Wollongong Coal Limited

ABN 28 111 244 896

Annual Report - 31 March 2021

Wollongong Coal Limited

For the Year Ended 31 March 2021

Contents

Wollongong Coal Limited

Corporate Director

Directors	Mr Milind K. Oza (Executive Chairman) Dr Andrew E. Firek Mr Sanjay Kumar Srivastava Mr Dipen Rughani
Management	Mr Warwick Lidbury (CEO) Mr Wayne Sly (COO) Mr G Shyamsunder (CFO) Mr Sanjay Sharma (Company Secretary) Mr Brian Almeida (Head – HR) Mr Devendra Vyas (Head – Commercial)
Registered office	Lot 31 7 Princes Highway, corner of Bellambi Lane Corrimal, NSW 2518 Ph: +61 (02) 4223 6830 Fx: +61 (02) 4283 7449
Principal place of business	Lot 31 7 Princes Highway, corner of Bellambi Lane Corrimal, NSW 2518
Share register	Boardroom Pty Limited Level 12 225 George Street Sydney, NSW 2000 Ph: 1300 737 760 Fx: 1300 653 459
Auditor	UHY Haines Norton Level 11 1 York Street Sydney, NSW 2000
Bankers/Lenders	State Bank of India Deutsche Bank, London Branch Tor Asia Credit Master Fund LP Cowell & Lee Asia Credit Opportunities Fund CVIC Cayman Securities Ltd. CVI EMCVF Cayman Securities Ltd. CVI CVF III Cayman Securities Ltd. CVI CVF IV Cayman Securities Ltd. CVI AV Cayman Securities LP CVI AA Cayman Securities LP CarVAl GCF Cayman Securities Ltd. Arkkan Opportunities Fund Ltd. Burlington Loan Management DAC Varde Investment Partners, LP SC Lowy Primary Investments Limited Canara Bank, London Bank of Baroda, London UCO Bank, Hong Kong
Website	www.wollongongcoal.com.au
Shareholder Announcements	www.wollongongcoal.com.au/shareholder-announcement/

Director's report

For the Year Ended 31 March 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Wollongong Coal Limited (referred to hereafter as the 'company' WLC' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2021.

Directors

The following persons were the directors of Wollongong Coal Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Milind K Oza
Dr Andrew E Firek
Mr Sanjay Kumar Srivastava
Mr Dipen Rughani

Principal activities

The principal activities of the consolidated entity during the financial period were:

- Continuing efforts to respond to Coronavirus-19 alerts and advises in timely manner;
- Obtaining approval for the Underground Expansion Project (UEP) for mining at Russell Vale Colliery (RVC)
- Pursuing other requirements for and preparing RVC to commence operations;
- Recovering equipment and continuing with works related to sealing the old portal entries at Wongawilli Colliery (WWC); and
- Preparing and lodging the Modification 2 application to renew and develop the North West Mains Driveage at WWC.

Significant changes to activities

The following significant changes in the nature of the principal activities occurred during the financial year:

Coronavirus 19 - adequate measures were taken to monitor and respond to the Coronavirus 19 alerts and advises in a timely manner. Necessary workplace changes were implemented to comply with the latest advises from the health authorities.

RVC - remains on care and maintenance. The application for the UEP was approved by the Independent Planning Commission (IPC) in December 2020 subject to certain conditions. The Commonwealth approval pursuant to the Environment Protection and Biodiversity Conservation (EPBC) is progressing as per the process. The Company continues with the regulatory compliance works and preparing for the mining to recommence.

WWC -remains on care and maintenance. The equipment were recovered and transferred to RVC and works related to the regulatory compliances and sealing the old portal entries continues. The Modification 2 application to renew and develop the North West Mains Driveage was lodged in Nov 2020 and progressing as per the process.

Debt Restructuring and Reduction – the Company, its subsidiaries and associated entities successfully restructured certain secured debts and US $76.82 million was discounted upon paying the initial installment and providing a corporate guarantee of Jindal Steel and Power Limited (JSPL).

Delisting – The Company has been delisted from the Australian Securities Exchange effectively from 18 September 2020. However, the Company remains 'unlisted disclosing entity'. Since delisting, shareholder announcements are lodged with the ASIC and published on its website.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

There was no production in the current or previous financial year. Both collieries were on care and maintenance in last two years.

Total revenue of the consolidated entity was $12,000 (2020: 7,036,000).

The profit for the consolidated entity after providing for income tax amounted to $136,398,000 (2020: loss of $111,990,000) which was mainly due to discount received on secured debt facilities post restructuring. The profit is after a net foreign exchange gain of $100,188,000 (2020: loss of $86,402,000) that mainly relates to the change in the exchange rate between the US dollar and Australian dollar on the consolidated entity's US dollar borrowings.

The net current liabilities of $786,373,000 (2020: $1,089,243,000) includes borrowings and working capital facilities of $777,700,000 (2020: $1,064,949,000). The expected principal repayment due on borrowings for the year ending 31 March 2022 is $138,985,543.

Resource and reserve statement for Wollongong Coal as at 31st March 2021

Introduction

WLC has carried out the resource estimation for RVC and WWC in 2017 as per the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' JORC Code 2012. Accordingly, WLC provides below an updated Resource and Reserve statement in respect of the RVC and WWC in compliance with the 2012 JORC Code.

WLC has completed a drilling exploration program of 10 drill holes in the central and western part of the RVC lease area. All the drilling data are under review to update the geological model as well as the resource estimation as per the JORC Code.

In regards to the RVC, the previously assessed Balgownie seam has been removed due to thin seam thickness, economic criteria and unlikely prospects for extraction. For the Bulli seam, the resource has slightly decreased due to mining attrition. The resource of the Wongawilli seam has increased from 182.8MT to 241.3MT (32% increase). For WWC, the Bulli seam resource has increased from 36MT to 59MT (63.8% increase), while the Wongawilli and Tongarra seams show a small increase (0.5% and 7.8% respectively).

The estimation of Reserves is currently under review by WLC in consultation with a mining consulting company. Due to the more rigorous requirements of the 2012 JORC Code the current mine plans for both RVC and Wongawilli Collieries are not of sufficient detail to meet the required standard.

Russell Vale Colliery

WLC has received the UEP approval for the RVC on 8 December 2020 to extract up to 3.7 million tonnes of coal over the five years using the bord-and-pillar mining method. WLC is also continuing the review and evaluation of all exploration drill holes information to update the resource model as well as the resource estimation. A new resource statement update is in progress for the RVC.

Coal Resources

1. Geology

RVC is located in the Southern Coalfield, which is the southern portion of the Permo-Triassic Sydney Basin and contains the Illawarra Coal Measures of Late Permian Age. Overlying the Illawarra Coal Measures are sandstones, shales and mudstones of the Narrabeen Group, which in turn are overlain by the Hawkesbury Sandstone, a massive quartzose sandstone unit. The Wianamatta Group, stratigraphically above the Hawkesbury Sandstone, is the top most unit in the Southern Coalfield.

Within the Illawarra Coal Measures the Bulli Coal is the uppermost coal member and has been extensively mined at RVC. The Balgownie Coal, stratigraphically some 9 metres below the Bulli Coal has been mined at RVC by the longwall method in the 1970's and more recently (early 1990's) by bord and pillar operations (Gibson's Colliery). The Bulli to Wongawilli Coal interval averages 27 metres. Although consistent in thickness, averaging 10 metres, the Wongawilli Seam has significant deterioration in quality in its upper section. An economic basal section of 2.4m to 3.1m is targeted for mining.

2. Sampling and Sampling Techniques

Target coal seams are identified by a qualified geologist who will do an initial brief log of the drill core (63mm in diameter) and in most instances will have either the full coal seam or representative sections of the coal seam placed in gas canisters for gas desorption testing. Remaining core is placed in core trays for transportation to the field office where the geologist will measure, log, photograph and sample the cored strata and coal seams that were not placed in gas canisters.

The Bulli and Wongawilli Seams are the target seams during drilling with other intersected coal seams being subject to partial analysis where deemed appropriate. The Bulli Seam is sampled over its full section while a potential basal section of the Wongawilli Seam is selected for analysis. Core recovery is targeted at >95%. A detailed underground strip sample programme for the Wongawilli Seam is used for short term detailed modelling.

Sampling procedure developed by WLC is followed by the field geologist. Borecore treatment procedures also developed by WLC are followed by the analysing laboratory.

3. Drilling

All recent drilling has used HQTT core drilling with water / mud circulation. Standard practice is to open hole to approximately 30m above the first target coal seam, the Bulli Seam, and usually finishes below the base of the lower most economic coal seam, the Wongawilli Seam. A 6.0m core barrel is used for almost all coring, with occasionally a 3.0m barrel used for specific requirements. Historical drilling has involved limited coring of large diameter PQ (100mm) holes to varying depths.

Resource Criteria

All recent drill hole collars are surveyed by registered contract surveyors using GPS and agree with DTM (to < 5m). In the past boreholes have been located by odometer on traverses (1960's) or surveyed using theodolite or EDM (1970's-1980).
Coordinate system used for surveying is Geodetic Datum Australia (GDA94) with collar reduced level to Australian Height Datum (AHD) and grid system using Map Grid Australian Zone 56 (MGA).

Topographic data used was acquired from Airborne Laser Scanning (LiDAR) conducted in 2009 with an accuracy of +/- 0.5m

Drill hole spacing for Bulli and Wongawilli Seam Measured Resources is a maximum of 700m apart with Indicated Resources a maximum of 1000m apart. Inferred Resources are estimated from drill hole spacing up to 2000m apart but not more than 1000m past the outermost seam intersection. Geostatistical analysis supports the spacing of the above Point of Observation.

Drill hole locations are dependent on natural landform features such as storage water reservoirs and topographic relief across the entire mining lease. Hole spacing is sufficient to establish coal seam continuity across the mining lease to the relevant Resource estimations undertaken.

Sample compositing is not undertaken for the Bulli Seam but is routinely done so for the Wongawilli Seam.

4. Sampling Methodology

Target coal seam sample pre-treatment involves drop shatter and size adjustment prior to wet tumbling. The coal is then screened at 16.0 mm and 0.5 mm ww and float sunk at relative densities 1.30, 1.35, 1.375, 1.40, 1.425, 1.45, 1.50, 1.60, 1.70, 1.80 and 2.00 with yield and ash determined on each fraction. Tree flotation is carried out on the - 0.5 mm ww fraction. A coking coal composite is prepared and analysed for: - Volatile Matter, Sulphur, Phosphorus, CSN, AA Dilatation, Geisler Plastometer, and Petrographic Analysis. There is also a thermal product which is prepared and analysed. All coal pre- treatment and analysis is processed in NATA approved laboratories.

There is no regular formal Quality Assurance or Quality Control procedure on the exploration data collected. Whilst there is no evidence of there being issues, nor is there any out of compliance issues, it is planned to develop a QA/QC procedure for each piece of exploration data that is collected such that an understanding of the precision and accuracy of the data being collected is developed.

5. Estimation Methodology

Data acquisition undertaken both currently and in the past has involved exploration techniques of surface drilling, a surface Mini-Sosie seismic survey, aeromagnetic surveys, electromagnetic surveys, geophysical logging of surface drill holes and information available from surrounding collieries, both operating and non-operating. All reliable data gathered from these sources has been reviewed as reliable by the Resource Competent Person. Data is entered into an ABB Minescape 5 (windows based, running version 5.12) Geological system where borehole lithology data and quality and washability data is stored in table files in the Minescape module. Interpretations of structure from seismic surveys, surface and underground mapping and underground mining survey data also reside in the Minescape module.

Data has been modelled extensively both in Minescape and AutoCad to validate its accuracy and / or consistency with seam variations either by the Resource Competent Person or under his guidance.

6. Grade Parameters

A minimum thickness of 1.5m and >35% insitu ash has been applied to the Bulli Seam full seam mining section and a portion of the Bulli Seam has been classed as uneconomic under these criteria. The Wongawilli Seam has been modelled using a cut-off of >35% insitu ash and only the basal portion of the seam has an economic mining section. Some areas of both seams were excluded due to geological structures.

7. Mining and Modifying Factors

The Coal Resource estimation is based on the mined product being sold into the global coal market as an unwashed coking coal. No beneficiation plant exists for the washing of the ROM product on site. Previous operations involved superficial screening of the mined product to remove oversize, nominally the +63mm material. The majority of the previous production has been sold to WLC's major shareholder for beneficiation in India where all of the material is utilised either within the coke making industry, power generation or other industrial processes. Long term planning will see the construction of a washing facility off site to produce coking and thermal coals.

8. Resource Reconciliation

For RVC the previously assessed Balgownie seam has been removed due to thin seam thickness, economic criteria and unlikely prospects for extraction. For the Bulli seam the resource has decreased slightly due to mining attrition. The resource of the Wongawilli seam has increased from 182.8MT to 241.3MT (32% increase).

8.1. ***Bulli Seam*** – Full revision of all the borehole data available on the Bulli Seam was undertaken for the 2017 Resource estimation. Some additional data including stratigraphic logs, geophysical logs and quality data was uncovered for several boreholes. The results of the revision and inclusion of the additional data has resulted in movement of some Inferred resources into the Indicated category. A decrease in Measured Resources and overall decrease in total Resources is due to mining attrition and sterilisation of some remnant pillar areas when mining ceased in the Bulli seam in June 2011.

8.2. ***Balgownie Seam*** – Mine planning and economic evaluation undertaken since the 2010 Resource estimation has focused on extraction of the Bulli and Wongawilli seams only. Given the nature of the Balgownie seam (thin section and possible poor clean coal yields due to dilution) and the implication of the impact of seam integrity with extraction of the overlying (Bulli) and underlying (Wongawilli) coal seams it is considered that there is little likely hood of any future mining being undertaken within the Balgownie seam. Because of this the Balgownie seam has been deemed

uneconomic to mine and has not been assessed in the 2017 Resource estimation.

8.3. ***Wongawilli Seam*** - Full revision of all the borehole data available on the Wongawilli Seam was undertaken for the 2017 Resource estimation. Some additional data including stratigraphic logs, geophysical logs and quality data was uncovered for several boreholes. Also the revision of the mining section to be used was undertaken, not on a single common mining section but one that met the criteria for economic mining. This revision resulted in an increase in the mining height for all of the resource categories, ranging from an increase of 0.35m for Measured to 0.58m and 0.62m for Indicated and Inferred respectively. With this increase in mining height there was also an increase in the insitu density. The results of this revision and inclusion of the additional data has resulted in an increase in the total Resource tonnes of 58.5Mt from the 2010 estimation.

Wongawilli Colliery
Events involving difficult geological conditions and financial issues saw the WWC go into care and maintenance in July 2014. The WWC recommenced operations in August 2016 under the contractual operation of Delta SBD. Delta used the split and lifts bord and pillar method and mined the Wongawilli Seam until going into administration at the end May 2017. Operations at WWC resumed in August 2018 but ceased in March 2019 due to frequent roof falls making operations riskier and less economical. WLC has submitted an application for an extension to the current mining approval. Currently, the application is under review by the department. WLC has also evaluated different mining sections to resume the mining activity.

Coal Resources

1. Geology
WWC is located in the Southern Coalfield, which is the southern portion of the Permo- Triassic Sydney Basin and contains the Illawarra Coal Measures of Late Permian Age. Overlying the Illawarra Coal Measures are sandstones, shales and mudstones of the Narrabeen Group, which in turn are overlain by the Hawkesbury Sandstone, a massive quartzose sandstone unit. The Wianamatta Group, stratigraphically above the Hawkesbury Sandstone, is the top most unit in the Southern Coalfield.

Within the Illawarra Coal Measures the Bulli Coal is the uppermost coal member and has been mined to a limited extent at WWC. The Balgownie Coal, stratigraphically some 8 metres below the Bulli Coal has not been mined due to poor quality and thin coal section. The Bulli to Wongawilli Coal interval averages 27 metres. Although consistent in thickness, averaging about 9 metres, the Wongawilli Seam has significant deterioration in quality in its upper section. An economic basal section of 3.0m to 3.5m is targeted for mining. The Tongarra Seam is not economical in the north of the WWC lease. To the south the Tongarra Seam is approximately 26 metres below the Wongawilli Seam and has an economic upper mining section of around 2.3m.

2. Sampling and Sampling Techniques
Target coal seams are identified by a qualified geologist who will do an initial brief log of the drill core (63mm in diameter) and in most instances will have either the full coal seam or representative sections of the coal seam placed in gas canisters for gas desorption testing. Remaining core is placed in core trays for transportation to the field office where the geologist will measure, log, photograph and sample the cored strata and coal seams not placed in gas canisters.

The Bulli, Wongawilli and Tongarra Seams are the target seams during drilling with other intersected coal seams being subject to partial analysis where deemed appropriate. The Bulli Seam is sampled over its full section while a potential basal section of the Wongawilli Seam is selected for analysis. The upper section of the Tongarra Seam is selected for analysis.

Core recovery target is >95%. An underground strip sample programme for the Wongawilli Seam is used for short term detailed modelling.

Sampling procedure developed by WLC is followed by the field geologist. Borecore treatment procedures also developed by WLC are followed by the analysing laboratory.

Historical field procedures and laboratory practices have varied over some 70 year life of exploration at the WWC.

3. Drilling
All recent drilling has used HQTT core drilling with water / mud circulation. Standard practice is to open hole to approximately 30m above the first target coal seam, the Bulli Seam, and usually finishes below the base of the lower most economic coal seam, the Tongarra Seam. A 6.0m core barrel is used for almost all coring; with occasionally a 3.0m barrel is used for specific requirements.

4. Resource Criteria
All recent drill hole collars are surveyed by registered contract surveyors using DGPS and agree with DTM (to < 1m). In the past boreholes have been located by odometer on traverses (1960's) or surveyed using theodolite or EDM (1970's-1980).
Coordinate system used for surveying is Geodetic Datum Australia (GDA94) with collar reduced level to Australian Height Datum (AHD) and grid system using Map Grid Australian Zone 56 (MGA).
Topographic data used was acquired from Airborne Laser Scanning (LiDAR) conducted in 2009 and 2014 with an accuracy of +/- 0.5m (2009) and +/- 0.25m (2014).

Drill hole spacing for the Bulli and Tongarra Seams' Measured Resources is a maximum of 500m apart with Indicated Resources a maximum of 1000m apart. Inferred Resources are estimated from drill hole spacing up to 2000m apart but not more than 1000m past the outermost seam intersection. For the Wongawilli Seam Measured Resources is a maximum of 800m apart with Indicated Resources a maximum of 1250m apart. Inferred Resources are estimated from drill hole spacing up to 2000m apart but not more than 1000m past the outermost seam intersection. Geostatistical analysis supports the use of the above Point of Observation spacing for the Bulli and Wongawilli seams.

Drill hole locations are dependent on natural landform features such as storage water reservoirs and topographic relief across the entire mining lease. Hole spacing is sufficient to establish coal seam continuity across the mining lease to the relevant resource estimations undertaken.

Sample compositing is not undertaken for the Bulli Seam but is generally done so for the Wongawilli Seam and for the Tongarra Seam.

5. Sampling Methodology

Target coal seam sample pre-treatment involves drop shatter and size adjustment prior to wet tumbling. The coal is then screened at 16.0 mm and 0.5 mm ww and float sunk at relative densities 1.30, 1.35, 1.375, 1.40, 1.425, 1.45, 1.50, 1.60, 1.70, 1.80 and 2.00 with yield and ash determined on each fraction. Tree flotation is carried out on the - 0.5 mm ww fraction. A coking coal composite is prepared and analysed for: - Volatile Matter, Sulphur, Phosphorus, CSN, AA Dilatation, Geisler Plastometer, and Petrographic Analysis. There is also a thermal product which is prepared and analysed. All coal pre- treatment and analysis is processed in NATA approved laboratories.

There is no regular formal Quality Assurance or Quality Control procedure on the exploration data collected. Whilst there is no evidence of there being issues, nor is there any out of compliance issues, it is planned to develop a QA/QC procedure for each piece of exploration data that is collected such that an understanding of the precision and accuracy of the data being collected is developed.

6. Estimation Methodology

Data acquisition undertaken both currently and in the past has involved exploration techniques of surface drilling, 2D surface seismic surveys, aeromagnetic surveys, electromagnetic surveys, geophysical logging of surface drill holes and information available from surrounding collieries, both operating and non-operating. All reliable data gathered from these sources has been reviewed as reliable by the Resource Competent Person. Data is entered into an ABB Minescape 5 (windows based, running version 5.12) Geological system where borehole lithology data and quality and washability data is stored in table files in the Minescape module. Interpretations of structure from seismic surveys, surface and underground mapping and underground mining survey data also reside in the Minescape module.

Data has been modelled extensively both in Minescape and AutoCad to validate its accuracy and / or consistency with seam variations either by the Resource Competent Person or under his guidance.

7. Grade Parameters

Although not evaluated to a pre-feasibility level, the use of thin seam extraction methods in other coal mining operations around the world gives confidence in its application to some of the thinner areas of the Bulli Seam. The estimation of the Bulli seam resource has considered this application of mining techniques and has assessed the Bulli seam as extractable to a thickness of 1.3m. A cut-off of insitu ash content of >35% has also been applied to the Bulli seam. The Wongawilli Seam has been modelled using a cut-off of >35% insitu ash and only the basal portion of the seam has an economic mining section. The Tongarra seam is modelled using both the thickness and insitu ash limits. Generally, where the Tongarra Seam thickness decreases to <1.5m, the insitu ash content tends to increase to >35%. Some areas of all seams were excluded due to geological structures.

8. Mining and Modifying Factors

The Coal Resource estimation is based on the mined product being sold into the global coal market as an unwashed coking coal. No beneficiation plant exists for the washing of the ROM product on site. Previous operations involved inline crushing of the mined product to nominally -50mm material. The majority of the previous production has been sold to WLC's major shareholder for beneficiation in India where all of the material is utilised either within the coke making industry, power generation or other industrial processes. Long term planning will see the construction of a washing facility off site to produce coking and thermal coals.

9. Resource Reconciliation

For WWC the Bulli seam resource has increased from 36MT to 59MT (63.8% increase) while the Wongawilli and Tongarra seams show small increases (0.5% and 7.8% respectively).

9.1. ***Bulli Seam*** – Full revision of all the borehole data available on the Bulli Seam was undertaken for this 2017 Resource estimation. Some additional data including stratigraphic logs and quality data was uncovered for several boreholes. The results of the revision and inclusion of the additional data has resulted in movement of some Inferred resources into the Indicated category. Although not evaluated to a pre-feasibility level the use of thin seam extraction methods in other coal mining operations around the world gives confidence in its application to some of the thinner areas of the Bulli Seam. The estimation of the Bulli Seam resource has considered this application of mining techniques and has assessed the Bulli Seam as extractable to a thickness of 1.3m. The results of this revision and inclusion of the additional data has resulted in an increase in the total Resource tonnes of 23.0Mt from the 2010 estimation.

9.2. ***Wongawilli Seam*** - Full revision of all the borehole data available on the Wongawilli Seam was undertaken for this 2017 Resource estimation. Some additional data including stratigraphic logs and quality data was uncovered for several boreholes. Also the revision of the mining section to be used was undertaken, not on a single common mining section but one that met the criteria for economic mining. This revision resulted in a small increase in the mining height for all of the resource categories, ranging from 0.10m for Measured to 0.012m and 0.246m for Indicated and Inferred respectively. With this increase in mining height there were also slight changes in the insitu density. The results of this revision and inclusion of the additional data has resulted in a small increase in the total Resource tonnes from the 2010 estimation.

9.3. ***Tongarra Seam*** – Full revision of all the borehole data available on the Tongarra Seam was undertaken for this 2017 Resource estimation. Some additional data including stratigraphic logs and quality data was uncovered for several boreholes. Also the revision of the mining section to be used was undertaken, not on a single common mining section but one that met the criteria for economic mining. This revision resulted in a small increase in the mining height and also slight changes in the insitu density. The results of this revision and inclusion of the additional data has resulted in an increase in the total Resource tonnes of 10.0Mt from the 2010 estimation.

RUSSELL VALE COLLIERY

COAL RESOURCES

as at 31 August 2017			Measured Coal Resource				Indicated Coal Resource				Inferred Coal Resource				Total Coal Resource				As at 30th April 2010 Total Coal Resource			
Deposit (1) (2)	Mining Method	Coal Type	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S
Bulli (3)	UG	Met	10.7	16.1	20.2	0.40	36.4	19.8	20.6	0.38	7.4	20.5	20.8	0.42	54.5	19.2	20.6	0.39	56.5	21.1	21.0	0.36
Balgownie (3)	UG	Met/Th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75.6 (4)	21.2	21.3	0.41
Wongawilli (3)	UG	Met/Th	9.8	33.2	18.8	0.54	115.0	33	19.2	0.52	116.5	32.1	19.4	0.55	241.3	33.0	19.2	0.53	182.8	27.8	20.5	0.51

1. Cut-off Grade Coal Resources - No seam thickness applied to the Bulli Seam as minimum thickness is economic. In-situ ash limit of 35% applied to the Wongawilli seam preferred mining section

2. Resource tonnages are in-situ moisture basis. Ash is reported as raw, VM and S are reported as cleaned coal on an air-dried basis

3. Bulli Seam decrease in resource tonnes due to mining attrition. Mine planning and economic evaluation focused on extraction of the Bulli and Wongawilli seams only and there is little likely hood of any future mining of the Balgownie seam.

4. Wongawilli Seam increase in Resource tonnes due to a review of the preferred mining section

5. Balgownie Seam resource was last estimated in 2008

Director's report
For the Year Ended 31 March 2021

WONGAWILLI COLLIERY
COAL RESOURCES

as at 31 August 2017			Measured Coal Resource				Indicated Coal Resource				Inferred Coal Resource				Total Coal Resource				As at December 2010 Total Coal Resource			
Deposit (1)(2)	Mining Method	Coal Type	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S	Mt	%Ash	%VM	%S
Bulli (3)	UG	Met	-	-	-	-	19	14.6	20.6	0.38	40	20.8	20.8	0.38	59	18.8	20.7	0.38	36	15.8	21.0	0.36
Wongawilli(3)	UG	Met/Th	41	30.1	21.5	0.40	47	32.2	21.3	0.43	111	36.9	22.1	0.44	199	34.4	21.8	0.43	198	32.7	21.3	0.41
Tongarra(3)	UG	Met/Th	-	-	-	-	4	31.2	22.5	0.52	107	33.7	22.7	0.49	111	33.6	22.7	0.49	103	28.5	22.7	0.51

1. Cut-off Grade Coal Resources - Seam thickness >1.3m applied to the Bulli Seam as minimum thickness. In-situ ash limit of 35% applied to the Wongawilli and Tongarra seam preferred mining section

2. Resource tonnages are in-situ moisture basis. Ash is reported as raw, VM and S are reported as cleaned coal on an air-dried basis Bulli Seam increase in resource tonnes due to evaluation of mining thickness and mining method

3. Wongawilli Seam increase in Resource tonnes due to a review of the preferred mining section.

4. Tongarra Seam increase in Resource tonnes due to a review of the preferred mining section

Governance and Internal Controls
WLC has implemented a risk management program to effectively manage the quality of all Coal Resource estimations and reconciliations. This risk management program involves an assessment of the risks that are involved when estimating Coal Resources and the relevant controls that are in place to ensure that the Coal Resources collected are accurately reported. As part of this, the program actively measures both the possibility of errors and the controls that are in place to mitigate that outcome.

As has been highlighted in this statement, all of the acquired data for WLC's estimation processes has been modelled extensively in Minescape and AutoCad to validate accuracy and consistency with seam variations. Further, all data gathered from WLC's exploration techniques have been reviewed as reliable by the Resource Competent Person.

There is currently no formal Quality Assurance or Quality Control procedure in place for sampling data. While there is no evidence of there being any issues with this, nor are there any compliance issues, WLC have introduced plans to develop appropriate Quality Assurance/Quality Control procedures for sampling data.

Statement of Competent Person/s
The estimation of Coal Resources for Wollongong Coal Limited RVC and WWC, as at 31 August 2017, has been carried out by Competent Person Mr. Barry Clark, who is a member of the Australasian Institute of Mining and Metallurgy (32 years). The information in the above statement that relates to Coal Resources is based on, and fairly represents, information and supporting documentation prepared by the Competent Person.

The estimation of Coal Resources reported are as prescribed by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 edition, The JORC Code, Clauses 42 to 44) and also using the terminology and the guidelines put forth in the 2014 edition of "Australian Guidelines for the Estimation and Classification of Coal Resources".

Significant changes in the state of affairs

Russell Vale colliery
RVC remains on care and maintenance.

The UEP for a 5-year extension to mine up to 3.7 million tonnes from the Wonga East using first workings Bord and Pillar mining method with minimal subsidence has been approved by IPC subject to certain conditions. The Commonwealth approval pursuant to the Environment Protection and Biodiversity Conservation (EPBC) is progressing as per the process.

The Company continues with the regulatory compliance works and preparatory works for the commencement of the mining after receiving all the regulatory approvals and meeting all the pre-conditions of the UEP.

The modification application proposing modifications (Mod 4) to the project approval regarding Bellambi Gully Creek storm water works was submitted and some additional work on the Russell Vale water management design to control some flood events has been completed. The design and construction management plan has been approved and actual work is scheduled to commence in late April or early May 2021.

The decommissioning of the Bulli seam workings and targeted catchment assets was completed and will result in ongoing cost savings.

Wongawilli colliery
WWC remains on care and maintenance.

The equipment have been recovered and transferred to the RVC. The works related to the regulatory compliances, sealing the old portal entries and maintaining the site continues. The site has been secured and security coverage being regularly reviewed to stop vandalism, theft and trespassing.

The Modification 2 application (Mod 2) to renew and develop the North West Mains Driveage (NW Mains) was lodged in November 2020 and progressing as per the process. NW Mains Driveage is a series off first workings that were approved by the development consent under which the WWC operates. The pervious development consent has expired on 31 Dec 2020. The Mod 2 proposes to extend the life of WWC to allow for the development of the NW Mains Driveage, by 5 years to 31 December 2025, along with minor changes to the WWC's surface infrastructure.

Director's report

For the Year Ended 31 March 2021

Health and Safety
WLC continued to follow NSW Health advice to respond to the risk posed by the Covid-19 virus. There were no Covid-19 infections recorded by any employees or contractors during the reporting period and restrictions have been wound back in line with NSW Health recommendations. WLC continues to review any changes to NSW Health recommendations and reinforce the current health practices with all employees and contractors.

The overall safety performance of WLC has continued to improve with the total recordable injury frequency rate falling from 44 in April 2020 to 13 in March 2021.

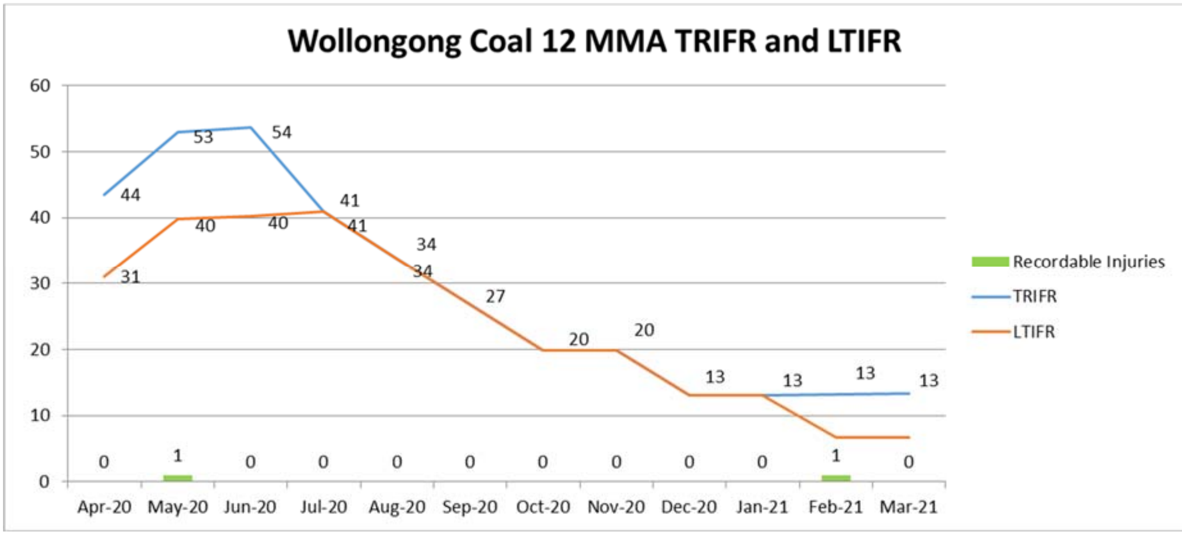
WWC – there were no recordable injuries during the reporting period.

There were 2 recordable injuries in the reporting period. One injury involved an employee receiving a laceration to the person's left hand which required 2 sutures and the second injury involved a person straining their knee and required minor surgery.

RVC – there was one notifiable incident which involved a high potential incident where a vehicle on the surface of the mine rolled forward after being parked. No injuries were sustained as a result of the incident.

A number of noticed were received from the Regulator from planned inspections and the mine management continues to respond to these notices as the mine moves towards recommencing production.

RVC had an external audit of the Safety Management System and has continued to review the Safety Management System in preparation for the recommencement of production.

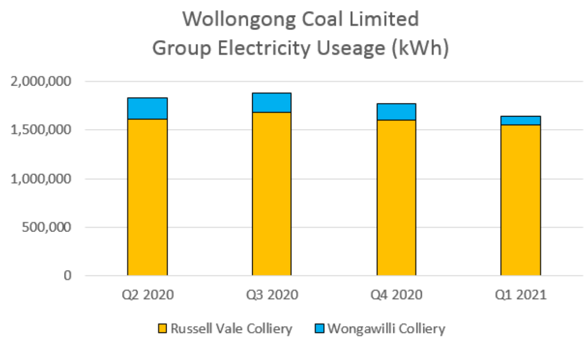


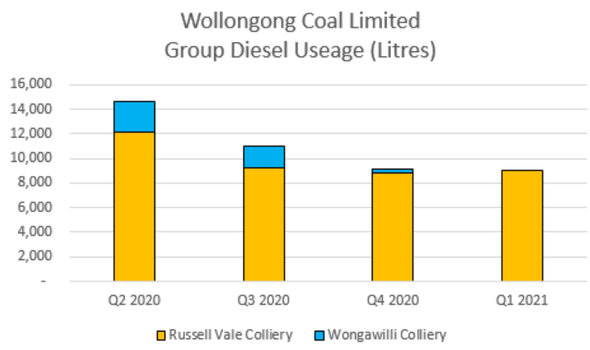
Environment and Community

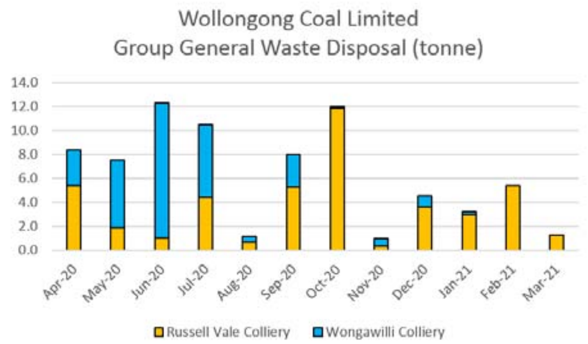
Community Complaints	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Wongawilli Colliery	0	0	0	0	0	0	0	0	1	1	0	0	2
Russell Vale Colliery	0	1	0	0	0	0	0	0	0	1	0	1	3
Total	0	1	0	0	0	0	0	0	1	2	0	1	5

Incidents	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Wongawilli Colliery	0	0	0	0	0	2	0	0	0	0	0	0	2
Russell Vale Colliery	0	1	0	0	0	0	0	1	0	0	0	0	2

Director's report
For the Year Ended 31 March 2021







RVC - there were two Category 1 environmental incidents that occurred during the financial year and none of them caused any harm to the environment. The Company received three community complaints.

In total four Community Consultative Committee (CCC) Meetings were held during the financial year on 18 May 2020, 17 August 2020, 16 November 2020 and 22 February 2021.

WWC – there were two Category 1 environmental incidents that occurred during the financial year and none of them caused any harm to the environment. The Company received two community complaints.

In total four CCC Meetings were held during the financial year on 3 June 2020, 2 September 2020, 2 December 2020 and 3 March 2021.

No Environmental Harm Minor Remediation Required Category 1	Short Term Impact Minor Remediation Required Category 2	Medium Term Impact Medium Remediation Required Category 3	Significant Impact Remediation Required Category 4	Major Impact Perminant Damage Remediation Required Category 5

Continuing support from Jindal Steel & Power (Mauritius) Limited

The major shareholder, Jindal Steel and Power (Mauritius) Limited (JSPML) has continued their support and commitment to financially support the Company's immediate and future plans.

JSPML has provided a Cash Advance Facility with an increased limit of $600 million from which the Company has drawn around $573,308,000 million as on the date of this report. JSPML has also provided a letter confirming financial support for up to 31 January 2023, unless there is an acceleration and demand from of the lenders or creditors at the Company or JSPML.

In addition, the Company has received a working capital loan for a total amount of $44,133,000 million from Jindal Steel and Power (Australia) Pty Ltd (JSPAL), wholly owned subsidiary of JSPML.

JSPAL has also provided a letter of support confirming not to recall aforesaid loan for up to 31 January 2023. The letter further confirms that the inter-company restructured and redrawn loans (Foreign Currency Term Loan) through JSPAL will not be called upon for repayment for up to 31 January 2023 unless there is an acceleration and demand from the lenders in case of any event of default.

Foreign Currency Term Loans

The Company, its subsidiaries and associated entity has successfully restructured certain secured debts and obligations ("Transaction") under the following facility agreements:

- the US$69,000,000 (with an option to increase the facility by US$561,000,00) facility agreement originally dated 6 August 2015 (and as amended and/or restated from time to time) between, amongst others, JSPAL and the financial institutions named therein as lenders; and

- the US$98,690,000 facility agreement originally dated 24 December 2015 (and as amended and/or restated from time to time) between, amongst others, JSPAL and the financial institutions named therein as lenders,

(together, the "Facilities").

On 14 February 2020, the NSW Supreme Court approved the proposed creditor Schemes of Arrangement (Schemes) between the Company and JSAPL and Lenders under the Facilities. A total payment of US $19.67 million was made reducing the secured debt from US $370.15 million to US$ 350.48 million. Also the remaining balance of US $10.42 million was fully repaid under the MCB Facility.

The Schemes were terminated automatically on 29 March 2020 due to certain Pre-Settlement Date Conditions Precedent were not satisfied or waived by that time. However, on 29 April 2020, the NSW Supreme Court granted the relief sought by the Company and JSPAL and made orders that the Conditions Precedent Satisfaction Long Stop Date in the Schemes be extended to 1 April 2020; and the Settlement Long Stop Date in the Schemes be extended to the date that is 7 days after the entry by the Court of the Court's orders made in respect of Application, namely 6 May 2020. The extensions ordered operate retrospectively from the time the orders approving the Schemes on 14 February 2020 were made.

Pursuant to the Common Terms Agreement as defined under the Facilities, US $76.82 million in total have been cancelled.

Details of the facilities amounts cancelled are:

USD 25.60 million upon payment of instalment at the end of September 2020; and
USD 51.22 million upon corporate guarantee from JSPL.

The total outstanding debt under these Facilities accordingly stands reduced to US $219.17 million currently.

Appointment and resignation of CEO

Mr Mitchell Jakeman, CEO resigned effectively from 31 May 2020.

Mr Warwick Lidbury was appointed as an interim CEO and continues to hold the position. He holds a Site Senior Executive qualification from Queensland, Mine Manager's Certificate in NSW and Queensland, and a Degree in Safety Science. Warwick has over 44 years' black coal mining experience, including being a General Manager of a mining company in Queensland and managing coal mines in both NSW and Queensland. He has extensive knowledge in mine safety, first-workings mining methods and longwall operations.

Delisting from the ASX

The Company has been delisted from the Australian Securities Exchange effectively from 18 September 2020. However, the Company remains 'unlisted disclosing entity'. Since delisting, shareholder announcements are lodged with the ASIC and published on its website.

Update on litigations and legal matters

Matters settled

- On 5 March 2020, the Supreme Court of New South Wales dismissed an action by PCL (Shipping) Pte Ltd action to recover freight charges of up to US $3.2 million it alleged were owed by the Company. The freight charges date back to 2013 when the Company was a subsidiary of Gujarat NRE Coke Limited and part of Gujarat NRE Group. The dispute concerned the Illawarra Fortune, a ship that Gujarat NRE Coke Limited chartered from PCL for a shipment of coal from Port Kembla. PCL has paid the costs and matter has been settled in full and final.

Director's report
For the Year Ended 31 March 2021

- The Supreme Court Proceeding numbered 2016/120239 in the NSW Supreme Court commenced by Bellpac Pty Ltd (receiver and managers appointed) (in Liquidation) (Bellpac) has been settled in full and final. The terms of the settlement are commercially sensitive and confidential.

- On 9 April 2020, the Company and its subsidiary (Wongawilli Coal Pty Ltd) have received statement of claims from the administrator of CAS Mine Services Pty Ltd for a total amount of $258,468. The matter has been settled in full and final.

Possible Litigation
- The consolidated entity had received a claim for payment in total for $4,048,000 that remains in dispute. Further, the consolidated entity had claim for a much larger amount. There is no further development in this matter in last 24 months. Due to legal and commercial sensitivity, no further information could be disclosed at the time of this report.

Pending Litigation
- On 7 June 2018, the Company made an application under section 225 of the Fair Work Act 2009 (Cth) to terminate the NRE No 1 Colliery Workplace Agreement 2011. The application was dismissed by Senior Deputy President Hemberger on 15 January 2019. On 15 May 2019, a Full Bench of the Commission upheld an appeal by the Company and remitted the matter to Commissioner Riordan. On 7 April 2020, the application was dismissed by Commissioner Riordan. On 24 September 2020, a full Bench of the Commission upheld an appeal by the Company and referred the matter for re-hearing. The matter has been heard on 26 February 2021 and decision remains pending to date.

- On 13 March 2020, the Supreme Court of New South Wales delivered judgment in the Company's proceedings against Gujarat NRE Properties, Arun Kumar Jagatramka and his wife Mona Jagatramka. The proceedings relate to a residential property (at 64 Cliff Road, Wollongong) acquired by the company in 2008 when Mr Jagatramka was a director and the Executive Chairman and Mrs Jagatramka was one of the directors of the Company.

  The Court found that Mr and Mrs Jagatramka, as directors of the Company, breached their duties to act for a proper purpose and to avoid a conflict of interest and that they failed to disclose their real interest was to use the property as their personal residence. The Court gave judgment in favour of the Company and against Mr and Mrs Jagatramka in the sum of $12,081,742.99. The Court has also ordered Mr and Mrs Jagatramka to pay the company's costs of the proceedings. The likelihood of recovering the judgment sum is unclear at this stage. The appeal hearing was held in Nov 2020 and appeal judgement was unfavourable. WCL is currently reviewing it.

  Mr Jagatramka's cross claim against the two directors and secretary (together, cross defendants) was dismissed with an order that Mr Jagatramka should pay the costs of the cross defendants.

- In January 2021, the Company and its subsidiary (Wongawilli Coal Pty Ltd), were served with proceedings commenced by UIL (Singapore) Pte Ltd, a foreign entity incorporated in Singapore, in the Federal Court of Australia. The claim relates to alleged breaches of contracts for the sale of coal and misleading and deceptive conduct. The proceedings are at an early stage and the claim is not yet quantified. The Company and its subsidiary intend to defend the proceedings.

Investigation and Notices from the DPE Resources Regulators

The Resources Regulators had issued a notice under section 248B of the Mining Act 1992, seeking information and records in relation to the Company's financial capacity to comply with its obligations under the Mining Act. The requests for information related to the disclosures made to the Australian Securities Exchange on 25 February 2019 (Loan facility restructured), 14 March 2019 (ASIC determination s 713(6)), and 19 March 2019 (Negotiations re Debt Restructuring). The Company has responded to the notices as required under the Mining Act.

There were no other significant changes in the state of affairs of the consolidated entity during the financial period.

Director's report
For the Year Ended 31 March 2021

Matters subsequent to the end of the financial year
On 11 March 2020, the World Health Organisation (WHO) declared the outbreak of Covid-19 to be a global pandemic that is continuing to date. The wide spread of the Covid-19 since the beginning of 2020 is a fluid and challenging situation facing all industries. The extent of COVID-19's effect on the Group's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Group's business. However, if the pandemic continues to evolve into a severe worldwide health crisis, which is evident in many countries due to variants, the disease could have a material adverse effect on the Group's business, results of operations, financial condition and cash flows.

Apart from the above, there are no other matters or circumstances that have arisen since 31 March 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Likely developments and expected results have been included throughout this report where relevant.

Information on directors

Name:	Mr Milind K Oza
Title:	Executive Chairman
Qualifications:	Bachelor degree in business and an LLB degree in law from South Gujarat University, India. Mr Oza also holds a Masters in International Management studies from the University of Texas and a Master of Science in Management Information Systems from the University of Texas, Dallas, USA.
Experience and expertise:	Mr Oza has more than 30 years of experience and has held senior positions in various organisations. He worked with Canadian telecom major Nortel Networks for 14 years including as a Director of International Marketing. He worked two years with Booz Allen Hamilton in McLean Virginia. Prior to this he successfully managed his own business in the hospitality industry in the USA. He was President, Global Ventures, Jindal Steel and Power Limited (JSPL) before joining Wollongong Coal. He remains the Chairman of Jindal Power Senegal SAU, which has signed a power purchase agreement for building a 350 MW coal-based power generation plant in Senegal.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Executive Management Committee; Member of Nomination and Remuneration Committee
Interest in shares:	625,000 indirect
Interests in options:	None
Contractual rights to shares:	None

Name:	Dr Andrew E. Firek
Title:	Non-Executive Director
Qualifications:	M.Sc, Ph D, FAusIMM, FAIE
Experience and expertise:	Dr Firek has been involved in mining and mineral processing for over 25 years. His experience includes managing process development, construction, commissioning and operations of coal, base and precious metals plants in Europe, Africa and Australia. He was a United Nations expert in fossil fuels exploration, mineral processing and energy generation. Dr Firek is also familiar with downstream processing of oil and gas that helps in evaluating feasibility of fuel resources. Dr Firek was a Group Leader at the CSIRO, Division of Fossil Fuels in Sydney and was engaged in developing technologies to produce liquid fuels from coal. He was Project Director at Memtec Ltd, following which he joined Pancontinental Mining Ltd where he was Research and Development Manager involved in substantial mineral resources projects including base and precious metals, uranium and the development and commissioning of a $220 million magnesia production facility near Rockhampton in Queensland. Dr Firek was a director of mineral residue processing group Hydromet Technologies Ltd. He was a founding director in three ASX listed companies and managed coal, iron ore, base and precious metals exploration, feasibility studies and financial negotiations for projects in Australia, South America, China (Inner Mongolia) and Indonesia.
Former directorships (last 3 years):	
Special responsibilities:	Member of the Audit & Risk Committee and Nomination & Remuneration Committee
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Name:	Mr Sanjay Kumar Srivastava
Title:	Non-Executive Director
Qualifications:	Masters in Science & Technology in Applied Geology and PG Diploma in Supply Chain Management
Experience and expertise:	Mr Srivastava has more than 25 years of experience in Coal and Mineral business while working for the largest Steel and Aluminium companies of India in various functional roles. His experience includes Business Development, Raw Material Procurement for Steel & Aluminium Industry, Exploration and Development of Greenfield Mining Projects in India and South East Asia. He has been involved in acquisition of medium to large size coal & Nickel ore assets in Indonesia. Mr Srivastava is also experienced in Business Development in Oil & Gas & Power Projects in Indonesia. He is currently working as Business Head of Indonesian Business of Jindal Steel & Power Limited.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	None
Interests in options:	None

Contractual rights to shares:	None

Name:	Mr Dipen Rughani
Title:	Non-Executive Director
Experience and expertise:	Dipen is a leading authority on trade and investment within the Australia- India corridor. With over 25 years' experience working with the public and private sector at the highest level, including numerous highly successful senior executive roles, Dipen is founder and CEO of Newland Global Group, a corporate advisory firm simplifying and strengthening business between Australia and India. His forte and focus has been on International Trade & Investment with exposure in Renewable Energy, Education, Consumer Goods (FMCG), Pharmaceuticals, Agriculture, Mining & Resources, Real Estate, Infrastructure and Sport. Dipen is a former National Chairman of the Australia India Business Council (AIBC), he served two terms from 2012 to 2016. Prior to this between 2010 and mid 2012 Dipen was President of the AIBC NSW chapter. Dipen currently sits on the Advisory Panel member for the Australia India Institute (AII) and the Advisory Board for Federation of Indian Chambers of Commerce & Industry FICCI in Australia. Dipen is also the President and Trustee of the Anoopam Mission Australia Ltd, a charity which supports handicapped children, educating underprivileged women and provides free medical assistance to over 130 villages in India.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee; Member of Nomination and Risk Committee
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

**Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.*

**Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.*

Company Secretary

Mr Sharma is a Management Graduate (MBA) from the University of Canberra with over 19 years of experience in business management. He has held various senior positions in two other companies before joining Wollongong Coal Limited as a Company Secretary in 2004. He is also Company Secretary in other group companies in Australia. He is currently looking after corporate compliances. He has been associated with the Wollongong Coal Limited since its inception and was fully involved in the Company's successful initial public offering (IPO) and listing on the ASX. He is actively involved in investors and other stakeholders' relations and managing legal matters for the Company.

Meetings of directors
During the year, there were 13 board meetings. The number of board meetings entitled to attend and the number of meetings attended by each director were:

Director	Entitled to Attend	Attended
Mr Milind K Oza	11	11
Dr Andrew Firek	13	13
Mr Sanjay Kumar Srivastava	13	12
Mr Dipen Rughani	13	13

Shares under option
All shares under option have been expired by 31 December 2020.There are no share under option on issue.

Shares issued on the exercise of options
There were no ordinary shares of Wollongong Coal Limited issued on the exercise of options during the year ended 31 March 2021 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Rounding of amounts
The parent company has applied the relief available to it under ASIC Corporation (Rounding in Financial / Directors Reports) Instrument 2016/191. Accordingly, amount in financial statements have been rounded off to the nearest $1,000.

Wollongong Coal Limited

Director's report

For the Year Ended 31 March 2021

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

UHY Haines Norton has been appointed as auditor in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of directors

Milind K Oza
Executive Chairman

Date: 22.04.2021

UHY Haines Norton
Chartered Accountants

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sydney@uhyhnsyd.com.au
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Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

To the Directors of Wollongong Coal Limited

As auditor for the audit of Wollongong Coal Limited for the year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wollongong Coal Limited and the entities it controlled during the year.

UHY Haines Norton

M.D. Nicholaeff
Partner
Sydney
22nd April 2021

UHY Haines Norton
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2021

	Note	2021 000's $	2020 000's $
Revenue	4	**12**	7,036
Other income	4	**5,203**	1,544
Net gain on modification of borrowings	5	**94,078**	-
Changes in inventories of finished goods and work in progress		**(191)**	(3,017)
Raw materials and consumables used		**(418)**	(2,498)
Employee benefits expense		**(10,010)**	(11,865)
Depreciation and amortisation expense		**(15,411)**	(17,791)
Reversal/(impairment) on asset	7	**-**	60,755
Foreign currency gain/(losses)		**100,188**	(86,402)
Other operating expenses		**(9,413)**	(22,056)
Finance income	6	**138**	221
Finance costs	6	**(27,778)**	(37,917)
Profit/(Loss) before income tax		**136,398**	(111,990)
Income tax expense	8	**-**	-
Profit/(Loss) for the year		**136,398**	(111,990)
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Fair value movements on investments held at FVOCI		**30**	(60)
Other comprehensive income for the year, net of tax		**30**	(60)
Total comprehensive income / (loss) for the year		**136,428**	(112,050)
Profit/(Loss) attributable to:			
Members of the parent entity		**136,398**	(111,990)
Total comprehensive income / (loss) attributable to:			
Members of the parent entity		**136,428**	(112,050)

Statement of Financial Position

As At 31 March 2021

	Note	2021 000's $	2020 000's $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	**7,289**	6,728
Trade and other receivables	10	**250**	135
Inventories	11	**2,235**	2,942
Other financial assets	12	**910**	7,229
Other assets	15	**3,002**	6,058
TOTAL CURRENT ASSETS		**13,686**	23,092
NON-CURRENT ASSETS			
Other financial assets	12	**8,872**	9,722
Property, plant and equipment	13	**409,494**	396,730
Intangible assets	14	**-**	28,233
Other assets	15	**7,294**	7,322
TOTAL NON-CURRENT ASSETS		**425,660**	442,007
TOTAL ASSETS		**439,346**	465,099
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	**3,879**	4,560
Borrowings	17	**777,700**	1,064,949
Short-term provisions	18	**3,001**	9,754
Contract liabilities	19	**15,479**	33,072
TOTAL CURRENT LIABILITIES		**800,059**	1,112,335
NON-CURRENT LIABILITIES			
Borrowings	17	**149,323**	-
Long-term provisions	18	**37,427**	40,198
TOTAL NON-CURRENT LIABILITIES		**186,750**	40,198
TOTAL LIABILITIES		**986,809**	1,152,533
NET ASSETS		**(547,463)**	(687,434)
EQUITY			
Issued capital	20	**913,690**	913,690
Reserves		**(2,540)**	(8,166)
Retained earnings		**(1,458,613)**	(1,592,958)
Total equity attributable to equity holders of the Company		**(547,463)**	(687,434)
TOTAL EQUITY		**(547,463)**	(687,434)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 March 2021

2021

	Note	Ordinary Shares 000's $	Retained Earnings 000's $	Option Reserve 000's $	Share Repurchase Reserve 000's $	FVOCI reserve 000's $	Total 000's $
Balance at 1 April 2020		**913,690**	**(1,592,958)**	**104**	**(6,300)**	**(1,970)**	**(687,434)**
Profit attributable to members of the parent entity		**-**	**136,398**	**-**	**-**	**-**	**136,398**
Other comprehensive profit for the year		**-**	**-**	**-**	**-**	**30**	**30**
Transactions with owners in their capacity as owners							
Share repurchase reserve adjustment		**-**	**(2,160)**	**-**	**-**	**-**	**(2,160)**
Reversal of share repurchase reserve		**-**	**104**	**(104)**	**-**	**-**	**-**
Reallocation of expired employee options		**-**	**-**	**-**	**5,700**	**-**	**5,700**
Balance at 31 March 2021		**913,690**	**(1,458,613)**	**-**	**(600)**	**(1,940)**	**(547,463)**

2020

	Note	Ordinary Shares 000's $	Retained Earnings 000's $	Option Reserve 000's $	Share Repurchase Reserve 000's $	FVOCI reserve 000's $	Total 000's $
Balance at 1 April 2019		913,690	(1,482,697)	1,833	(6,300)	(1,910)	(575,384)
Loss attributable to members of the parent entity		-	(111,990)	-	-	-	(111,990)
Other comprehensive loss for the year		-	-	-	-	(60)	(60)
Transactions with owners in their capacity as owners							
Reallocation of expired employee options		-	1,729	(1,729)	-	-	-
Balance at 31 March 2020		913,690	(1,592,958)	104	(6,300)	(1,970)	(687,434)

The accompanying notes form part of these financial statements.

Wollongong Coal Limited

Statement of Cash Flows

For the Year Ended 31 March 2021

	Note	2021 000's $	2020 000's $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**(11,304)**	4,096
Payments to suppliers and employees		**(20,994)**	(61,412)
Other revenue		**3,448**	-
Interest received		**138**	221
Interest paid		**(24,327)**	(40,764)
Net cash used in operating activities	30	**(53,039)**	(97,859)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**2,258**	5,491
Proceeds from investment		**7,199**	-
Purchase of property, plant and equipment		**(4,508)**	(3,330)
Purchase of financial assets		**-**	246
Net cash provided by investing activities		**4,949**	2,407
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**140,213**	133,201
Repayment of borrowings		**(91,516)**	(38,127)
Net cash provided by financing activities		**48,697**	95,074
Effects of exchange rate changes on cash and cash equivalents		**(46)**	125
Net increase/(decrease) in cash and cash equivalents held		**561**	(253)
Cash and cash equivalents at beginning of year		**6,728**	6,981
Cash and cash equivalents at end of financial year	9	**7,289**	6,728

The accompanying notes form part of these financial statements.

The financial report covers Wollongong Coal Limited ('the Company' or 'Parent') and its controlled entities ('the Consolidated entity' or 'the Group'). Wollongong Coal Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity’s functional and presentation currency.

The financial report was authorised for issue by the Directors on 22 April 2021.

Comparatives are consistent with prior years, unless otherwise stated.

Rounding of amounts

The Group is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for financial assets held at fair value through other comprehensive income.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the assets and liabilities of all subsidiaries of Wollongong Coal Limited ('the Company' or 'Parent') as at 31 March 2021 and the results of all subsidiaries for the year then ended. Wollongong Coal Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

Subsidiaries are all those entities over which the Consolidated entity has control. The Consolidated entity controls an equity when the Consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is derecognised directly in equity attributable to the parent.

Where the Consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill. liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated entity only. Supplementary information about the Parent entity is disclosed in note 32.

Operating segments

Operating segments are presented on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Management have determined that the Group operates in a single segment

(b) Going concern

There was no production in the current or previous financial year. However, the consolidated entity reported a net profit of $136,398,000 mainly due to discount received on secured debt facilities post restructuring and foreign exchange gain of $100,188,000.

The net current liabilities of $786,373,000 that includes borrowings and working capital facilities of $777,700,000. The expected principal repayment due on borrowings for the year ending 31 March 2022 is $138,985,000.

Nevertheless, the directors consider the consolidated entity to be a going concern on the basis of the following:

Financial support from Jindal Steel & Power (Mauritius) Limited ("JSPML")

Since taking over the majority stake and management control in October 2013, the Jindal Group has funded and supported the consolidated entity. To date, the consolidated has received in excess of $342.15 million by way of equity and $573.30 million as interest free loans from JSPML. JSPML has also provided a letter confirming financial support for up to 31 January 2023, unless there is an acceleration and demand from of the lenders or creditors at the Company or JSPML.

Further, JSPML has confirmed to continue to transfer funds at its discretion to the Company until at least 31 January 2023 for the purposes of enabling it to pay its debts as and when they fall due. JSPML has also confirmed that it would not request repayment of any transferred funds that would jeopardise the Company’s ability to pay its debts as and when they fall due.

JSPML has provided a Cash Advance Facility with an increased limit of $600 million. As of the date of this report, the unused facility amount is $26.70 million.

In addition, the Company has received a working capital loan for a total amount of $44,133,000 million from

Jindal Steel and Power (Australia) Pty Ltd (JSPAL), wholly owned subsidiary of JSPML.

JSPAL has also provided a letter of support confirming not to recall aforesaid loan for up to 31 January 2023. The letter further confirms that the inter-company restructured and redrawn loans (Foreign Currency Term Loan) through JSPAL will not be called upon for repayment for up to 31 January 2023 unless there is an acceleration and demand from the lenders in case of any event of default.

As at the date of this report, both JSPML and JSPAL confirm that there has been no such event of default under their respective relevant facility agreement which could result in acceleration or recall of debt from any lender.

Net Current Liabilities

The net current liabilities of $973 million includes interest free borrowings of $617.3 million from JSPML and JSPAL.

Settlement of legal claims

The consolidated entity has successfully defended and/or resolved several legal claims. Please refer to section ‘Update on Legal matters and Litigations’ of the directors’ report for details.

Deferment / Rescheduled of secured debts

The Company, its subsidiaries and associated entity has successfully restructured certain secured debts and obligations ("Transaction") under the following facility agreements:

- the US$69,000,000 (with an option to increase the facility by US$561,000,00) facility agreement originally dated 6 August 2015 (and as amended and/or restated from time to time) between, amongst others, JSPAL and the financial institutions named therein as lenders; and

- the US$98,690,000 facility agreement originally dated 24 December 2015 (and as amended and/or restated from time to time) between, amongst others, JSPAL and the financial institutions named therein as lenders,

(together, the "Facilities").

On 14 February 2020, the NSW Supreme Court approved the proposed creditor Schemes of Arrangement (Schemes) between the Company and JSAPL and Lenders under the Facilities. A total payment of US $17.35 million was made reducing the secured debt from US $370.15 million to US$ 352.80 million. Also the remaining balance of US $10.42 million was fully repaid under the MCB Facility.

The Schemes were terminated automatically on 29 March 2020 due to certain Pre-Settlement Date Conditions Precedent were not satisfied or waived by that time. However, on 29 April 2020, the NSW Supreme Court granted the relief sought by the Company and JSPAL and made orders that the Conditions Precedent Satisfaction Long Stop Date in the Schemes be extended to 1 April 2020; and the Settlement Long Stop Date in the Schemes be extended to the date that is 7 days after the entry by the Court of the Court’s orders made in respect of Application, namely 6 May 2020. The extensions ordered operate retrospectively from the time the orders approving the Schemes on 14 February 2020 were made.

Pursuant to the Common Terms Agreement as defined under the Facilities, US $76.82 million in total have been cancelled.

Details of the facilities amounts cancelled are:

- USD 25.60 million upon payment of instalment at the end of September 2020; and

- USD 51.22 million upon corporate guarantee from JSPL.

The total outstanding debt under these Facilities accordingly stands reduced to US $219.17 million currently, which is significantly reduced.

Approval for Russell Vale Colliery

The Underground Expansion Plan for a 5-year extension to mine up to 3.7 million tonnes from the Wonga East using first workings Bord and Pillar mining methods with minimal subsidence has been approved by IPC subject to certain conditions. The Commonwealth approval pursuant to the Environment Protection and Biodiversity Conservation (EPBC) is progressing as per the process.

The Company continues with the regulatory compliance works and preparatory works for the commencement of the mining after receiving all the regulatory approvals and meeting all the pre-conditions of the UEP.

The Directors truly believe that with all measures put in place, as detailed above, and the continuous support of JSPML and JSPAL, the consolidated entity would be able to put its liquidity troubles behind it and move to the more productive aspect of running a profitable business in future.

The Directors consider the consolidated entity to be a going concern and will be able to meet its debts and obligations as they fall due. Notwithstanding the above, if one or more of the planned measures do not eventuate or are not resolved in the consolidated entity's favour, then in the opinion of the directors, there will be significant uncertainty regarding the ability of the consolidated entity to continue as a going concern and pay its debts and obligations as and when they become due and payable.

If the consolidated entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business at amounts different from those stated in the financial statements.

No adjustments have been made to the financial statements relating to the recoverability and classification of the recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

(c) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Product sales

Revenue from sales of goods to customers is recognised when control of the goods has transferred, being the point in time when 1) the goods have been shipped to the customer and 2) the customer has full discretion over the subsequent distribution of the goods and the price at which the goods are sold. Based on the terms of the contract, at the time the goods are shipped, the customer is deemed to have accepted the products and therefore assumes any related inventory risk (e.g. obsolescence or other loss).

Revenue is only recognised where it is highly probable that a significant reversal of revenue will not occur.

The Group's payment terms are 30 days from the invoice date and accordingly there is no financing element to the Group's sales.

On delivery of the goods to the customer (i.e. when they are shipped), the Group recognises a receivable as this represents the point in time at which the Group's right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rent

For routine or recurring contracts where the services provided are substantially the same, for example rental services, which are transferred with the same pattern of consumption over time and whose consideration consists of a recurring fixed amount over the term of the contract (e.g. monthly or annual payment), in such a way that the customer receives and consumes the benefits of the services as the Group provides them, the revenue recognition model is based on the time elapsed output method.

Under this method, revenue is recognised on a straight line basis over the term of the contract and costs are recognised on an accrual basis.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenues are recognised as and when control of the performance obligations are transferred to the customer.

(d) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Wollongong Coal Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(g) Inventories

Inventories of coal are physically measured or stated at the lower of cost and net realisable value.

Coal stocks comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs are assigned to inventories using the weighted average basis.

Stores cost comprises average cost of purchase price and associated charges.

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

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing assets into use. Costs of dismantling and site rehabilitation are also capitalised, if the recognition criteria is met. Subsequent expenditure is capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Mine development

Mine development assets include costs for activities undertaken to gain access to mineral reserves. Typically, this includes sinking shafts, permanent excavations, building transport infrastructure and roadways.

Mine development assets also includes costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable. After transfer, all subsequent mine development expenditures is similarly capitalised, to the extent that commercial viability conditions continued to be satisfied.

Depreciation

Depreciation and amortisation is charged to the consolidated statement of profit or loss and other comprehensive income on a straight line basis at the rates indicated below. Depreciation commences on assets when it is deemed they are capable of operating in the manner intended by management.

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually. Any changes are accounted for prospectively.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	**Depreciation rate**
Buildings	20-40 years
Mine development	units of production
Mining leases	units of production
Plant and Equipment	3-10 years

Mine development and mining lease assets are depreciated on the basis of total mineable reserves, and resources likely to be converted to reserves, at each mine location.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(i) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Group has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Group does not hold financial assets at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

(j) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(k) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(l) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(m) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

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

(n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-60 days of recognition.

(p) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(r) Employee benefits

Wages and salaries and annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and sick leave are recognised in respect of services provided by employees up to the reporting date and measured based on expected date of settlement. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for wages and salaries, and annual leave expected to be settled more than 12 months of the reporting date, and long service leave is recognised and measured as the present value of expected future payments to be made using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification. If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(s) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(t) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards.

3 Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment and reversal of impairment of non-financial assets

The consolidated entity assesses impairment and any reversal of impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment or reversal of impairment. If an impairment trigger or indicator of reversal exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Where fair value less costs of disposal is used, the valuation takes into consideration what a market participant would do to obtain the highest and best use of the asset. An estimate is made of the potential costs of disposal.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position. The consolidated entity has impaired the receivables with its former parent entity, Gujarat NRE Coke Limited and other associated entities based on management's assessment that the receivable is no longer recoverable.

Mine closure and rehabilitation provision estimates

Provision is made for the anticipated costs of future site restoration. The provision includes estimated future costs relating to the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site. The calculation of rehabilitation and closure provisions (and corresponding capitalised closure cost assets where necessary) rely on estimates of cost required to rehabilitate and restore disturbed areas of land to their original condition and discounting factors. These estimates are regularly reviewed and adjusted in order to ensure that most up to date data is used to calculate these balances. The closure and rehabilitation provision is disclosed in note 20.

Determination of coal reserves and resources

The consolidated entity estimates its coal reserves and resources based on information compiled by competent persons as defined in the Australian code for reporting the coal mineral resources and ore reserves of December 2012 (JORC CODE). Reserves determined in this way are used in the calculation of depreciation, amortisation and impairment charges, the assessment of mine lives and for forecasting the time for payment of close down and restoration costs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Contingent liabilities

The consolidated entity from time to time may incur obligations arising from litigation or various types of legal and regulatory matters in the normal course of business. At the reporting date, the consolidated entity assesses these matters based on current information and makes judgements concerning their potential outcome, giving due consideration to the nature of the claim, the amount and nature of any damages sought, and the probability of success. Such judgements are made with the understanding that the outcome of any litigation, investigation, or other legal proceeding is inherently uncertain. The consolidated entity discloses contingent liabilities for matters where the probability of any outflow in settlement was greater than remote (refer to note 28) In the event the disclosure of information in relation to a contingent liability can be expected to prejudice seriously the position of the consolidated entity in a dispute, accounting standards allow the consolidated entity not to disclose such information and it is the consolidated entity's policy that such information is not to be disclosed in this note.

Notes to the Financial Statements
For the Year Ended 31 March 2021

4 Revenue and Other Income

	2021 000's $	2020 000's $
Revenue from contracts with customers		
- sale to external customers	**12**	7,036
Total Revenue	**12**	7,036

	2021 000's $	2020 000's $
Revenue by geographic location		
- India	**-**	4,344
- Vietnam	**-**	2,692
- Domestic	**12**	-
Revenue from contracts with customers	**12**	7,036
Revenue by products		
- Thermal	**12**	2,692
- Metallurgical	**-**	4,344
Revenue from contracts with customers	**12**	7,036

	2021 000's $	2020 000's $
Other Income		
- rental income	**278**	365
- government grants	**1,390**	-
- other income	**1,579**	200
- scrap sale	**201**	-
- net gain on disposal of property, plant and equipment	**1,755**	979
Total other income	**5,203**	1,544

5 Net gain on modification of borrowings

	2021 000's $	2020 000's $
Reduction in value of borrowings	**106,860**	-
Costs incurred in respect of modification	**(12,782)**	-
Net gain on modification	**94,078**	-

The Group with Jindal Steel and Power (Australia) Limited (JSPAL) had been in negotiation with certain secured lenders (Lenders) in connection with the amendment of certain indebtedness and/or other obligations ("Transaction") under the following facility agreements:

- the US$69,000,000 (with an option to increase the facility by US$561,000,00) facility agreement originally dated 6 August 2015 (and as amended and/or restated from time to time) between, amongst others, JSPAL and the financial institutions named therein as lenders; and

- the US$98,690,000 facility agreement originally dated 24 December 2015 (and as amended and/or restated from time to time) between, amongst others, JSPAL and the financial institutions named therein as lenders,

(together, the "Facilities").

On 14 February 2020, the NSW Supreme Court approved the proposed creditor Schemes of Arrangement (Schemes) between the Group and JSAPL and Lenders under the Facilities.

The Schemes were terminated automatically on 29 March 2020 due to certain Pre-Settlement Date Conditions Precedent were not satisfied or waived by that time. However, on 29 April 2020, the NSW Supreme Court granted the relief sought by the Group and JSPAL and made orders that the Conditions Precedent Satisfaction Long Stop Date in the Schemes be extended to 1 April 2020; and the Settlement Long Stop Date in the Schemes be extended to the date that is 7 days after the entry by the Court of the Court's orders made in respect of Application, namely 6 May 2020. The extensions ordered operate retrospectively from the time the orders approving the Schemes on 14 February 2020 were made.

This amendment involved the following significant matters:

- the cancellation of US$76.8m in principal outstanding, subject to certain events and conditions being met. These conditions were met during September and November 2020, and correspondingly the company received confirmation that US$25.6m and US$51.2m of principal outstanding had been waived during those months.

- the removal of financial covenants from the loan terms.

- the addition of the Group's ultimate parent entity Jindal Steel and Power Limited as a guarantor.

The Group incurred significant legal and advisory costs associated with this amendment. Additionally, the Group accelerated the recognition of borrowing costs associated with the 2015 recognition of borrowings as the modification constituted a substancial modification de-recognition event in accordance with AASB 9.

6 Finance Income and Expenses

Finance income

	2021 000's $	2020 000's $
Interest income	**138**	221
Total finance income	**138**	221

Finance expenses

	2021 000's $	2020 000's $
Unwinding of discounts on provisions	**1,295**	1,629
Interest and financing costs	**26,483**	36,288
Total finance expenses	**27,778**	37,917

7 Impairment of assets

The Group reviews the carrying value of the assets of each Cash Generating Unit ("CGU") at each balance date. Accordingly, the Group has performed an impairment assessment of its Cash Generating Units being Russell Vale Colliery and Wongawilli Colliery. As both of these CGUs have previously been impaired, the assessment also considered the potential for any reversal of impairment recorded in prior periods.

(a) An impairment reversal occurred during the reporting period

The asset class and impairment amount are shown below:

	Asset Class	31 March 2021 Amount of Impairment (loss) / reversal '000 $	31 March 2020 Amount of Impairment reversal '000 $
Recognised in the statement of profit or loss and other comprehensive income			
Property, plant and equipment	Mine development	31,323	51,789
Property, plant and equipment	Mine leases	(3,090)	8,966
Intangible asset	Goodwill	(28,233)	-
		-	60,755

(b) Specific impairment reversal

Description of the cash-generating unit (CGU)	31 March 2021 Amount of impairment reversal / (loss) '000 $	Events or circumstances leading to the impairment	Reason and description of any change in CGU since prior year	Recoverable amount of CGU '000 $	Method of estimation
Russell Vale Colliery	55,265	Re-estimation of fair value of CGU	No change	323,730	Fair value less costs of disposal
Wongawilli Colliery	(55,265)	Re-estimation of fair value of CGU	No change	76,230	Fair value less costs of disposal

Description of the cash-generating unit (CGU)	31 March 2020 Amount of impairment reversal '000 $	Events or circumstances leading to the impairment	Reason and description of any change in CGU since prior year	Recoverable amount of CGU '000 $	Method of estimation
Russell Vale Colliery	47,948	Re-estimation of fair value of CGU	No change	271,260	Fair value less costs of disposal
Wongawilli Colliery	12,807	Re-estimation of fair value of CGU	No change	126,720	Fair value less costs of disposal

Cash-generating units where recoverable amount has been determined using fair value less costs of disposal

Cash-generating unit	Level of fair value hierarchy	Description of valuation techniques (for Level 2 and Level 3 measurements)
Russell Vale Colliery	3	Discounted cash flow
Wongawilli Colliery	3	Discounted cash flow

Key Assumptions

In it's determination of fair value, management has adopted a number of assumptions. Those assumptions which the cash generating unit's recoverable amount is most sensitive are classified as key assumptions and are disclosed below. It applies to both identified cash generating units unless otherwise stated.

Key assumption	Basis for determining value(s) assigned to key assumption
Discount rate of 9.5% (2020: 9.5%)	Determined primarily based on external sources of information with the exception of additional project level risk, incorporated as an alpha risk factor.
Long term real coking coal price of US$145 / T (2020: US$141 / T)	Determined based on publicly available long term pricing forecasts.
Pricing discount to benchmark, Wongawilli Colliery 39.2% (2020: 29.5%), Russell Vale Colliery 23.1% (2020: 23.5%)	Determine in accordance with management's past experience, including information on the grade of existing coal seams.
Long term foreign exchange rate (AUD/USD) of $0.75 (2020: $0.70)	Determined based on publicly available long term forecasts.
Average operating cost of production per tonne, (2021 real dollars), Wongawilli $91 Russell Value $98 (2020: Wongawilli $81, Russell Vale $97)	Determined in accordance with management's mine production plan. Values assigned reflect past experience, except for efficiency improvements expected to be realised as production is scaled up over time. Management believes these improvements are reasonably achievable.
Mine life of 30 years for Wongawilli, 27 years for Russell Vale (2020: 30 years for Wongawilli, 27 years for Russell Vale)	Determined in accordance with management's mine production plan.
Total run-of-mine (ROM) production over the expected mine life, 60.6MT for Wongawilli, 60.9MT for Russell Vale (2020: 59.4MT for Wongawilli, 61.5MT for Russell Vale)	Determined in accordance with management's mine production plan. Management's plan is based on resources and reserves information gained from drilling and production activities.
Additional discount for resources, permission and other risks, 15% for Wongawilli and 10% for Russell Vale (2020: 30% for Wongawilli and 20% for Russell Vale)	Determined in accordance with management's estimate of the discount which would be applied to the fair value of each cash generating unit by a market participant, taking into account the significant uncertainties associated with measured resources and regulatory approvals.
Obtaining relevant regulatory approvals as required	Management has determined that the receipt of regulatory approval is likely based on past experience and communications received from the regulator to date.

As the future cash flows associated with each cash generating unit are dependent on forward prices and production rates, it is not possible to disclose a growth rate used to extrapolate cash flow projections. Relevant pricing and production data are disclosed above.

Management has determined the value (or values) of key assumptions based on the external sources of information, wherever possible.

There has been no change in the valuation technique applied to calculate the fair value less cost of disposal for the two identified cash generating units from the prior year.

Sensitivity

The Group have made estimates and assumptions in respect of impairment testing of cash generating units. Management believes that reasonably possible changes in some assumptions and estimates could lead to cash generating unit's carrying value exceeding its recoverable amount. These, and the amounts by which each CGU's recoverable amount exceeds the carrying value of its assets (as applicable) are stated below:

	Russell Vale Colliery '000	Wongawilli Colliery '000
Carrying amount before impairment reversal (000's)	240,570	131,495
Recoverable amount (000's)	323,730	76,230
Impairment reversal/(loss)	55,265	(55,265)

Russell Vale Colliery

Management has determined that it will not take up estimate full reversal of impairment indicated by the difference between the carrying value of the Russell Value CGU and its recoverable amount. Management has conservatively only reversed impairment to the extent of the impairment loss recorded in the Wongawilli Colliery, and no net impairment gain is recorded in the consolidated financial statements. Any future events that result in adverse changes to the forecast cash flows used in the impairment assessment would accordingly result in impairment. Accordingly, the below table displays the impairment charge that would result from reasonably possible changes to key assumptions.

Key assumption	Current value	Reasonably possible change	Impact of change
Discount rate	9.5%	Increase by 1%	Impairment of $46.5 million
Long term coking coal price per tonne	US $145 (2021 real dollars)	Decrease by 10%	Impairment of $238 million
Long term foreign exchange rate (AUD/USD)	A $1.00 = US $0.75	Increase by 10%	Impairment of $238 million
Operating cost of production per tonne	$98	Increase by 10%	Impairment of $160.6 million

Wongawilli Colliery

After the recognition of a further loss of $55,265,000 in the current year, the carrying amount of he Wongawilli Colliery CGU is now in line with the current recoverable value of its assets. Any future events that result in adverse changes to the forecast cash flows used in the impairment assessment would accordingly result in impairment. Accordingly, the below table displays the impairment charge that would result from reasonably possible changes to key assumptions.

Key assumption	Current value	Reasonably possible change	Impact of change
Discount rate	9.5%	Increase by 1%	Impairment of $46.5 million
Long term coking coal price per tonne	US $145	Decrease by 10%	Impairment of $76.2 million
Long term foreign exchange rate (AUD/USD)	A $1.00 = US $0.75	Increase by 10%	Impairment of $76.2 million
Operating cost of production per tonne	$91	Increase by 10%	Impairment of $76.2 million

Only key assumptions that management have considered reasonably subject to change have been considered in the above assessments.

Notes to the Financial Statements
For the Year Ended 31 March 2021

8 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2021 000's $	2020 000's $
Profit	**136,398**	(111,990)
Tax	**30.00 %**	30.00 %
	40,919	(33,597)
Add:		
Tax effect of:		
- Non-deductible items	**6,358**	7,365
- Tax losses not eligible for recognition	**-**	26,232
	47,277	-
Less:		
Tax effect of:		
- Impact of loan modification	**32,058**	-
- Timing differences not brought to account	**474**	-
Recoupment of prior year tax losses not previously brought to account	**14,745**	-
Income tax expense	**-**	-

9 Cash and Cash Equivalents

	2021 000's $	2020 000's $
Cash at bank	**7,289**	6,728

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2021 000's $	2020 000's $
Cash and cash equivalents	**7,289**	6,728
Balance as per statement of cash flows	**7,289**	6,728

Cash balances includes $7,009,000 (2020: $6,433,950) held as security against the Group's borrowings and bank guarantees.

10 Trade and Other Receivables

		2021 000's $	2020 000's $
CURRENT			
Trade receivables		**38,307**	38,307
Provision for impairment	(a)	**(38,307)**	(38,307)
GST receivable		**165**	135
Other receivables		**85**	-
Total current trade and other receivables		**250**	135

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 March 2021 is determined as follows, the expected credit losses incorporate forward looking information.

31 March 2021	**Current**	**< 30 days overdue**	**< 60 days overdue**	**> 90 days overdue**	**Total**
Expected loss rate (%)	**-**	**-**	**-**	**100.00**	
Gross carrying amount ($)	**-**	**-**	**-**	**38,307**	**38,307**
ECL provision	**-**	**-**	**-**	**(38,307)**	**(38,307)**

31 March 2020	**Current**	**< 30 days overdue**	**< 60 days overdue**	**> 90 days overdue**	**Total**
Expected loss rate (%)	-	-	-	100.00	
Gross carrying amount ($)	-	-	-	38,307	38,307
ECL provision	-	-	-	(38,307)	(38,307)

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2021 000's $	2020 000's $
Balance at beginning of the year	**(38,307)**	(38,128)
Additional impairment loss recognised	**-**	(179)
Amounts written off as uncollectible		
Balance at end of the year	**(38,307)**	(38,307)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised a loss allowance of 100.00% against all receivables greater than 90 days because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 2 years past due, whichever occurs first.

(b) Collateral held as security

The Group does not hold any collateral over any receivables balances.

11 Inventories

	2021 000's $	2020 000's $
CURRENT		
Finished goods	-	123
Stores and Consumables	**2,235**	2,819
	2,235	2,942

Write downs of inventories to net realisable value during the year were $ 209,000 (2020: $ NIL).

12 Other Financial Assets

	2021 000's $	2020 000's $
CURRENT		
Debt securities - at amortised cost	**910**	7,229
Total current other financial asset	**910**	7,229
NON-CURRENT		
Debt securities - at amortised cost	**8,692**	9,572
Equity securities - at fair value through Other Comprehensive Income (i)	**180**	150
Total non-current other financial asset	**8,872**	9,722

(i) Equity securities designated as at FVOCI

The Group designated the below equity securities to measured at fair value through other comprehensive income (FVOCI) because these equity securities represent investments that the Group intends to hold for the long-term for strategic purpose.

	Fair value as at 31 March 2021	Fair value as at 31 March 2020
Shree Minerals	60,000	30,000
Port Kembla Coal Terminal	120,000	120,000

No strategic investments were disposed of during 2020-2021, and there were no transfers of any cumulative gains or loss within equity relating to these investments

13 Property, plant and equipment

	2021 000's $	2020 000's $
LAND AND BUILDINGS		
Freehold land		
At cost	**43,107**	43,202
Leasehold land		
At cost	**486**	486
Total Land	**43,593**	43,688
Buildings		
At cost	**2,459**	2,480
Accumulated depreciation	**(734)**	(665)
Total buildings	**1,725**	1,815
Total land and buildings	**45,318**	45,503
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	**16,487**	18,921
Plant and equipment		
At cost	**212,693**	216,245
Accumulated depreciation	**(170,410)**	(159,246)
Total plant and equipment	**42,283**	56,999
Mine development		
At cost	**745,832**	744,252
Accumulated depreciation	**(228,087)**	(228,373)
Accumulated impairment losses	**(252,410)**	(283,733)
Total Mine development	**265,335**	232,146
Mining leases		
At cost	**77,145**	77,145
Accumulated depreciation	**(5,092)**	(5,092)
Accumulated impairment losses	**(31,982)**	(28,892)
Total Mining leases	**40,071**	43,161
Total property, plant and equipment	**409,494**	396,730

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Land	Mining leases	Plant and Equipment	Mine development	Capital works in progress	Total
	000's	000's	000's	000's	000's	000's	000's
	$	$	$	$	$	$	$
Year ended 31 March 2021							
Balance at the beginning of year	1,815	43,688	43,161	56,999	232,146	18,921	396,730
Additions	-	-	-	-	-	4,508	4,508
Disposals	-	(95)	-	(408)	(4,063)	-	(4,566)
Transfers	-	-	-	1,298	5,644	(6,942)	-
Depreciation expense	(90)	-	-	(15,606)	285	-	(15,411)
Impairment (loss) / reversal	-	-	(3,090)	-	31,323	-	28,233
Balance at the end of the year	1,725	43,593	40,071	42,283	265,335	16,487	409,494

	Buildings	Land	Mining leases	Plant and Equipment	Mine development	Capital works in progress	Total
	000's	000's	000's	000's	000's	000's	000's
	$	$	$	$	$	$	$
Year ended 31 March 2020							
Balance at the beginning of year	1,906	31,774	34,195	73,984	183,462	18,646	343,967
Additions	-	-	-	46	-	3,330	3,376
Disposals	-	-	-	(2,195)	(3,296)	-	(5,491)
Transfers	-	-	-	3,055	-	(3,055)	-
Transfers from asset held for sale	-	11,914	-	-	-	-	11,914
Depreciation expense	(91)	-	-	(17,891)	191	-	(17,791)
Impairment reversal	-	-	8,966	-	51,789	-	60,755
Balance at the end of the year	1,815	43,688	43,161	56,999	232,146	18,921	396,730

14 Intangible Assets

	2021 000's $	2020 000's $
Intangible assets		
Goodwill		
Cost	**299,963**	299,963
Accumulated impairment losses	**(299,963)**	(271,730)
Net carrying value	**-**	28,233

(a) Movements in carrying amounts of intangible assets

	Goodwill 000's $	Total 000's $
Year ended 31 March 2021		
Balance at the beginning of the year	**28,233**	**28,233**
Additional impairment loss recognised	**(28,233)**	**(28,233)**
Closing value at 31 March 2021	**-**	**-**

	Goodwill 000's $	Total 000's $
Year ended 31 March 2020		
Balance at the beginning of the year	28,233	28,233
Closing value at 31 March 2020	28,233	28,233

Recoverable amount testing for goodwill and indefinite life intangibles

For the purpose of impairment testing, goodwill and indefinite life intangibles are allocated to cash-generating units as below:

Description of the cash-generating unit (CGU)	Carrying amount of goodwill 000's $	Carrying amount of indefinite life intangibles allocated 000's $	Carrying amount of CGU 000's $	Recoverable amount of CGU 000's $	Method of estimation
Wongawilli Colliery	-	-	76,230	76,230	Fair value less costs of disposal

Notes to the Financial Statements

For the Year Ended 31 March 2021

15 Other assets

	2021 000's $	2020 000's $
CURRENT		
Advances to suppliers	**1,299**	1,177
Prepayments	**1,001**	1,057
Security deposits (a)	**702**	3,824
	3,002	6,058

	2021 000's $	2020 000's $
NON-CURRENT		
Security deposit (a)	**7,294**	7,322

a) Security deposits are primarily in respect of the Group's rehabilitation obligations relating to its two Collieries as well as in respect of various legal judgements which required the Group to make deposits to its legal representatives trust account.

16 Trade and Other Payables

	2021 000's $	2020 000's $
CURRENT		
Trade payables	**1,419**	2,454
Sundry payables and accrued expenses	**2,460**	1,936
Other payables	**-**	170
	3,879	4,560

Trade and other payables are unsecured, non-interest bearing and are normally settled within 60 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

17 Borrowings

	2021 000's $	2020 000's $
CURRENT		
Unsecured liabilities:		
JSPML working capital loan (principal)	**568,066**	433,575
JSPML working capital loan (accrued interest)	**23,231**	23,231
JSPAL working capital loan	**44,113**	38,376
	635,410	495,182
Secured liabilities:		

	2021 000's $	2020 000's $
JSPAL term loan (principal)	**138,986**	571,335
JSPAL term loan (accrued interest)	**3,304**	1,313
Loan - secured (capitalised costs)	**-**	(2,881)
	142,290	569,767
Total current borrowings	**777,700**	1,064,949

	2021 000's $	2020 000's $
NON-CURRENT		
Secured liabilities:		
JSPAL term loan (principal)	**149,323**	-
	149,323	-
Total non-current borrowings	**149,323**	-

Refer to note 22 for further information on the Group's financial risk management.

The JSPAL term loan is secured by a senior charge on all present and after-acquired property of Wollongong Coal Limited, excluding raw materials, stocks, inventory and accounts receivable on account of sale and purchase of goods made and services rendered in the normal course of trade or any other assets of a similar nature. The facility is co-guaranteed by Jindal Steel and Power Limited.

(a) Unrestricted access was available at the reporting date to the following lines of credit:

	2021 000's $	2020 000's $
Total facilities		
JSPAL term loan facility*	**288,309**	571,335
JSPML working capital facility**	**600,000**	440,000
JSPAL working capital facility	**50,000**	50,000
	938,309	1,061,335
Used at the reporting date		
JSPAL term loan facility*	**288,309**	571,335
JSPML working capital facility**	**568,066**	433,575
JSPAL working capital facility	**44,113**	38,376
	900,488	1,043,286
Unused at the reporting date		
JSPML working capital facility**	**31,934**	6,425
JSPAL working capital facility	**5,887**	11,624
	37,821	18,049
	37,821	18,049

*JSPAL - Jindal Steel and Power (Australia) Pty Limited, is an associated company.

**JSPML - Jindal Steel and Power (Mauritius) Limited, is a major shareholder.

On the 6th of May 2020, the Group, together with JSPAL and its syndicate lenders agreed to amend its existing debt facilities (refer to Note 5 for further details).

The amended terms are noted below:

The interest rate applicable is 3 month LIBOR plus a margin of between 3 and 4.5%.

The outstanding balance is split into two facilities. Facility A3 is repayable in two equal installments of US$105.7m , in September 2021 and September 2022. Facility B is repayable in three equal installments of US$2.6m, in September 2026, September 2027 and September 2028.

To continue to assist the consolidated entity with its cash flow, the intermediate parent entity JSPML has provided a AUD 600 million working facility. The amount withdrawn is repayable on demand.

The consolidated entity also holds a working capital facility with its associated entity, JSPAL. Amounts withdrawn under this facility are repayable on demand.

The unused facility is subject to meeting strict conditions and further funding is subject to meeting these conditions.

18 Provisions

	2021 000's $	2020 000's $
CURRENT		
Legal proceedings	-	6,818
Employee benefits	**3,001**	2,936
	3,001	9,754

	2021 000's $	2020 000's $
NON-CURRENT		
Mine restoration	**37,427**	40,198

(a) Movement in carrying amounts - detailed table

	Mine restoration 000's $	Legal proceedings 000's $	Employee benefits 000's $
Opening balance at 1 April 2020	**40,198**	**6,818**	**2,936**
Provisions used/(reversed)	**(4,066)**	**(6,818)**	**65**
Unwinding of discount	**1,295**	**-**	**-**
Balance at 31 March 2021	**37,427**	**-**	**3,001**

	Mine restoration 000's $	Legal proceedings 000's $	Employee benefits 000's $	Restructuring 000's $
Opening balance at 1 April 2019	41,850	15,689	2,567	2,395
Provisions used/(reversed)	(3,281)	(8,871)	-	(2,395)
Unwinding of discount	1,629	-	369	-
Balance at 31 March 2020	**40,198**	**6,818**	**2,936**	**-**

Provision for Mine restoration

The provision represents the value of estimated costs required to rehabilitate and restore disturbed areas of land to their original condition (for Russell Vale Colliery and Wongawilli Colliery) in accordance with their environmental and legal obligations following the completion of mining activities. The calculation is based on a third-party estimate of costs expected to be incurred following the conclusion of mining activities discounted to present value at 4.43 - 4.61% (2020: 3.08 - 3.20%). Given the nature of this provision, there is a high degree of uncertainity about the timing and amount of future cash outflows.

Provision for Legal Proceedings

These provisions represent the value of estimated costs required to settle various unfavourable legal cases. These matters were settled during the financial year 2021.

19 Contract Liabilities

	2021 000's $	2020 000's $
CURRENT		
Advances from customers	**15,479**	33,072
	15,479	33,072

Customer advances are repayable if the Group fails to meet agreed delivery schedules. Some customer advance payments attract default interest charges in the event delivery schedules are not met.

20 Issued Capital

	2021 000's $	2020 000's $
2021: (2020: 9,366,977,256) Ordinary shares	**913,690**	913,690

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios. A key objective of the Company's capital risk management is to maintain compliance with the covenants attached to the Company's debts. Throughout the year, the Company has complied with these covenants.

21 Commitments

(a) Capital expenditure commitments

	2021 000's $	2020 000's $
Committed at the reporting date but not recognised as liabilities, payable:		
- not later than one year	**1,374**	239

22 Financial Risk Management

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ("the Board"). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group’s financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

The day-to-day risk management is carried out by the Group’s finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowings facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	2021 000's $	2020 000's $
JSPML working capital facility	**31,934**	6,425
JSPAL working capital facility	**5,887**	11,624
Total	**37,821**	18,049

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

	Weighted average Interest rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
			2021	2020	2021	2020	2021	2020	2021	2020
	2021	2020	000's	000's	000's	000's	000's	000's	000's	000's
	%	%	$	$	$	$	$	$	$	$
Financial liabilities due for payment										
Trade and other payables	**-**	-	**3,874**	4,560	**-**	-	**-**	-	**3,874**	4,560
JSPAL term loan facility	**4.65**	5.63	**152,418**	572,648	**143,906**	-	**10,834**	-	**307,158**	572,648
JSPML working capital facility	**-**	-	**568,066**	433,575	**-**	-	**-**	-	**568,066**	433,575
JSPAL working capital facility	**-**	-	**44,113**	38,376	**-**	-	**-**	-	**44,113**	38,376
Total contractual outflows			**768,471**	1,049,159	**143,906**	-	**10,834**	-	**923,211**	**1,049,159**

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
	Gross amount	**Past due and impaired**	**<30**	**31-60**	**61-90**	**>90**	**Within initial trade terms**
	000's	**000's**	**000's**	**000's**	**000's**	**000's**	**000's**
	$	**$**	**$**	**$**	**$**	**$**	**$**
2021							
Trade receivables	**38,307**	**38,307**	**-**	**-**	**-**	**-**	**-**
Other receivables	**85**	**-**	**-**	**-**	**-**	**-**	**85**
Total	**38,392**	**38,307**	**-**	**-**	**-**	**-**	**85**
2020							
Trade receivables	**38,307**	**38,307**	**-**	**-**	**-**	**-**	**-**

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Other financial assets held at amortised cost

Other financial assets at amortised cost include debt securities.

No loss allowance was recorded against these securities in the current or prior year.

The aging analysis of receivables is as follows:

	2021 000's $	2020 000's $
0-30 days	**85**	-
91+ days (considered impaired)	**38,307**	38,307
	38,392	38,307

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars.

The Group manages its foreign exchange risks by holding its borrowings in the same currency in which it generates its revenues.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

	AUD 000's $
2021	
Nominal amounts	
Financial assets	**30**
Financial liabilities	**(157,769)**
Short-term exposure	**(157,739)**
Financial liabilities	**(149,323)**
Long-term exposure	**(149,323)**
2020	
Nominal amounts	
Financial assets	1,007
Financial liabilities	(605,720)
Short-term exposure	(604,713)

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the US Dollar – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a +/- 11% change of the Australian Dollar / US Dollar exchange rate for the year ended 31 March 2021 (31 March 2020: 13%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

The year end rate is 0.76 US Dollar - Australian Dollar (31 March 2020: 0.62).

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the Australian Dollar had strengthened and weakened against the US Dollar by 11% ((31 March 2020: 13%) then this would have had the following impact:

	2021 000's $		2020 000's $	
	+11%	**-11%**	**+13%**	**-13%**
USD				
Net results	**33,413**	**(33,413)**	78,613	(78,613)
Equity	**33,413**	**(33,413)**	78,613	(78,613)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

(ii) Interest rate risk

The Group is exposed to interest rate risk as funds are borrowed at floating and fixed rates.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the reporting date, the Group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

	2021 000's $	2020 000's $
Floating rate instruments		
Borrowings	**288,309**	571,335

Sensitivity analysis

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2020: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2021 000's $		2020 000's $	
	+1.00%	**-1.00%**	**+1.00%**	**-1.00%**
Net results	**(2,883)**	**2,883**	(5,713)	5,713
Equity	**(2,883)**	**2,883**	(5,713)	5,713

(iii) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Such risk is managed through diversification of investments across industries and geographic locations.

The group is also exposed to commodity price risk. The Group's major commodity price exposure is to the price of coal. The Group has not chosen to hedge against movements in coal prices.

23 Tax assets and liabilities

(a) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

	2021 000's $	2020 000's $
Tax losses	**281,021**	329,479

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein.

24 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2021 000's $	2020 000's $
Short-term employee benefits	**1,622**	1,474
Long-term benefits	**28**	27
Post-employment benefits	**147**	140
Other	**153**	16
	1,950	1,657

25 Auditors' Remuneration

	2021 000's $	2020 000's $
Remuneration of the auditor (UHY Haines Norton)		
- auditing or reviewing the financial statements	**114,274**	113,000
- other assurance services	**2,200**	17,600
- tax compliance services	**27,050**	10,500
Total	**143,524**	141,100

26 Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2021	Percentage Owned (%)* 2020
Subsidiaries:			
Oceania Coal Resources NL	Australia	**100**	100
Wongawilli Coal Pty Ltd	Australia	**100**	100
Southbulli Holdings Pty Ltd	Australia	**100**	100
Enviro Waste Gas Services Pty Ltd	Australia	**100**	100

27 Fair Value Measurement

The following financial assets of the Group are recorded at fair value:

- Listed Shares
- Unlisted Shares

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

31 March 2021	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets				
Listed Shares	**60**	**-**	**-**	**60**
Unlisted Shares	**-**	**-**	**120**	**120**

31 March 2020	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets				
Listed Shares	30	-	-	30
Unlisted Shares	-	-	120	120

There were no transfers between levels during the financial year.

The fair value of the consolidated entity's investment in unlisted shares is classified under level 3 in the fair value measurement hierarchy. The consolidated entity's holding in unlisted shares is minor and any reasonably possible change in assumptions would not have a material impact on the consolidated entity's financial statements.

The carrying values of the financial assets and liabilities recorded in the financial statements approximate their respective net fair values, determined in accordance with the accounting policies disclosed in note 3.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

28 Contingencies

Contingent liabilities

- The consolidated entity has received claims for payment in total for $4,048,000 that is in dispute. Further, the consolidated entity has given notice of claims for a larger amount, which the consolidated entity considers should be offset against the claims made against it. The consolidated entity is continuing to seek legal advice in relation to these matters. Due to legal and commercial sensitivity, no further information could be disclosed at the time of this report.

- On 5 March 2020, the Supreme Court of New South Wales dismissed an action by PCL (Shipping) Pte Ltd action to recover freight charges of up to US $3.2 million it alleged were owed by Wollongong Coal. The freight charges date back to 2013 when Wollongong Coal was a subsidiary of Gujarat NRE Coke Limited and part of Gujarat NRE Group. The dispute concerned the Illawarra Fortune, a ship that Gujarat NRE Coke Limited chartered from PCL for a shipment of coal from Port Kembla. PCL has paid the costs and matter has been settled in full and final.

- The Supreme Court Proceeding numbered 2016/120239 in the NSW Supreme Court commenced by Bellpac Pty Ltd (receiver and managers appointed) (in Liquidation) (Bellpac) has been settled in full and final. The terms of the settlement are commercially sensitive and confidential.

- On 9 April 2020, WLC and its subsidiary (Wongawilli Coal Pty Ltd) have received statement of claims from the administrator of CAS Mine Services Pty Ltd for a total amount of $258,468. The matter has been settled in full and final.

- In January 2021, WLC and its subsidiary (Wongawilli Coal Pty Ltd), were served with proceedings commenced by UIL (Singapore) Pte Ltd, a foreign entity incorporated in Singapore, in the Federal Court of Australia. The claim relates to alleged breaches of contracts for the sale of coal and misleading and deceptive conduct. The proceedings are at an early stage and the claim is not yet quantified. WLC and WCPL intend to defend the proceedings.

	2021 000's $	2020 000's $
Contingent Liabilities		
Bank Guarantees		
Rehabilitation provision	**45,803**	45,657
Other	**1,053**	1,290
Cash and Security Deposits		
Rehabilitation provision	**6,551**	6,551
Other		
Legal	**-**	4,048
	53,407	57,546

Contingent assets

- On 30 March 2021, the Department of Regional NSW provided a determination in relation to an application by WLC and its subsidiary, Wongawilli Coal Pty Ltd (WCPL), for allowable deductions from royalties paid in relation to the export of coal. The determination found that WLC and WCPL are entitled to certain amounts as allowable deductions. WLC and WCPL are considering the determination as at the date of this report. Management's best estimate for the value of currently allowed deductions is $2,586,000.

- On 13 March 2020, the Supreme Court of New South Wales delivered judgment in Wollongong Coal's proceedings against Gujarat NRE Properties, Arun Kumar Jagatramka and his wife Mona Jagatramka. The proceedings relate to a residential property (at 64 Cliff Road, Wollongong) acquired by the company in 2008 when Mr Jagatramka was a director and the Executive Chairman of Wollongong Coal and Mrs Jagatramka was one of the directors.

The Court found that Mr and Mrs Jagatramka, as directors of the company, breached their duties to act for a proper purpose and to avoid a conflict of interest and that they failed to disclose their real interest was to use the property as their personal residence. The Court gave judgment in favour of Wollongong Coal and against Mr and Mrs Jagatramka in the sum of $12,081,742.99. The Court has also ordered Mr and Mrs Jagatramka to pay the company's costs of the proceedings. The likelihood of recovering the judgment sum is unclear at this stage. The appeal hearing was held in Nov 2020 and appeal judgement was unfavourable. WCL is currently reviewing it.

29 Related Parties

Wollongong Coal Limited is the parent in Australia. The intermediate parent entity is Jindal Steel & Power (Mauritius) Limited ('JSPML'), a company registered in Mauritius. The ultimate parent entity is Jindal Steel & Power Limited ('JSPL), a company registered in India.

Key management personnel - refer to Note 24.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Purchases	Sales	Other	Balance outstanding as at 31 March 2021 Owed to the company	Owed by the company	Provision for bad debts	Bad debts expenses
	000's	000's	000's	000's	000's	000's	000's
	$	$	$	$	$	$	$
Parent (JSPML)							
Borrowings	-	-	-	-	591,297	-	-
Associates (JSPAL, JPL)							
Borrowings	-	-	-	-	335,726	-	-
Interest expense	-	-	25,074	-	-	-	-

Working capital facilities (borrowings) with JSPML and JSPAL are interest free and repayable on demand.

(b) Loans to/from related parties

	Opening balance	Closing balance	Interest not charged	Interest payable	Impairment
	000's	000's	000's	000's	000's
	$	$	$	$	$
Loans - working capital from parent entity (JSPML)					
2021	**456,806**	**591,297**	**-**	**-**	**-**
2020	312,387	456,806	-	-	-
Loans - working capital from associate entity (JSPAL)					
2021	**38,376**	**44,113**	**-**	**-**	**-**
2020	24,270	38,376	-	-	-
Loans - Term loan facility (JSPAL)					
2021	**571,335**	**288,309**	**-**	**3,304**	**-**
2020	531,514	571,335	-	1,313	-

Loans have been received from the Group's parent entity and an associate entity. Repayment terms are set for each loan as follows:

• The JSPML and JSPAL working capital facilities are unsecured, interest free, and repayable on demand in cash

• The JSPAL term loan facility is secured, is repayable in two facilities. Facility A3 is repayable in two equal installments of US$105.7m , in September 2021 and September 2022. Facility B is repayable in three equal installments of US$2.6m, in September 2026, September 2027 and September 2028.

Further information regarding related party borrowings is presented in note 17.

Notes to the Financial Statements

For the Year Ended 31 March 2021

30 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	000's	000's
	$	$
Total profit/(loss) for the year	**136,398**	(111,990)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**15,411**	17,791
- impairment of asset	**-**	(60,755)
- net gain on disposal of property, plant and equipment	**-**	(979)
- unrealised foreign exchange (gain) loss on non-operating assets	**(94,486)**	80,360
- net gain on modification of borrowings	**(94,078)**	-
- unwinding of discount on provision	**-**	807
- non cash interest expense	**1,295**	-
- (profit)/loss on sale of property, plant & equipment	**(1,755)**	-
- other	**3,540**	-
- share options expensed	**-**	(60)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(114)**	600
- decrease in other assets	**3,084**	5,916
- decrease in inventories	**707**	3,943
- (decrease) in other liabilities	**(17,593)**	(4,105)
- increase/(decrease) in trade and other payables	**1,305**	(16,836)
- (decrease) in provisions	**-**	(12,551)
- (decrease) in employee benefits	**(6,753)**	-
Cashflows from operations	**(53,039)**	(97,859)

(b) Cash flow information

			Non-cash changes				
	2020	Cash flows	Acquisition	Foreign exchange movement	Fair value changes	Other non-cash movement	2021
	000's	000's	000's	000's	000's	000's	000's
	$	$	$	$	$	$	$
Short term borrowings	1,064,949	48,697	-	(94,536)	-	(92,087)	927,023

			Non-cash changes				
	2019	Cash flows	Acquisition	Foreign exchange movement	Fair value changes	Other non-cash movement	2020
	000's	000's	000's	000's	000's	000's	000's
	$	$	$	$	$	$	$
Short term borrowings	893,169	91,420	-	80,360	-	-	1,064,949

31 Events Occurring After the Reporting Date

The financial report was authorised for issue on by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

32 Parent entity

The following information has been extracted from the books and records of the parent, Wollongong Coal Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Wollongong Coal Limited has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Wollongong Coal Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the ‘stand-alone taxpayer’ approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group’s taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

	2021 000's $	2020 000's $
Statement of Financial Position		
Assets		
Current assets	**338,913**	349,537
Non-current assets	**66,990**	320,897
Total Assets	**405,903**	670,434
Liabilities		
Current liabilities	**582,860**	899,126
Non-current liabilities	**204,071**	56,024
Total Liabilities	**786,931**	955,150
Equity		
Issued capital	**913,690**	913,690
Retained earnings	**(1,294,118)**	(1,192,208)
Reserves	**(600)**	(6,196)
Total Equity	**(381,028)**	(284,714)
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or (loss) for the year	**171,874**	(105,961)
Total comprehensive income/(loss)	**171,874**	(105,961)

33 Statutory Information

The registered office and principal place of business of the company is:

Wollongong Coal Limited
Lot 31
7 Princes Highway, corner of Bellambi Lane
Corrimal NSW 2518

Wollongong Coal Limited

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 31 March 2021 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the consolidated group;

2. In the directors' opinion, there are reasonable grounds to believe that the Company and the consolidated group will be able to pay its debts as and when they become due and payable with the continuing support of its ultimate parent entity, Jindal Steel & Power Limited.

This declaration is made in accordance with a resolution of the Board of Directors.

Director...

Dated 22-04-2021

UHY Haines Norton
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Wollongong Coal Limited

We have audited the financial report of Wollongong Coal Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 31 March 2021 and of its financial performance for the year then ended; and

ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (b) of the financial report, which indicates that the Group's current liabilities exceeded its current assets by $786,373,000 and that the expected principal repayments due on borrowings for the year ended 31 March 2022 was $138,985,000. These events or conditions, along with other matters as set forth in Note 2 (b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

UHY Haines Norton

M. D. Nicholaeff
Partner
Signed at Sydney
22nd April 2021

UHY Haines Norton
Chartered Accountants