under:

- Net Sales Revenue increased by 35.25% to ₹ 2875.25 crores from ₹ 2125.89 crores recorded in previous year. The top line has improved on account of higher production volumes coupled with increase in prices of finished products. The Company achieved highest ever production volume in iron ore pellets, Steel rolling mill and wires divisions etc.
- Operating Profit margins during the year under review increased to 21.65% as compared to 20.46% in previous year.
- The Company registered Net Profit after tax of ₹ 210.17 crores as against ₹ 182.68 crores during the previous year.
- Net debt of the Company at the end of year stood at ₹ 1328.21 Crores as against ₹ 1501.81 Crores in previous year, reduction by ₹ 173.61 crores.

Consolidated Operations:

- The revenue from operations during the Financial Year 2018-19 increased to ₹ 3321.64 crores from ₹ 2527.38 crores recorded in previous year registering a growth of 31.43%. The Consolidated performance improved followed by improvement of demand of iron ore pellets by Chinese Steel Industry and export of pellet by your Company and its subsidiary.

- EBIDTA margin increased by 32.52% to ₹ 795.20 Crores as compared to EBITDA of ₹ 600.04 crores achieved in previous year. The consolidated margin also increased consequent upon improvement in margin in pellet business of the Company.
- The Company registered profit before tax of ₹ 413.58 crores as against profit before tax of ₹ 208.33 crores during the previous year registering a growth of 98.52%.
- The net debt on consolidated basis stood at ₹ 1894.05 Crores at the end of the year as compared to ₹ 2127.44 crores at the end of previous year, a reduction of ₹ 233.40 crores.

The detailed performance and financial review has been given in the Annexure to the Directors Report titled "Management Discussion and Analysis".

4. FINANCE

As members of the Company are aware, the debt of the Company was restructured in March, 2017. Your Company has made significant progress since then and your Company and its subsidiaries have been regular in making repayment of debt along with interest thereon. The debt account of the Company with all banks has been upgraded to "Standard Category". Your Company along with its subsidiary has made pre-payment of debt of ₹ 92.76 crores in GPIL and ₹ 36.22 crores in Ardent Steel Limited, in addition to the regular installment of the debt.

5. FURTHER ISSUE OF SECURITIES THROUGH QUALIFIED INSTITUTIONAL PLACEMENT

The shareholders of the Company at the Extra Ordinary General Meeting held on 27th February, 2018 has approved the proposal for raising of funds by further issue of securities, by way of private placement or otherwise. The said approval was valid for a period of one year from the date of passing of resolution. But due to unfavourable market conditions and price fluctuations in the security market, the said issue could not be completed within the stipulated time period of one year.

6. EXPANSION/NEW PROJECTS

Looking at huge emerging growth opportunity for demand of pre-fabricated galvanized structures used for railway electrification, solar power plant, electric grid and street lighting etc, and grow Company business, the Board of Directors of your Company has approved capital investment of ₹ 100 crores approx. (including capex of ₹ 56 Crores already done up-to 31/03/2019) out of normal capex plan for setting up of facility for manufacturing of 110,000 TPA Pre-Fabricated galvanized products. The

entire funds requirement for capex is being met from internal accruals of the Company, including capex done in FY19 as normal capex. The Company aims to grow the business to meet the growing demand for pre-fab galvanized structures.

The project for setting up of hot rolling mill for manufacture of wire rods is progressing fast and the same is expected to be commissioned Q2FY 20.

7. MERGER OF JAGDAMBA POWER & ALLOYS LTD (JPAL)

The proposal for merger of JPAL, having 25 MW Captive Power generation facility with your Company, was approved by the Board of Directors of both the Companies, in their respective meetings held on 19th February, 2018 and subsequently by the stock exchanges. However, the proposal could not pass through in the court convened meeting of shareholders of JPAL and was dropped. However, the supply of electricity from JPAL power plant started during the year under review under a Power Purchase Agreement with JPAL. The location and power plant of JPAL is strategic for meeting your Company's long-term power requirement and therefore the Company continues to pursue the management of JPAL for acquisition of power business.

8. ANNUAL RETURN

The extract of the Annual Return for the period under review is enclosed herewith as **ANNEXURE 01**. The Annual Return will be placed on the website of the Company after the conclusion of the ensuing Annual General Meeting.

9. NUMBER OF MEETINGS OF BOARD

During the period under review, four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 based on the representations received from the operating management and Chief Financial Officer of the Company:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That your Directors have selected such accounting policies and applied them consistently, and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

- c) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) That your Directors have prepared the annual accounts on a going concern basis;
- e) That your Directors had laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively; and
- f) That your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

All Independent Directors of the Company have given declarations as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. SEPERATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors held their separate meeting on 02nd February, 2019 inter alia, to discuss:

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

13. NOMINATION AND REMUNERATION COMMITTEE AND ITS POLICY

Company's Policy on Directors Appointment and Remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013 is attached herewith as **ANNEXURE 02** and is also placed at the website of the Company at www.godawaripowerispat.com.

During the period under review, the Board of Directors at their meeting held on 02.05.2018 had reconstituted the composition of Nomination and Remuneration Committee of the Company, by inducting Mr. Biswajit Choudhuri Independent Director of the Company as a Member of the Committee, in place of Mr. Dinesh Kumar Gandhi, Non Executive Director of the Company.

The Nomination and Remuneration Committee consists of three Independent Directors. More details are given in the Corporate Governance Report.

14. AUDIT COMMITTEE COMPOSITION:

During the period under review, the Board of Directors at their meeting held on 26.10.2018 had reconstituted the composition of Audit Committee of the Company, by inducting Ms. Bhavana Govindbhai Desai, Independent Director of the Company as a Member of the Committee, in place of Mr. Dinesh Kumar Gandhi, Non Executive Director of the Company.

The Audit Committee consists of four Independent Directors all having financial literacy. More details are given in the Corporate Governance Report.

15. AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter, M/s JDS and Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a term of five consecutive Financial Years from the conclusion of Annual General Meeting held on 25.09.2017 till the conclusion of the Annual General Meeting of the Company to be held in the year 2022.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules 2014 M/s Sanat Joshi & Associates has been appointed as cost auditors for conducting Cost Audit for the Financial Year under review.

Internal Auditors

M/s. OPS & Co, Chartered Accountants were appointed as Internal Auditors for the Financial Year under review.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jain Tuteja & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

16. AUDITOR'S REPORTS

• Statutory Auditors

There are no qualifications, reservations, adverse remarks or disclaimers in the statutory Auditor's Report on the financial statements of the Company for the Financial Year 2018-19 and hence does not require any explanations or comments by the Board.

• Frauds reported by the Auditors:

No frauds have been reported by the Auditor during the Financial Year 2018-19.

• Secretarial Audit

The Secretarial Audit Report received from the Secretarial Auditor of the Company for the Financial Year 2018-19 is annexed herewith as **ANNEXURE 03**.

The Company's subsidiary companies namely Godawari Green Energy Limited (GGEL) and Ardent Steel Limited (ASL), being the material subsidiaries of the Company, in accordance with Regulation 24A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 have also obtained Secretarial Audit Reports which are annexed herewith collectively as **ANNEXURE 04**.

There are no qualifications, reservations, adverse remarks or disclaimers in the Secretarial Auditor's Report on secretarial and other applicable legal compliances to be made by the Company and its Material Subsidiary Companies for the Financial Year 2018-19 and hence does not require any explanations or comments by the Board.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given and investments made by the Company as covered under the provisions of Section 186 of the Companies Act, 2013 are given in Standalone Financial Statements (Ref. Notes 5 and 6). Your Company has not extended corporate guarantee on behalf of any other Company.

18. TRANSFER TO RESERVES

Your Company has transferred an amount of ₹ 12.10 Crores to the General Reserves Account during the Financial Year 2018-19 from Debentures Redemption

Reserve Account since the Debentures amounting to ₹ 19.47 crores have been redeemed during the Financial Year 2018-19.

19. DIVIDEND

In view of the restrictions imposed in the Master Restructuring Agreement entered on 30th March, 2017, by the Company with its Lenders for restructuring of debt of the Company, the Board of Directors of the Company have not recommended payment of any dividend for the year under review.

20. TRANSFER OF UNPAID & UNCLAIMED DIVIDEND & SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 125 of the Companies Act, 2013, the outstanding amount of dividend which remained unpaid or unclaimed for a period of seven years and shares whose dividend was unpaid/unclaimed for seven consecutive years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

During the year under review, the Company has credited ₹ 2,21,123/- to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013/ Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

During the year under review, the Company has also transferred 5,304 Equity Shares to the Investor Education and Protection Fund (IEPF) relating to 54 shareholders of the Company, whose dividend were unclaimed/unpaid for seven consecutive years, pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company and the list of shareholders whose shares will be transferred to IEPF account, as on 28th July, 2018 (date of last Annual General Meeting) on the Company's website (www.godawaripowerispat.com at Investors Information – Unclaimed Dividend) and on the website of the Ministry of Corporate Affairs.

Any person, whose unclaimed or unpaid amount has been transferred by the Company to IEPF may claim their refunds to the IEPF authority. For claiming such amount,

claimant needs to file form IEPF-5 along with requisite documents. The detailed procedure for claiming shares and Dividend Amount has been uploaded on the Website of the Company (www.godawaripowerispat.com at Investors Information – Unclaimed Dividend) and also available on the website of IEPF (www.iepf.gov.in).

The Nodal Officer for the purpose of IEPF is Company Secretary and the website address is www.godawaripowerispat.com.

21. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION

There are no materials changes and commitments affecting the financial position of the Company occurred between the 01st April, 2019 to the date of this report.

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **ANNEXURE 05**.

23. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy to identify and evaluate business risks associated with the operations and other activities of the Company and formulated risk mitigations strategies.

24. RISK MANAGEMENT COMMITTEE:

The Company has constituted a Risk Management Committee of the Board ("Risk Management Committee") pursuant to resolution of the Board dated 29.09.2012. The Risk Management Committee consists of Three Independent Directors and two Executive Directors. The detailed composition of the members of the Risk Management Committee at present is given below:

| S. No. | Name | Designation |
|--------|-------------------------|---|
| 1. | Mr. Biswajit Choudhuri | Chairman (Independent Non-Executive Director) |
| 2. | Mr. Bajrang Lal Agrawal | Member (Managing Director) |
| 3. | Mr. Abhishek Agrawal | Member (Executive Director) |
| 4. | Mr. Bhrigu Nath Ojha | Member (Independent Non-Executive Director) |
| 5. | Mr. Shashi Kumar | Member (Independent Non-Executive Director) |

GODAWARI POWER & ISPAT LIMITED

The committee met four times during the year 2018-19 and the attendance of the members at these meetings was as follows:

| Name of the Chairman/ Member and Date of Meeting | Mr. Biswajit Choudhuri | Mr. Bajrang Lal Agrawal | M. Abhishek Agrawal | Mr. Bhriugu Nath Ojha | Mr. Shashi Kumar |
|--|---------------------------|----------------------------|------------------------|--------------------------|---------------------|
| 02.05.2018 | Present | Present | Present | Present | Present |
| 28.07.2018 | Present | Present | Present | Present | Present |
| 26.10.2018 | Present | Present | Present | Absent | Present |
| 02.02.2019 | Present | Present | Present | Present | Present |

The Company has formulated a Risk Management Policy pursuant to the provisions of Companies Act, 2013. The risk management issues are discussed in detail in the report of Management Discussion and Analysis.

25. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted a CSR Committee of the Board ("CSR Committee") pursuant to resolution of the Board dated 15.03.2014.

The Board of Directors at its meeting held on 15.03.2014 approved the powers, role and terms of reference of the CSR Committee in accordance with the provisions of Section 135 of the Companies Act, 2013, and policy framed thereunder has been disclosed on the website of the Company at http://godawaripowerispat.com/wp-content/uploads/csr/csrpolicy_2014.pdf. The CSR Committee consists of One Independent Director and Two Executive Directors. The detailed composition of the members of the CSR Committee at present is given below:

| S. No. | Name | Designation |
|--------|----------------------|---|
| 1. | Mr. Shashi Kumar | Chairman (Independent Non-Executive Director) |
| 2. | Mr. Abhishek Agrawal | Member (Executive Director) |
| 3. | Mr. Vinod Pillai | Member (Executive Director) |

The committee met twice during the year 2018-19 and the attendance of the members at these meetings is as follows:

| Name of the Chairman/ Member and Date of Meeting | Mr. Shashi Kumar | Mr. Abhishek Agrawal | Mr. Vinod Pillai |
|---|---------------------|----------------------------|---------------------|
| 02.05.2018 | Present | Present | Present |
| 02.02.2019 | Present | Present | Present |

CSR Committee's Responsibility Statement:

CSR Committees hereby states that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the Company.

26. ANNUAL REPORT ON CSR ACTIVITIES:

The Annual Report on CSR activities initiated and undertaken by the Company during the year under review is annexed herewith as an **ANNEXURE-06**.

27. ANNUAL EVALUATION OF BOARD ETC.:

The Nomination and Remuneration Committee has formulated criteria for evaluation of the performance of the each of the directors of the Company. On the basis of said criteria, the Board and all its committees and directors have been evaluated by the Board of the Directors and Independent Directors of the Company.

28. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into by the Company during the year under review were on arms length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or related parties which may have a potential conflict with the interest of the Company at large.

29. CHANGES IN NATURE OF BUSINESS:

The Company has been engaged in the business of mining of captive iron ore and manufacturing the Iron Ore Pellets, Sponge Iron, Steel Billets, Wire Rods, HB Wires with generation of Power for captive consumption. There is no change in the nature of business of the Company during the year under review.

30. CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONNELS:

During the period under review, no Directors and Key Managerial Personnel were appointed or reappointed in the Company.

Pursuant to Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Shareholders of the Company was accorded, at the

Extra Ordinary General Meeting held on 26th March, 2019, for continuation of directorship of Mr. Biswajit Choudhuri and Mr. Bhirgu Nath Ojha, as they have attained the age of seventy five years.

Based on the performance evaluation of Independent Directors and their background and experience and contributions made by them during their tenure, the continued association of Mr. Biswajit Choudhuri, Mr. Bhirgu Nath Ojha, Mr. Shashi Kumar, Mr. Harishankar Khandelwal and Ms. Bhavna Govindbhai Desai, would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it was decided by the Board to re-appoint Mr. Biswajit Choudhuri, Mr. Bhirgu Nath Ojha, Mr. Shashi Kumar, Mr. Harishankar Khandelwal and Ms. Bhavna Govindbhai Desai, as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

In accordance with the provisions of Section 152(6) (c) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Siddharth Agrawal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

31. CHANGES IN STATUS OF SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, Hira Energy Ltd (HEL), became subsidiary of Ardent Steel Ltd, a subsidiary of your Company and accordingly HEL became a step down subsidiary of your Company.

The names of your Company's subsidiaries namely Godawari Clinkers and Cement Limited and Godawari Integrated Steels (India) Limited, have been voluntary struck off from the Register of ROC on 31.10.2018 and name of Krishna Global Minerals Limited, have been voluntary struck off on 02.11.2018. These Companies were non-operating Companies and did not commence any business activities.

There were no other changes, in the status of Subsidiaries/ Associates of the Company.

Your Company has also not entered into any new Joint Venture nor terminated any existing Joint Venture during the year under review.

32. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND JOINT VENTURE COMPANIES:

Ardent Steel Limited (ASL):

During the year, ASL produced 572673 MTs of iron ore

pellets & sold 560831.72 MTs of pellets in the market. The Company achieved gross sales of ₹ 353.98 crores, EBIDTA of ₹ 91.52 Crores & PAT of ₹ 44.09 crores during year as compared to gross sales of ₹ 298.86 crore, EBIDTA of ₹ 76.42 crore & PAT of ₹ 28.18 crore during the previous year. The outstanding debt of the Company at the end of the year stood at ₹ 113.28 crore as against ₹ 151.02 crore outstanding as on 31st March, 2018 which is a reduction of ₹ 37.74 crore from last year.

Godawari Green Energy Limited (GGEL)

During the year, GGEL generated 84.91 million units (CUF 19.38%) as compared to 96.54 million units generation in FY18 which is 12% lower. The generation was lower on account of lower DNI during year and grid failure in the month of May 2017. The net revenue, EBIDTA & Loss for the period of the Company stood at ₹ 92.84 crore, ₹ 81.11 crore & ₹ 1.03 crore respectively during the year as compared to ₹ 105.36 crore, ₹ 89.86 crore & ₹ 0.62 crore respectively during previous year. The outstanding debt of the Company at the end of the year stood at ₹ 457.44 crore which is a reduction of ₹ 22.92 crore from last year debt of ₹ 480.36 crore.

The performance and financial position of the Company's subsidiaries namely Ardent Steel Limited; Godawari Green Energy Limited and Godawari Energy Limited, Associate Companies namely Jagdamba Power & Alloys Limited; Hira Ferro Alloys Limited for the Financial Year 2018-19 are given in **ANNEXURE 07**.

The results of Associate Company viz., Chhattisgarh Ispat Bhumi Limited and Joint Venture Companies namely Raipur Infrastructure Company Limited and Chhattisgarh Captive Coal Mining Limited are not yet audited and the results of Hira Energy Limited, Step Down Subsidiary, are not given since they have insignificant impact on the overall consolidated position of the Company.

However, Godawari Energy Limited and Chhattisgarh Captive Coal Mining Limited have not yet commenced their commercial operations and their projects have been abandoned.

33. DEPOSITS:

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

34. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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