

## **Independent Auditor's Report**

### **To the Members of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited)**

#### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

1. We have audited the accompanying standalone financial statements of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

## Key Audit Matter

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Recoverability of amounts paid against on-going litigations</b></p> <p>Refer Note 32 to the standalone financial statements.</p> <p>Prior to the approval of the resolution plan ('the Resolution Plan') under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016 on 15 May 2018 as described in the aforesaid note, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.</p> <p>The Company had also made certain payments to the relevant authorities in respect of those litigations which were presented as recoverable under "Other non-current assets" in the standalone financial statements.</p> <p>The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.</p> <p>The application of significant judgment in the aforementioned matter required substantial involvement of senior personnel on the audit engagement including individuals with expertise in tax related matters.</p>	<p>We have performed the following procedures, among others, to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:</p> <ul style="list-style-type: none"> <li>• Verified the underlying documents related to litigations and other correspondences with the statutory authorities;</li> <li>• Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management in developing the accounting estimates;</li> <li>• Assessed management's estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether; <ul style="list-style-type: none"> <li>- The method of measurement used is appropriate in the circumstances; and</li> <li>- The assumptions used by management are reasonable in light of the measurement principles of Ind AS.</li> </ul> </li> <li>• Determined whether the methods for making estimates have been applied consistently;</li> <li>• Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.</li> </ul>

### **Information other than the Financial Statements and Auditor's Report thereon**

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 20 May 2020 as per Annexure B expressed unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 32 to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2020;
  - i. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
  - ii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
  - iii. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Siddharth Talwar**  
Partner  
Membership No.: 512752

**Place:** Faridabad  
**Date:** 20 May 2020

# **TATA** Steel BSL Limited

## STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020



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## STANDALONE BALANCE SHEET as at March 31, 2020

(₹ in lacs)

	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	3A	27,93,557.47	29,15,441.02
(b) Right-of-use assets	3B	1,50,010.87	-
(c) Capital work-in-progress	3C	68,171.13	1,15,414.24
(d) Intangible assets	4	2,080.17	17.06
(e) Investments in subsidiaries, associates and joint ventures	6A	1,015.00	15.00
(f) Financial assets			
(i) Investments	6A	66.95	100.87
(ii) Loans	6B	37,611.03	4,646.28
(iii) Other financial assets	6C	41,763.59	44,594.86
(g) Other non-current assets	8	61,250.69	77,103.03
(h) Income tax assets	9	3,771.71	3,181.98
<b>Total non current assets</b>		<b>31,59,298.61</b>	<b>31,60,514.34</b>
<b>II Current assets</b>			
(a) Inventories	10	4,83,492.54	4,58,188.14
(b) Financial assets			
(i) Investments	6A	-	1,59,490.28
(ii) Trade receivables	11	70,238.62	69,701.21
(iii) Cash and cash equivalents	12	72,358.48	27,741.72
(iv) Other balances with bank	13	12,598.81	12,689.66
(v) Loans	6B	2,496.08	5,152.86
(vi) Derivative assets	7	5,142.54	214.07
(vii) Other financial assets	6C	11,924.01	9,465.89
(c) Other current assets	8	65,789.29	55,427.43
<b>Total current assets</b>		<b>7,24,040.39</b>	<b>7,98,071.26</b>
<b>Total assets</b>		<b>38,83,339.00</b>	<b>39,58,585.60</b>
<b>I Equity</b>			
(a) Equity share capital	14	21,868.80	21,868.80
(b) Other equity	15	17,43,758.29	18,09,422.38
<b>Total Equity</b>		<b>17,65,627.09</b>	<b>18,31,291.18</b>
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16A	16,53,436.55	16,97,230.74
(ii) Other financial liabilities	16C	3,620.35	5,788.97
(b) Provisions	18	7,418.23	5,679.77
(c) Deferred tax liabilities (Net)		-	-
(d) Deferred Income	19	189.21	227.69
<b>Total non current liabilities</b>		<b>16,64,664.34</b>	<b>17,08,927.17</b>
<b>III Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16A	88,700.00	-
(ii) Trade payables	16B		
- Total outstanding dues of micro enterprises and small enterprises	16B	5,486.99	1,254.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16B	2,81,484.12	3,07,642.43
(iii) Derivative liabilities	7	763.77	4,141.57
(iv) Other financial liabilities	16C	54,005.61	68,231.66
(b) Other current liabilities	17	22,406.22	36,803.14
(c) Provisions	18	200.86	294.03
<b>Total current liabilities</b>		<b>4,53,047.57</b>	<b>4,18,367.25</b>
<b>Total equity and liabilities</b>		<b>38,83,339.00</b>	<b>39,58,585.60</b>
<b>The accompanying notes forming part of the financial statements</b>	<b>1-46</b>		

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandio & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

**Mr. T. V. Narendran**  
Chairman  
(DIN: 03083605)

**Mr. Krishnava Dutt**  
Independent Director  
(DIN: 02792753)

**Ms. Neera Saggi**  
Independent Director  
(DIN: 00501029)

Siddharth Talwar  
Partner  
Membership No. 512752

**Mr. Shashi Kant Maudgal**  
Independent Director  
(DIN: 00918431)

**Mr. Srikumar Menon**  
Independent Director  
(DIN: 00470254)

**Mr. Anand Sen**  
Director  
(DIN: 00237914)

**Mr. Koushik Chaterjee**  
Director  
(DIN: 00004989)

**Mr. Rajeev Singhal**  
Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)



## STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

		(₹ in lacs)	
	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>I Revenue</b>			
(a) Revenue from operations	20	18,19,914.18	20,89,160.35
(b) Other income	21	10,651.48	13,244.07
<b>Total income</b>		<b>18,30,565.66</b>	<b>21,02,404.42</b>
<b>II Expenses:</b>			
(a) Raw materials consumed	22	10,59,204.21	11,60,305.46
(b) Purchases of finished, semi-finished and other products	23	287.56	685.44
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(25,379.94)	(27,818.05)
(d) Employee benefit expense	25	40,129.88	36,250.56
(e) Finance costs	26	1,69,591.49	3,75,217.88
(f) Depreciation and amortisation expense	27	1,43,163.43	1,44,173.92
(g) Other expenses	28	5,15,388.34	5,39,881.00
<b>Total expenses</b>		<b>19,02,384.97</b>	<b>22,28,696.21</b>
<b>III Loss before exceptional items and tax (I-II)</b>		<b>(71,819.31)</b>	<b>(1,26,291.79)</b>
<b>IV Exceptional items</b>	29	6,901.84	2,97,600.67
<b>V Profit/(loss) before tax (III+IV)</b>		<b>(64,917.47)</b>	<b>1,71,308.88</b>
<b>VI Tax expense:</b>			
(a) Current tax		-	-
(b) Deferred tax		-	-
<b>Total tax expense</b>		-	-
<b>VII Profit/(loss) for the year (V-VI)</b>		<b>(64,917.47)</b>	<b>1,71,308.88</b>
<b>VIII Other comprehensive income/(loss)</b>			
<b>(a) Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement gains/(losses) on post employment defined benefit plans		(746.62)	523.83
(ii) Fair value changes of investments in equity shares		-	(6.80)
<b>(b) Income tax relating to items that will not be reclassified to profit or loss</b>		-	-
<b>(c) Items that will be reclassified to profit or loss</b>		-	-
<b>(d) Income tax relating to items that will be reclassified to profit or loss</b>		-	-
<b>Total other comprehensive income/(loss)</b>		<b>(746.62)</b>	<b>517.03</b>
<b>IX Total comprehensive income/(loss) for the year (VII+VIII)</b>		<b>(65,664.10)</b>	<b>1,71,825.91</b>
<b>X Earnings per share</b>			
Basic (₹)	30	(5.94)	17.45
Diluted (₹)	30	(5.94)	1.05
<b>The accompanying notes forming part of the financial statements</b>	<b>1-46</b>		

As per our report of even date attached.

For Walker Chandiok & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

Siddharth Talwar  
Partner  
Membership No. 512752

Place: Mumbai  
Date: May, 2020

For and on behalf of the Board of Directors

**Mr. T. V. Narendran**  
Chairman  
(DIN: 03083605)

**Mr. Krishnava Dutt**  
Independent Director  
(DIN: 02792753)

**Ms. Neera Saggi**  
Independent Director  
(DIN: 00501029)

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Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)

STANDALONE STATEMENT OF CHANGES IN EQUITY  
for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

	(₹ in lacs)		
	Balance as at April 1, 2019	Changes during the period (Refer sub- note (a))	As at March 31, 2020
Equity shares of ₹ 2 each issued, subscribed and fully paid.	21,868.80	-	21,868.80

  

	(₹ in lacs)		
	Balance as at April 1, 2018	Changes during the period	As at March 31, 2019
Equity shares of ₹ 2 each issued, subscribed and fully paid.	4,530.30	17,338.50	21,868.80

(a) For details of changes made during the period, Refer Note - 14

B. OTHER EQUITY

	(₹ in lacs)								
	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital contribution	Equity instruments at fair value through other comprehensive income	Total Equity
<b>As at April 1, 2019</b>	693.34	72,576.10	-	5,64,350.09	(30,76,389.82)	17,29,582.05	25,18,550.72	59.90	18,09,422.38
Profit for the year	-	-	-	-	(64,917.47)	-	-	-	(64,917.47)
Other comprehensive income/(loss)	-	-	-	-	(712.70)	-	-	(33.92)	(746.62)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Transfers within equity	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>693.34</b>	<b>72,576.10</b>	<b>-</b>	<b>5,64,350.09</b>	<b>(31,42,019.99)</b>	<b>17,29,582.05</b>	<b>25,18,550.72</b>	<b>25.98</b>	<b>17,43,758.29</b>

  

	(₹ in lacs)								
	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Equity component of compound financial instruments	Equity instruments at fair value through other comprehensive income	Total Equity
<b>As at April 1, 2018</b>	693.34	72,576.10	36,512.50	5,27,837.59	(32,48,222.53)	-	-	66.70	(26,10,536.30)
Profit for the year	-	-	-	-	1,71,308.88	-	-	-	1,71,308.88
Other comprehensive income/(loss)	-	-	-	-	523.83	-	-	(6.80)	517.03
Transactions with owners in their capacity as owners	-	-	-	-	-	17,29,582.05	25,18,550.72	-	42,48,132.77
Transfers within equity	-	-	(36,512.50)	36,512.50	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>693.34</b>	<b>72,576.10</b>	<b>-</b>	<b>5,64,350.09</b>	<b>(30,76,389.82)</b>	<b>17,29,582.05</b>	<b>25,18,550.72</b>	<b>59.90</b>	<b>18,09,422.38</b>

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandok & Co LLP  
Chartered accountants  
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Director  
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**Mr. Rajeev Singhal**  
Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)

## STANDALONE CASH FLOW STATEMENT for the year ended March 31, 2020

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(loss) before taxes</b>	<b>(64,917.47)</b>	<b>1,71,308.88</b>
Adjustments for:		
Depreciation & amortisation expenses	1,43,163.43	1,44,173.88
Provisions (retirement benefit)	932.58	(389.42)
Finance cost	1,69,591.49	3,75,217.88
Exceptional items	(6,901.84)	(2,97,600.67)
Gain on fair valuation of mutual funds	(3,781.15)	(8,478.77)
Gain on cancellation of forwards, swaps and options	(8,306.27)	3,927.50
Interest income / Dividend income	(4,920.56)	(2,884.47)
Loss/ (Profit) on sale of fixed assets	-	26.69
Provision for doubtful debts / bad debts written off	(3,336.87)	7,760.49
Other non-cash items	(4,434.10)	(3,062.21)
	<b>2,82,006.71</b>	<b>2,18,690.90</b>
<b>Operating profit before working capital changes</b>	<b>2,17,089.24</b>	<b>3,89,999.78</b>
Adjustments for:		
Trade & other receivables	3,542.21	50,971.27
Inventories	(26,202.40)	(55,668.60)
Loans and advances	(16,205.15)	(11,620.96)
Trade payables/ other current liabilities	(5,818.09)	2,06,611.90
	<b>(44,683.43)</b>	<b>1,90,293.61</b>
<b>Cash generated from operations</b>	<b>1,72,405.81</b>	<b>5,80,293.39</b>
Direct taxes paid	<b>(589.74)</b>	<b>(281.78)</b>
<b>Net cash generated from operating activities</b>	<b>1,71,816.06</b>	<b>5,80,011.61</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of property, plant and equipment / transfer of assets	626.57	28.51
Purchase of property, plant and equipment	(61,991.85)	(35,439.82)
Purchase/sale of current investments	1,63,271.43	(1,51,011.52)
Loans given	(75,500.00)	-
Repayment of loans	42,900.00	-
Investment made in subsidiaries	(1,000.00)	-
Interest received (Finance income)	1,563.43	2,968.85
Long term fixed deposits placed/ (realised)	-	2,071.73
Movement other bank balances	2,922.12	19,662.76
Dividend income	1.76	1.35
<b>Net cash used in investing activities</b>	<b>72,793.46</b>	<b>(1,61,718.14)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	50,57,369.43
Repayment of borrowings	(1,43,090.77)	(62,52,317.76)
Repayment of finance lease obligations	(6,884.85)	(4,519.58)
Interest paid	(1,38,717.13)	(12,36,393.37)
Proceeds from preference share capital	(0.00)	19,70,000.00
Proceeds from equity share capital	0.00	15,888.50
Proceeds from current borrowings (net)	88,700.00	-
Unclaimed dividend	-	0.02
<b>Net cash used in financing activities</b>	<b>(1,99,992.76)</b>	<b>(4,49,972.76)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>44,616.76</b>	<b>(31,679.29)</b>
<b>Opening cash and cash equivalents</b>	<b>27,741.72</b>	<b>59,421.01</b>
<b>Closing cash and cash equivalents (Refer note no 12 )</b>	<b>72,358.49</b>	<b>27,741.72</b>

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandio & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

**Mr. T. V. Narendran**  
Chairman  
(DIN: 03083605)

**Mr. Krishnav Dutt**  
Independent Director  
(DIN: 02792753)

**Ms. Neera Saggi**  
Independent Director  
(DIN: 00501029)

Siddharth Talwar  
Partner  
Membership No. 512752

**Mr. Shashi Kant Maudgal**  
Independent Director  
(DIN: 00918431)

**Mr. Srikumar Menon**  
Independent Director  
(DIN: 00470254)

**Mr. Anand Sen**  
Director  
(DIN: 00237914)

**Mr. Koushik Chaterjee**  
Director  
(DIN: 00004989)

**Mr. Rajeev Singhal**  
Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)

Note 1 & 2 - Refer Word file (Accounting policies) for the same.

3A. PROPERTY, PLANT AND EQUIPMENT

									(₹ in lacs)
Particulars	Freehold land	Leasehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amount as at April 01, 2019	68,651.35	-	17,03,899.37	85,650.38	35,88,619.83	5,051.99	2,134.17	1,315.35	54,55,322.44
Transfer to right-of-use assets as per Ind AS 116	-	-	-	-	75,406.25	-	-	-	75,406.25
Addition during the year	-	-	12,755.97	-	52,531.54	431.62	208.60	1,340.28	67,268.01
Sold/discarded during the year	-	-	-	-	176.09	136.32	711.46	33.38	1,057.24
Adjustment during the year	-	-	(0.13)	-	(6,513.36)	(2,839.52)	-	-	(9,353.02)
Other re-classifications	-	-	-	-	(945.47)	-	-	593.70	(351.77)
<b>Gross carrying amount as at March 31, 2020</b>	<b>68,651.35</b>	<b>-</b>	<b>17,16,655.22</b>	<b>85,650.38</b>	<b>36,33,516.46</b>	<b>2,507.77</b>	<b>1,631.31</b>	<b>3,215.95</b>	<b>54,36,422.17</b>
Accumulated impairment & depreciation as at April 1, 2019	9,211.61	-	7,80,218.53	76,081.90	16,68,303.90	3,864.67	1,424.22	776.59	25,39,881.42
Transfer to right-of-use assets as per Ind AS 116	-	-	-	-	19,050.00	-	-	-	19,050.00
Depreciation for the year	-	-	30,901.17	998.56	97,602.86	221.24	133.07	261.89	1,30,118.80
Impairment for the year	-	-	-	-	2,174.90	-	-	-	2,174.90
Disposals	-	-	-	-	4.39	-	549.05	2.84	556.28
Adjustment during the year	-	-	(1.03)	-	(6,513.36)	(2,839.51)	(0.00)	-	(9,353.91)
Other re-classifications	-	-	-	-	(887.84)	-	-	537.61	(350.23)
<b>Accumulated impairment &amp; depreciation as at March 31, 2020</b>	<b>9,211.61</b>	<b>-</b>	<b>8,11,118.67</b>	<b>77,080.46</b>	<b>17,60,676.06</b>	<b>1,246.41</b>	<b>1,008.25</b>	<b>1,573.25</b>	<b>26,42,864.70</b>
Net carrying amount as on April 1, 2019	59,439.74	-	9,23,680.84	9,568.48	19,20,315.93	1,187.32	709.95	538.76	29,15,441.02
<b>Net carrying amount as on March 31, 2020</b>	<b>59,439.74</b>	<b>-</b>	<b>9,05,536.54</b>	<b>8,569.92</b>	<b>18,72,840.39</b>	<b>1,261.36</b>	<b>623.07</b>	<b>1,642.70</b>	<b>27,93,557.47</b>

									(₹ in lacs)
Particulars	Freehold land	Leasehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amount as at April 01, 2018	68,651.35	-	17,00,123.36	85,650.38	35,64,284.54	4,928.28	2,169.97	918.57	54,26,726.45
Addition during the year	-	-	3,776.01	-	24,389.79	123.71	41.67	396.78	28,727.96
Sold/discarded during the year	-	-	-	-	52.08	-	77.47	-	129.55
Adjustment during the year	-	-	-	-	(2.42)	-	-	-	(2.42)
<b>Gross carrying amount as at March 31, 2019</b>	<b>68,651.35</b>	<b>-</b>	<b>17,03,899.37</b>	<b>85,650.38</b>	<b>35,88,619.83</b>	<b>5,051.99</b>	<b>2,134.17</b>	<b>1,315.35</b>	<b>54,55,322.44</b>
Accumulated impairment & depreciation as at April 1, 2018	9,211.61	-	7,49,575.13	75,085.52	15,53,243.53	1,645.86	1,248.60	560.39	23,90,570.64
Depreciation for the year	-	-	30,643.40	996.38	1,11,821.03	329.70	237.94	137.45	1,44,165.90
Impairment for the year	-	-	-	-	3,251.37	1,889.11	-	78.75	5,219.23
Disposals	-	-	-	-	12.03	-	62.32	-	74.35
Adjustment during the year	-	-	-	-	-	-	-	-	-
<b>Accumulated impairment &amp; depreciation as at March 31, 2019</b>	<b>9,211.61</b>	<b>-</b>	<b>7,80,218.53</b>	<b>76,081.90</b>	<b>16,68,303.90</b>	<b>3,864.67</b>	<b>1,424.22</b>	<b>776.59</b>	<b>25,39,881.42</b>
Net carrying amount as on April 1, 2018	59,439.74	-	9,50,548.23	10,564.86	20,11,041.01	3,282.42	921.37	358.18	30,36,155.81
<b>Net carrying amount as on March 31, 2019</b>	<b>59,439.74</b>	<b>-</b>	<b>9,23,680.84</b>	<b>9,568.48</b>	<b>19,20,315.93</b>	<b>1,187.32</b>	<b>709.95</b>	<b>538.76</b>	<b>29,15,441.02</b>

### 3B. Right of Use Assets

	(₹ lacs)			
	Land	Building	Plant & Machinery	Total
Cost as at March 31, 2019	-	-	-	-
Transfer from Property, Plant & Equipment as per Ind AS 116	-	-	75,406.25	75,406.25
<b>Cost as at April 01, 2019</b>	-	-	<b>75,406.25</b>	<b>75,406.25</b>
Reclassification due to the effect of Ind AS 116*	19,547.13	2,124.76	169.84	21,841.73
Addition during the year	937.53	509.38	83,317.55	84,764.47
Sold/discarded during the year	-	24.07	37.02	61.09
Adjustment during the year	-	-	-	-
<b>Cost as at March 31, 2020</b>	<b>20,484.67</b>	<b>2,610.06</b>	<b>1,58,856.62</b>	<b>1,81,951.35</b>
Accumulated impairment & depreciation as at April 1, 2019	-	-	-	-
Transfer from Property, Plant & Equipment as per Ind AS 116	-	-	19,050.00	19,050.00
Depreciation for the year	306.43	575.54	12,030.58	12,912.55
Impairment for the year	-	-	-	-
Disposals	-	3.26	18.80	22.06
Adjustment during the year	-	-	-	-
<b>Accumulated impairment &amp; depreciation as at March 31, 2020</b>	<b>306.43</b>	<b>572.28</b>	<b>31,061.78</b>	<b>31,940.49</b>
Net carrying value as on April 1, 2019	-	-	-	-
<b>Net carrying value as on March 31, 2020</b>	<b>20,178.23</b>	<b>2,037.79</b>	<b>1,27,794.85</b>	<b>1,50,010.87</b>

\* Refer Note 5

### 3C. CAPITAL WORK IN PROGRESS

Capital work in progress (CWIP) As at March 31, 2020 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 68,171.13 lacs (March 31, 2019 ₹ 1,15,414.24 lacs). This includes expenditure capitalised and comprises of direct material cost, labour charges, supervision charges.

₹ 6,418.64 lacs (March 31, 2020 ₹ 7,113.45 lacs) of borrowing costs has been capitalised during the year on qualifying capital work in progress using a annualized capitalisation rate of 9.34% (March 31, 2019: 9.81%)

(i) Net carrying value of plant and machinery comprises of:

	As at March 31, 2020	As at March 31, 2019
<b>Asset held under finance leases *</b>		
Cost	-	75,406.25
Accumulated depreciation	-	19,050.00
	-	<b>56,356.25</b>
Owned assets	18,72,840.39	19,20,315.93
	<b>18,72,840.39</b>	<b>19,76,672.18</b>

\*Refer Note 5 (iii)

(ii) For details of capital commitments, refer note 32.

(iii) Property, plant and equipment are pledged against borrowings, the details relating to which have been described in **Note 16A** pertaining to borrowings.

(iv) During the year, impairment provision was created on CRM extension project in capital work in progress amounting to ₹ 2,081.30 lacs and induction furnace in Angul plant amounting to ₹ 2,174.90 lacs. Also during the previous year, the company had recognised an impairment loss against property, plant and equipment aggregating to ₹ 5,219.23 lacs.

### 4. INTANGIBLE ASSETS

	(₹ in lacs)		
	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2019	75.29	978.59	1,053.88
Addition during the year	2,195.68	-	2,195.68
Sold/discarded during the year	(0.48)	-	(0.48)
Adjustment during the year	-	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>2,270.49</b>	<b>978.59</b>	<b>3,249.08</b>
Accumulated amortisation as at April 1, 2019	58.23	978.59	1,036.82
Amortisation during the year	132.10	-	132.10
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated amortisation as at March 31, 2020</b>	<b>190.33</b>	<b>978.59</b>	<b>1,168.91</b>
<b>Net carrying value as at April 1, 2019</b>	<b>17.06</b>	<b>-</b>	<b>17.06</b>
<b>Net carrying value as at March 31, 2020</b>	<b>2,080.16</b>	<b>-</b>	<b>2,080.17</b>

	(₹ in lacs)		
	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2018	60.86	978.59	1,039.45
Addition during the year	14.43	-	14.43
Sold/discarded during the year	-	-	-
Adjustment during the year	-	-	-
<b>Gross carrying amount as at March 31, 2019</b>	<b>75.29</b>	<b>978.59</b>	<b>1,053.88</b>
Accumulated amortisation as at April 1, 2018	50.21	978.59	1,028.80
Amortisation during the year	8.02	-	8.02
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated amortisation as at March 31, 2019</b>	<b>58.23</b>	<b>978.59</b>	<b>1,036.82</b>
<b>Net carrying value as at April 1, 2018</b>	<b>10.65</b>	<b>-</b>	<b>10.65</b>
<b>Net carrying value as at March 31, 2019</b>	<b>17.06</b>	<b>-</b>	<b>17.06</b>

## 5. LEASES

- (i) The Company as a lessee operates certain land, building and plant & machineries under various lease arrangements. Major Leasing activities includes leases of Oxygen plant with Brace Iron Limited and Tolling Agreement with Angul Energy Limited.
- (ii) On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases which has replaced Ind-AS 17 "Leases". Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as right of use of the leased assets or together with property, plant and equipment. The new standard grossed up balance sheets and change income statement and cash flow presentation. Rent expense is replaced by depreciation and interest expense in the income statement. De-recognition of operating lease charges and recognition of depreciation and finance costs would positively impact EBITDA by ₹ 4,969.35 lacs and would negatively impact PBT by ₹ 1,643.52 lacs. Following the application of the modified retrospective method at the date of implementation of Ind As 116 on April 1, 2019, whereby Right of Use Assets of ₹ 78,197.98 lacs (net of depreciation) were recognized which includes finance lease assets (previously classified under property plant & equipment) having carrying value amounting to ₹ 56,356.25 lacs which have been reclassified as right to use assets at the date of initial recognition. There was no impact on deferred tax assets and deferred tax liabilities as the corresponding deferred tax assets and deferred tax liabilities attributable to the lease liabilities and right-of-use assets relate to income taxes levied by the same taxation authority within the same legal entity and were therefore offset.
- (iii) On April 1, 2019, the Company adopted Ind As 116 "Leases", which resulted in the recognition of lease liabilities and right-of-use assets for operating lease contracts with fixed terms and future minimum lease payments as summarized in the following table:

	(₹ in lacs)
	Total
Operating lease commitments as at March 31, 2019	7,570.65
Discounted using the lessee's incremental borrowing rate of at the date of initial application	5,038.22
Finance lease obligation recognised as at March 31, 2019	79,196.47
Additional lease liabilities as of April 1, 2019 from leases previously classified as operating leases in accordance with Ind AS-17	2,986.62
Recognition exemption for leases of low-value assets	28.78
Recognition exemption for short-term leases	5,316.27
Lease liabilities related to assets held for sale	-
<b>Lease liability recognised as at April 1, 2019</b>	<b>81,876.25</b>

- (iv) For leases that were classified as finance leases applying IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS 17 on March 31, 2019. The carrying amount of finance lease assets and lease liabilities was ₹ 56,356.25 lacs and ₹ 79,196.47 lacs, respectively as of March 31, 2019. Accordingly, the total right-of-use assets and lease liabilities as of April 1, 2019 were ₹ 56,356.25 lakhs and ₹ 79,196.47 lacs respectively.
- (v) There were no impacts on retained earnings upon implementation of Ind As 116.
- (vi) The maturity of the lease liabilities (Net of Interest) as of March 31, 2020, is as follows:

	(₹ in lacs)				
	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years
Maturities of Lease Liabilities	15,657	18,138	20,869	22,605	68,013

- (vii) Future cash outflows to which the company is potentially exposed that are not reflected in the measurement of lease liabilities includes:

	(₹ in lacs)
	Total
Variable lease payments	-
Extension options and termination options	-
Residual value guarantees	-
Leases not yet commenced to which the lessee is committed	-
Restrictions or covenants imposed by leases	-
Sale and leaseback transactions	-

- (viii) Total cash outflow for leases includes:

	(₹ in lacs)
	Total
Repayment of principle portion of lease liabilities	6,884.85
Interest paid on lease liabilities	17,220.71

## 6. FINANCIAL ASSETS

### A. Investments

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
<b>(l) Non-current investments</b>		
<b>i) Investments in equity instruments of subsidiaries, associates and joint ventures at cost</b>		
<b>a) Investment in subsidiaries</b>		
Bhushan Steel (Australia ) Pty Limited - 47,369,796 (March 31, 2019: 47,369,796) equity shares of AUD 1 each fully paid up - unquoted <i>Less: Impairment</i>	24,441.85 (24,441.85)	24,441.85 (24,441.85)
Bhushan Steel Madhya Bharat Limited - 49,990 (March 31, 2019: 49,990) equity shares of ₹ 10/- each fully paid up - Unquoted	5.00	5.00
Bhushan Steel (Orissa) Limited - 49,990 (March 31, 2019: 49,990) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
Bhushan Steel (South) Limited - 50,000 (March 31, 2019: 50,000) equity shares of ₹10/- each fully paid up - unquoted	5.00	5.00
Bhushan Energy Limited - 100,00,065 (March 31, 2019: NIL) equity shares of ₹10/- each fully paid up - unquoted	1,000.00	-
<b>Total investment in subsidiaries</b>	<b>1,015.00</b>	<b>15.00</b>
<b>b) Investment in associates</b>		
Jawahar Credit & Holdings Private Limited - 8,643,742 (March 31, 2019: 8,643,742) equity shares of ₹10/- each fully paid up - unquoted (Refer sub-note (iii)) <i>Less: Impairment</i>	940.31 (940.31)	940.31 (940.31)
Bhushan Capital & Credit Services Private Limited - 8,643,742 (March 31, 2019: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (Refer sub-note (iii)) <i>Less: Impairment</i>	940.31 (940.31)	940.31 (940.31)
<b>Total investment in associates</b>	<b>-</b>	<b>-</b>
<b>Investments in subsidiaries and associates</b>	<b>1,015.00</b>	<b>15.00</b>
<b>ii) Other non-current investment in equity instruments at fair value through other comprehensive income</b>		
Andal East Coal Company Private Limited - 3,30,000 (March 31, 2019: 3,30,000) equity shares of ₹ 10/- each fully paid up - unquoted (refer sub-note (iii) below)	-	-
Tata Steel Limited - 13,500 (March 31, 2019: 13,500) equity shares of ₹10/- each fully paid up - quoted	36.39	70.31
Bhushan Buildwell Private Limited - 4,900 (March 31, 2019: 4,900 ) equity shares of ₹ 10/- each fully paid up - Unquoted	24.74	24.74
Saraswat Co-operative Bank Limited - 2,500 (March 31, 2019: 2,500) equity shares of ₹ 10/- each fully paid up - unquoted	0.82	0.82
Bhushan Steel Bengal Limited - 50,000 (March 31, 2019: 50,000) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
<b>Total other investment</b>	<b>66.95</b>	<b>100.87</b>
<b>Quoted Investments</b>		
Aggregate carrying amount and market value of quoted investments	36.39	70.31
<b>Aggregate carrying amount of unquoted investments</b>		
-In Subsidiaries	15.00	15.00
-In Others	30.56	30.56
<b>Aggregate amount of impairment in value of investments</b>	<b>26,322.47</b>	<b>26,322.47</b>



	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(II) Current investments</b>		
<b>(a) Investment carried at fair value through profit or loss</b>		
Investment in mutual funds - Unquoted		
Tata Mutual Fund	-	17,679.15
Reliance Liquid Fund	-	20,096.70
Aditya Birla Sunlife Liquid Fund	-	21,439.92
DSP Liquidity Plan - Growth	-	7,698.70
Axis Liquid Fund - Growth	-	8,694.28
ICICI Prudential Liquid Fund - Growth	-	10,249.52
Invesco India Liquid Fund - Growth	-	13,222.97
Kotak Liquid Scheme - Growth	-	5,203.75
SBI Mutual Fund - Growth	-	10,107.04
UTI Liquid Cash Plan - Growth	-	17,849.77
Sundaram Money Fund - Growth	-	12,706.63
Baroda Pioneer Money Fund - Growth	-	3,096.48
HDFC Liquid Fund - Growth	-	6,341.46
L & T Liquid Fund - Growth	-	5,103.91
	-	<b>1,59,490.28</b>

Notes:

- (i) Refer note 39B for determination of fair values of current & non-current investments.
- (ii) The Company held investment in equity shares of Andal East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the year 2017-2018 aggregating to ₹ 145.50 lacs which was disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of ₹ Nil upon initial recognition.
- (iii) Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) was being shown as promoter of Jawahar Credit & Holdings Private Limited ("JCHPL") and M/s Bhushan Capital & Credit Services Private Limited ("BCCSPL"). The Company has written to JCHPL, BCCSPL and the Registrar of Companies(Delhi) to de-classify the Company as a promoter therein.

## B. LOANS

### Non-Current (Unsecured, considered good unless otherwise stated)

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Security deposits (Refer sub-note (i))</b>		
- Secured, considered good	-	-
- Unsecured, considered good	5,002.95	4,625.74
- Balances which have significant increase in credit risk	-	-
- Balances - credit impaired	-	-
Less: Allowance for expected credit losses	-	-
	<b>5,002.95</b>	<b>4,625.74</b>
<b>(b) Loans to employees</b>		
- Secured, considered good	-	-
- Unsecured, considered good	8.08	20.54
- Balances which have significant increase in credit risk	-	-
- Balances - credit impaired	-	-
Less: Allowance for expected credit losses	-	-
	<b>8.08</b>	<b>20.54</b>
<b>(d) Inter corporate deposits</b>		
- Secured, considered good	-	-
- Unsecured, considered good	32,600.00	-
- Balances which have significant increase in credit risk	-	-
- Balances - credit impaired	523.75	-
Less: Allowance for expected credit losses	(523.75)	-
	<b>32,600.00</b>	<b>-</b>
<b>(c) Other loans</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Balances which have significant increase in credit risk	-	-
- Balances - credit impaired	523.75	523.75
Less: Allowance for expected credit losses	(523.75)	(523.75)
	<b>-</b>	<b>-</b>
	<b>37,611.03</b>	<b>4,646.28</b>

### Current (Unsecured, considered good unless otherwise stated)

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Security deposits (Refer sub-note (i))</b>		
- Unsecured, considered good	2,406.28	5,000.36
- Balances - credit impaired	6,151.94	15,151.94
Less: Allowance for expected credit losses	(6,151.94)	(15,151.94)
	<b>2,406.28</b>	<b>5,000.36</b>
<b>(b) Loans to employees</b>	89.80	152.50
<b>(c) Inter corporate deposits</b>		
- Balances - credit impaired	760.00	760.00
Less: Allowance for expected credit losses	(760.00)	(760.00)
	<b>-</b>	<b>-</b>
	<b>2,496.08</b>	<b>5,152.86</b>

## C. OTHER FINANCIAL ASSETS

### NON CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Recoverable for coal block (Refer sub-note (i))</b>		
- Unsecured, considered good	41,456.44	41,456.43
- Unsecured, considered doubtful	14,833.52	14,833.52
Less: Allowance for expected credit losses	(14,833.52)	(14,833.52)
	<b>41,456.44</b>	<b>41,456.43</b>
<b>(b) Earmarked bank balances (Refer sub-note (ii))</b>	307.16	3,138.43
	<b>307.16</b>	<b>3,138.43</b>
	<b>41,763.59</b>	<b>44,594.86</b>

(i) For details of coal block advance, refer note 32C.

(ii)

Non-current earmarked bank balances represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies and as margin money against issue of bank guarantees. Earmarked bank balances includes interest accrued but not due.

**CURRENT**

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>(a) Other financial assets</b>		
- Unsecured, considered good	8,568.64	9,465.89
- Unsecured, considered doubtful	185.98	517.00
Less: Allowance for credit losses	(185.98)	(517.00)
Interest accrued on inter-corporate deposits	3,355.37	
	<b>11,924.01</b>	<b>9,465.89</b>
	<b>11,924.01</b>	<b>9,465.89</b>

**7. DERIVATIVE INSTRUMENTS**

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>(a) Derivative assets</b>		
Forward Forex Contracts	5,142.54	214.07
<b>Total derivative assets</b>	<b>5,142.54</b>	<b>214.07</b>
<b>(b) Derivative liabilities</b>		
Forward Forex Contracts	763.77	4,141.57
<b>Total derivative liabilities</b>	<b>763.77</b>	<b>4,141.57</b>

**8. OTHER ASSETS****Non current**

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>(a) Capital advances</b>		
Unsecured, considered good	3,804.80	8,162.34
Unsecured, considered doubtful	3,509.57	673.00
Less: Provision for doubtful balances	(3,509.57)	(673.00)
	<b>3,804.80</b>	<b>8,162.34</b>
<b>(b) Balances with statutory authorities</b>		
Unsecured, considered good	53,942.29	49,588.11
Unsecured, considered doubtful	(32,091.12)	31,651.06
Less: Provision for doubtful balances	32,091.12	(31,651.06)
	<b>53,942.29</b>	<b>49,588.11</b>
(c) Prepaid lease payments for operating leases	-	19,161.95
(d) Prepaid expenses	247.90	189.81
(e) Advance to suppliers		
Unsecured, considered good	3,255.70	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful advances	-	-
	3,255.70	-
(f) Other advances	-	0.82
<b>Total (a+b+c+d+e)</b>	<b>61,250.69</b>	<b>77,103.03</b>

**Current**

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>(a) Balances with statutory authorities</b>		
Unsecured, considered good	39,055.89	20,019.46
	<b>39,055.89</b>	-
(b) Prepaid lease payments for operating leases	-	231.37
(c) Prepaid expenses	1,436.13	737.41
(d) Advance to suppliers		
Unsecured, considered good	25,225.40	34,336.25
Unsecured, considered doubtful	1,640.63	-
Less: Provision for doubtful advances	(1,640.63)	-
	25,225.40	34,336.25
(e) Other advances		
Unsecured, considered good	71.89	102.94
	<b>71.89</b>	<b>102.94</b>
<b>Total (a+b+c+d+e)</b>	<b>65,789.30</b>	<b>55,427.43</b>

## 9. INCOME TAX ASSETS

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
(a) Advance tax and tax deducted at source receivable (net of tax provisions)	3,771.71	3,181.98
	<b>3,771.71</b>	<b>3,181.98</b>

## 10. INVENTORIES

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
(a) Raw materials	1,33,975.87	1,70,045.57
(b) Finished and semi-finished goods	2,16,180.84	1,96,304.65
(c) Stores and spares	1,20,143.80	84,228.80
Less : Provision	(898.00)	(977.15)
(d) Others	14,090.03	8,586.27
	<b>4,83,492.54</b>	<b>4,58,188.14</b>
<b>Included above, goods-in-transit:</b>		
(i) Raw materials	19,265.89	31,290.01
(ii) Stores and spares	8,442.40	2,739.07
	<b>27,708.28</b>	<b>34,029.08</b>

- (i) Value of inventories above is stated after provisions (net of reversal) ₹ 898.00 lacs (March 31, 2019: ₹ 977.15 lacs) for write-downs to net realisable value and provision for slow moving and obsolete items.

## 11. TRADE RECEIVABLES

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
Trade Receivables considered good - Secured;	-	-
Trade Receivables considered good - Unsecured	70,238.62	71,779.82
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired.	9,542.63	16,266.72
	<b>79,781.26</b>	<b>88,046.54</b>
Less: Allowance for expected credit losses	(9,542.63)	(18,345.33)
	<b>70,238.62</b>	<b>69,701.21</b>

- (i) For details of receivables from related parties, refer note 36.

- (ii) Trade receivables relate to Company's contracts with its customers, are non-interest bearing and are generally on credit terms not exceeding 12 months.

- (iii) The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

- (iv) Movement in allowance for credit losses of receivables is as follows:

	(₹ in lacs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>Balance at the beginning of the year</b>	<b>18,345.33</b>	<b>17,060.00</b>
Charge in statement of profit & loss	-	1,285.33
Release to statement of profit & loss	(8,802.69)	-
<b>Balance at the end of the year</b>	<b>9,542.63</b>	<b>18,345.33</b>

(v) Ageing of trade receivables and credit risk arising there from is as below:

	(₹ in lacs)			
	As at March 31, 2020			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount net of impairment provision
Amount not yet due	45,779.96	0%	89.96	45,690.00
Less than three months overdue	19,668.26	0%	82.48	19,585.78
Between three to six month overdue	1,104.40	18%	197.86	906.55
Between six month to one year overdue	527.22	27%	141.73	385.49
Greater than one year overdue	12,701.41	71%	9,030.60	3,670.81
<b>Balance at the end of the year</b>	<b>79,781.26</b>		<b>9,542.63</b>	<b>70,238.63</b>

	(₹ in lacs)			
	As at March 31, 2019			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount net of impairment provision
Amount not yet due	43,096.79	0%	62.15	43,034.64
Less than three months overdue	19,544.36	2%	354.41	19,189.95
Between three to six month overdue	3,118.76	12%	368.76	2,750.00
Between six month to one year overdue	6,720.94	75%	5,013.95	1,706.99
Greater than one year overdue	15,565.69	81%	12,546.06	3,019.63
<b>Balance at the end of the year</b>	<b>88,046.54</b>		<b>18,345.34</b>	<b>69,701.21</b>

(vi) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹ 79,781.26 lacs (March 31, 2019: ₹ 88,046.54 lacs), which after consideration of allowance for expected credit losses, is the fair value of trade receivables. The Company's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2020 and March 31, 2019.

(vii) There are no outstanding receivable debts due from directors or other officers of the Company.

## 12. CASH AND CASH EQUIVALENTS

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Cash in hand	50.32	13.88
(b) Cheques in hand	-	62.49
(c) Balance with banks		
- In current accounts	37,308.16	27,665.35
- Deposits with original maturity of less than three months	35,000.00	-
	<b>72,358.48</b>	<b>27,741.72</b>

## 13. OTHER BALANCES WITH BANKS

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Earmarked balances with banks		
- Unpaid dividend	9.05	9.05
- Deposit with original maturity of more than three months but less than twelve months	12,589.76	12,680.61
	<b>12,598.81</b>	<b>12,689.66</b>

(i) Earmarked balances with bank represent balances held for unpaid dividends and margin money/fixed deposits against issue of bank guarantees.

(ii) Short-term deposits are made for varying periods between three to twelve months, depending on the immediate cash requirements of the company, and earned interest at the respective short-term deposit rates.

#### 14. EQUITY SHARE CAPITAL

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
46,50,00,00,000 Ordinary equity shares of ₹ 2 each (March 31, 2019: 46,500,000,000)	9,30,000.00	9,30,000.00
	<b>9,30,000.00</b>	<b>9,30,000.00</b>
<b>Issued:</b>		
1,09,75,30,242 Ordinary equity shares of ₹ 2 each (March 31, 2019: 1,097,530,242)	21,950.60	21,950.60
	<b>21,950.60</b>	<b>21,950.60</b>
<b>Subscribed and Paid up:</b>		
1,09,34,39,768 Ordinary equity shares of ₹ 2 each (March 31, 2019: 1,097,530,242)	21,868.80	21,868.80
	<b>21,868.80</b>	<b>21,868.80</b>

#### a) Reconciliation of number of shares outstanding and the amount of share capital:

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
Shares outstanding at the beginning of the year	1,09,34,39,768	21,868.80	22,65,14,746	4,530.30
Shares issued during the year (Refer sub-note (i))	-	-	86,69,25,022	17,338.50
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,09,34,39,768</b>	<b>21,868.80</b>	<b>1,09,34,39,768</b>	<b>21,868.80</b>

i) During the previous year, the Company had issued 86,69,25,022 shares at the face value of Rs. 2 per share by way of private placement of shares.

#### b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder

#### c) Details of the shareholders holding more than 5% share in the Company

	As at March 31, 2020	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
1. Bamnipal Steel Limited	79,44,28,986	72.65%
	As at March 31, 2019	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
1. Bamnipal Steel Limited	79,44,28,986	72.65%

#### d) Details of shares held by the holding company

	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up				
1. Bamnipal Steel Limited	79,44,28,986	72.65%	79,44,28,986	72.65%

#### 15. OTHER EQUITY

##### a) Capital redemption reserve

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	693.34	693.34
Changes during the year	-	-
<b>Balance as at the end of the period</b>	<b>693.34</b>	<b>693.34</b>

##### b) Securities premium

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	72,576.10	72,576.10
Changes during the year	-	-
<b>Balance as at the end of the period</b>	<b>72,576.10</b>	<b>72,576.10</b>

##### c) Debenture redemption reserve

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	-	36,512.50
Changes during the year	-	(36,512.50)
<b>Balance as at the end of the period</b>	<b>-</b>	<b>-</b>

d) General reserve

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	5,64,350.09	5,27,837.59
Changes during the year	-	36,512.50
<b>Balance as at the end of the period</b>	<b>5,64,350.09</b>	<b>5,64,350.09</b>

e) Retained earnings

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	(30,76,389.82)	(32,48,222.53)
Profit/(Loss) during the year	(64,917.47)	1,71,308.88
Remeasurement of defined employee benefit plans	(712.70)	523.83
<b>Balance as at the end of the period</b>	<b>(31,42,019.99)</b>	<b>(30,76,389.82)</b>

f) Equity component of compound financial instruments

The compound financial instrument relate to the Optionally Convertible Redeemable Preference shares (OCRPS) and Non Convertible Redeemable Preference Shares (NCRPS) issued by the company.

A. Details of authorised, issued, subscribed and paid-up capital

	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
2,20,00,000 Preference shares of ₹ 100 each (March 31, 2018: 2,05,00,000)	22,000.00	22,000.00
12,00,00,00,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	12,00,000.00	12,00,000.00
12,00,00,00,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	12,00,000.00	12,00,000.00
	<b>24,22,000.00</b>	<b>24,22,000.00</b>
<b>Issued:</b>		
10,70,00,00,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	10,70,000.00	10,70,000.00
9,00,00,00,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	9,00,000.00	9,00,000.00
	<b>19,70,000.00</b>	<b>19,70,000.00</b>
<b>Subscribed and Paid up:</b>		
10,70,00,00,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	10,70,000.00	10,70,000.00
9,00,00,00,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	9,00,000.00	9,00,000.00
	<b>19,70,000.00</b>	<b>19,70,000.00</b>

B. Reconciliation of number of shares outstanding:

Non Convertible Redeemable Preference Shares

	As at March 31, 2020	As at March 31, 2019
Shares outstanding at the beginning of the year	10,70,00,00,000	-
Shares issued during the year (Refer sub-note (I))	-	10,70,00,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,70,00,00,000</b>	<b>10,70,00,00,000</b>

I. During the previous year, the Company had issued 10,70,00,00,000 shares at the face value of Rs. 10 per share by way of private placement of shares.

Optionally Convertible Redeemable Preference shares

	As at March 31, 2020	As at March 31, 2019
Shares outstanding at the beginning of the year	9,00,00,00,000	-
Shares issued during the year (Refer sub-note (I))	-	9,00,00,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>9,00,00,00,000</b>	<b>9,00,00,00,000</b>

I. During the previous year, the Company had issued 9,00,00,00,000 shares at the face value of Rs. 10 per share by way of private placement of shares.

C. Rights, preferences and restrictions attached to the preference shares

The Company has preference shares having a par value of ₹ 10/- per share. Preference shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

The Company declares and pays dividend in Indian rupees. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. However, the holders of the preference shares shall be paid dividend on a non-cumulative basis.

The preference shares shall be non-participating in the surplus funds and also in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.

For terms of redemption, refer sub-note (iii) of Note 16A - Borrowings.

D. Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

	As at March 31, 2020	As at March 31, 2019
Equity shares reserved for issue under option	2,94,79,20,079	2,94,79,20,079

E. Terms of conversion attached to Optionally Convertible Redeemable Preference shares

OCRPS shall be convertible into equity shares at the option of Tata Steel Limited, the holder, within a period of 18 months from the date of allotment at a price determined on the relevant date i.e. February 8, 2019 being ₹ 30.53.

**F. Details of the shareholders holding more than 5% preference shares in the Company**

**Non Convertible Redeemable Preference Shares**

	As at March 31, 2020	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	10,70,00,00,000	100.00%

**Optionally Convertible Redeemable Preference shares**

	As at March 31, 2020	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	-	100.00%

**G. Equity component of compound financial instruments**

	As at	
	March 31, 2020	March 31, 2019
Balance as at the beginning of the period	17,29,582.05	-
Transactions with owners in their capacity as owners	-	17,29,582.05
<b>Balance as at the end of the period</b>	<b>17,29,582.05</b>	<b>17,29,582.05</b>

**g) Capital contribution**

	As at	
	March 31, 2020	March 31, 2019
Balance as at the beginning of the period	25,18,550.72	-
Transactions with owners in their capacity as owners	-	25,18,550.72
<b>Balance as at the end of the period</b>	<b>25,18,550.72</b>	<b>25,18,550.72</b>

**h) Equity instruments at fair value through other comprehensive income**

	As at	
	March 31, 2020	March 31, 2019
Balance as at the beginning of the period	59.90	66.70
Other comprehensive (loss)/income recognised during the period	(33.92)	(6.80)
<b>Balance as at the end of the period</b>	<b>25.98</b>	<b>59.90</b>
<b>Total other equity</b>	<b>17,43,758.29</b>	<b>18,09,422.38</b>

**i) Description of the nature of reserves existing in the company:-**

**Capital redemption reserve** - The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier year.

**Securities premium account** - Securities premium account is used to record premium received on issue of shares. The account is utilised in accordance with the provisions of the Companies Act, 2013.

**Debenture redemption reserve** - The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. Since, the debentures were redeemed during the previous year, hence Rs.36,512.50 lacs appearing in the debenture redemption reserve was transferred to general reserve.

**General reserve** - Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

**Retained earnings** - Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

**Equity component of compound financial instruments** - The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) & Non Convertible Redeemable Preference shares (NCRPS) during the financial year ended March 31, 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS & OCRPS as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OCRPS & NCRPS and the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

**Capital contribution** - During the previous year, post implementation of the approved resolution plan dated May 15, 2018, Bamnival Steel Limited (Holding Company), in its capacity as the promoter of the company, had waived off novated debts (reduced by the cost of novation) amounting to Rs. 25,18,550.72 lacs. The Company recognised such waiver as a capital contribution made during the previous year as an item of 'Other equity'. Refer Note 43 for details of accounting of resolution plan.

**Other comprehensive income** - The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity instruments are derecognised.



## 16. FINANCIAL LIABILITIES

### A. BORROWINGS

#### NON - CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Secured</b>		
(i) Debentures	-	-
(ii) Term loans from banks		
- Indian rupees loans (Refer sub-note (ii))	12,42,244.52	13,84,542.07
- Foreign currency loans	-	-
(iii) Term loans from financial institutions	-	-
(iv) Lease Liability	1,58,797.55	79,196.47
	<b>14,01,042.07</b>	<b>14,63,738.54</b>
<b>(b) Unsecured</b>		
(i) Term loans from banks		
- Indian rupees loans	-	-
- Foreign currency loans	-	-
(ii) Liability component of compound financial instruments	2,65,911.64	2,39,075.38
	<b>2,65,911.64</b>	<b>2,39,075.38</b>
Less: Current maturities of long term borrowings classified under 'other financial liabilities'	-	-
Less: Current maturities of finance lease obligation classified under 'other financial liabilities'	13,517.16	5,583.18
	<b>16,53,436.55</b>	<b>16,97,230.74</b>

#### CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Secured</b>		
(i) Working capital facilities from banks		
- Indian rupees loans	39,700.00	-
- Foreign currency loans	-	-
(ii) Cash credit / Packing credits	4,000.00	-
	<b>43,700.00</b>	<b>-</b>
<b>(b) Unsecured</b>		
(i) Working capital facilities from banks		
- Indian rupees loans	30,000.00	-
(ii) Other loans	15,000.00	-
	<b>45,000.00</b>	<b>-</b>
	<b>88,700.00</b>	<b>-</b>

- (i) Rupee Term Loans as at March 31, 2020 amounting to ₹ 12,42,244.52 lacs are secured by a charge on all of the Company's immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan shall be payable across 18 half yearly installments starting from March 2022. The interest rate on such term loans is 0.55% spread over MCLR.
- (ii) During the previous year, the Company had issued 11.09% Non-Convertible Redeemable Preference Shares ("NCRPS") and 8.89% Optionally Convertible Redeemable Preference Shares ("OCRPS") to Tata Steel Limited ("TSL"), on private placement basis. The NCRPS and OCRPS are redeemable at par value at maturity, i.e. 20 years from the date of allotment. The Company has an option to early redeem the NCRPS and OCRPS at 3 monthly intervals from the date of allotment. OCRPS shall be convertible into equity shares at the option of TSL within a period of 18 months from the date of allotment at ₹ 30.53 per share.
- (iii) As a result of the adoption of IFRS 16 "Leases" as of April 1, 2019, the Company has recognized right-of-use assets and lease liabilities related to non-cancellable operating leases (Refer Note 5). Lease Liabilities are secured against the fixed assets against which the finance lease obligation is arising.
- (iv) Working capital facilities from banks as at March 31, 2020 amounting to ₹ 39,700 lacs are secured by a first pari passu charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the company. Cash credit / Packing credit as at March 31, 2020 amounting to ₹ 4,000 lacs are secured by a first pari passu charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts and other current assets.

- (v) Reconciliation of borrowings arising from financing activities:

	(₹ in lacs)			
	Term loans from banks	Liability component of compound financial instruments	Other Loans	Lease Liability
<b>Balance as at 1st April 2019</b>	<b>13,84,542.07</b>	<b>2,39,075.38</b>	<b>-</b>	<b>79,196.47</b>
<b>Cash Flows</b>	<b>(1,43,090.77)</b>	<b>-</b>	<b>88,700.00</b>	<b>(6,884.85)</b>
<b>Non-Cash Changes</b>	<b>793.22</b>	<b>26,836.27</b>	<b>-</b>	<b>86,526.24</b>
Acquisition		-		
Foreign Exchange Movement		-		
Fair Value Changes and Other Changes	793.22	26,836.27		86,526.24
<b>Balance as at 31st March 2020</b>	<b>12,42,244.52</b>	<b>2,65,911.65</b>	<b>88,700.00</b>	<b>1,58,837.85</b>

## B. TRADE PAYABLES

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 33)	5,486.99	1,254.42
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,81,484.12	3,07,642.43
	<b>2,86,971.11</b>	<b>3,08,896.85</b>

(i) The Company considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2020 to be ₹ 2,86,971.11 lacs (March 31, 2019: ₹ 308,896.85 lacs), which is the fair value of trade payables.

## C. OTHER FINANCIAL LIABILITIES

### NON CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Deferred sales tax payable	1,802.35	4,385.37
(b) Other payables	1,818.00	1,403.60
	<b>3,620.35</b>	<b>5,788.97</b>

### CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long term borrowings	-	-
(b) Current maturities of finance lease obligation	13,517.16	5,583.18
(c) Interest accrued on borrowings	9,430.02	-
(d) Liability for capital goods	4,275.07	48,986.83
(e) Security deposits	147.74	707.27
(f) Dues to directors	-	3.92
(g) Unclaimed dividend	6.85	9.04
(h) Other payables	26,628.78	12,941.42
	<b>54,005.61</b>	<b>68,231.66</b>

## 17. OTHER LIABILITIES

### CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2018
(a) Advances received from customers	9,866.48	12,807.39
(b) Statutory Dues	12,539.74	23,995.75
	<b>22,406.22</b>	<b>36,803.14</b>

- (i) The advances received from customers represents contract liability balance outstanding as at the respective dates. The advance received from customers outstanding as at April 1, 2019 were fully recognized as revenue during the year ended March 31, 2020 upon satisfaction of the associated performance obligations.

## 18. PROVISIONS

### NON CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2018
(a) Provision for employee benefits		
- Gratuity (Refer note 35)	4,835.75	3,416.59
- Compensated absences	2,582.48	2,263.18
	<b>7,418.23</b>	<b>5,679.77</b>

### CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2018
(a) Provision for employee benefits		
- Compensated absences	200.86	294.03
	<b>200.86</b>	<b>294.03</b>

## 19. DEFERRED INCOME

### NON CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2018
(a) Deferred income	189.21	227.69
	<b>189.21</b>	<b>227.69</b>

## 20. REVENUE FROM OPERATIONS

	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of products to customers	17,23,779.36	19,86,010.95
(b) Other operating revenue		
Other sales to customers	74,145.99	77,551.46
Export and other incentives (Refer sub-note (i))	21,988.83	25,597.94
	<b>18,19,914.18</b>	<b>20,89,160.35</b>

- (i) This includes amount recognised on account of Maharashtra Package Scheme of Incentives, 1993 amounting to ₹ 9,599.10 lacs (March 31, 2019 ₹ 14,332.48 lacs). Refer Note 44 for further details.

## Geographical information

Geographical information, by region, of the Company's revenue from operations, has been disclosed below and represents Tata Steel BSL's most significant regional markets.

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) India	14,90,156.85	17,86,943.08
(b) Asia excluding India	2,36,761.76	1,77,654.52
(c) Europe	59,776.38	83,694.64
(d) Rest of world	33,219.18	40,868.11
	<b>18,19,914.18</b>	<b>20,89,160.35</b>

## Details of performance obligation associated with revenue recognition

### Satisfaction of performance obligations:-

The Company's revenue is derived from the single performance obligation to transfer primarily steel products under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Additionally, the Company identifies when goods have left its premises, not when the customer receives the goods. Therefore, the Company estimates, based on its historical experience, the amount of goods in-transit when the transfer of control occurs at the destination and defers the revenue recognition.

In case of export sales, for delivery conditions whereby the Company arranges the logistics of the goods to its premises, the Company charges the freight on actual basis (actuals as levied by the transporter). In this case, the Company acts as an agent in arranging such logistics services. Hence, revenue from such services are netted off with the expenses as levied by the transporter.

### Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

### Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates in each reporting period.

## 21. OTHER INCOME

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Finance income on:		
-Fixed deposits	757.86	2,508.09
-Others	4,160.94	375.03
(b) Net Gain / (Loss) on sale/fair valuation of investments	3,781.15	8,478.77
(c) Dividend income on - long term investments	1.76	1.35
(d) Liabilities written back	-	89.91
(e) Miscellaneous income	1,949.78	1,790.92
	<b>10,651.48</b>	<b>13,244.07</b>

There were neither income from subleasing right-of-use assets nor gains or losses from sales and leaseback for the year ended March 31, 2019 and March 31, 2020.

## 22. RAW MATERIALS CONSUMED

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Cost of raw materials consumed	10,63,311.14	11,63,663.41
Less: Expenses transferred to capital work in progress	(4,106.93)	(3,357.95)
	<b>10,59,204.21</b>	<b>11,60,305.46</b>

## 23. PURCHASES OF FINISHED, SEMI-FINISHED STEEL & OTHER PRODUCTS

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
Purchase of Finished products	287.56	685.44
	<b>287.56</b>	<b>685.44</b>

#### 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Closing stock		
- Finished and semi-finished goods	2,16,180.84	1,96,304.65
- Others	14,090.03	8,586.27
	<b>2,30,270.87</b>	<b>2,04,890.92</b>
(b) Opening stock		
- Finished and semi-finished goods	1,96,304.65	1,72,552.04
- Others	8,586.27	4,520.83
	<b>2,04,890.92</b>	<b>1,77,072.87</b>
<b>Net Increase [ (b) - (a) ]</b>	<b>(25,379.94)</b>	<b>(27,818.05)</b>

#### 25. EMPLOYEE BENEFIT EXPENSE

	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Salaries and wages	39,442.77	35,310.67
(b) Contribution to provident and other funds	362.15	1,013.49
(c) Staff welfare expenses	418.40	707.69
	<b>40,223.32</b>	<b>37,031.85</b>
Less: Expenses transferred to capital work in progress	(93.45)	(781.29)
	<b>40,129.88</b>	<b>36,250.56</b>

#### 26. FINANCE COSTS

	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest on borrowings	1,54,566.16	3,80,969.12
(b) Interest on lease obligations	17,220.71	-
(c) Other borrowing cost	4,223.27	1,362.21
	<b>1,76,010.14</b>	<b>3,82,331.33</b>
Less: Expenses transferred to capital work in progress	(6,418.64)	(7,113.45)
	<b>1,69,591.49</b>	<b>3,75,217.88</b>

#### 27. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Depreciation on tangible assets	1,30,118.79	1,44,165.90
(b) Depreciation of right of use assets	12,912.55	-
(b) Amortisation of intangible assets	132.09	8.02
	<b>1,43,163.43</b>	<b>1,44,173.92</b>

#### 28. OTHER EXPENSES

	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Consumption of stores, spares and consumables	1,40,872.43	1,30,745.05
(b) Packing material consumed	7,778.39	7,521.02
(c) Purchase of power and consumption of fuel	1,07,514.64	1,17,638.28
(d) Rent (Refer sub-note (ii))	43,637.58	81,749.88
(e) Insurance charges	4,285.01	3,224.93
(f) Rates and taxes	1,163.63	935.31
(g) Repairs and maintenance:		
Building	1,168.26	718.20
Machinery	15,996.68	6,714.27
(h) Payment to auditors:		
Audit fees	340.10	350.00
Tax audit fee	40.00	35.00
Out-of-pocket expenses	63.29	47.57
For other services	2.56	3.06
(j) Freight and handling charges	92,555.03	89,093.63
(k) Commission, discounts and rebates	7,110.06	3,544.60
(l) Loss on sale of property, plant and equipment	(125.61)	26.69
(m) Provision for doubtful debts	41,997.66	-
(n) Allowance for expected credit losses written off	(45,330.52)	5,954.63
(n) Administrative expenses	6,038.21	-
(o) Contractual manpower costs	-	33,423.92
(p) Miscellaneous expenses (Refer sub-note (i))	90,312.91	58,352.87
	<b>5,15,420.32</b>	<b>5,40,078.91</b>
Less: Expenses transferred to capital work in progress	(31.98)	(197.91)
	<b>5,15,388.34</b>	<b>5,39,881.00</b>

(i) Miscellaneous expenses includes losses on account of foreign exchange fluctuation amounting to ₹ 3,440.26 lacs (March 31, 2019: ₹ 5,765.57

(ii) Expenses related to short-term leases and leases of assets of low value included in Rent expenses were ₹ 1,127.23 lakhs and ₹ 2.40 lakhs, respectively, for the year ended March 31, 2020. Expenses related to variable lease payments not included in the measurement of lease liabilities were ₹ 42,507.95 for the year ended March 31, 2020.

## 29. EXCEPTIONAL ITEMS

	(₹ in lacs)	
	Year ended March 31, 2020	
	Year ended March 31, 2019	
(a) Effects of implementation of resolution plan (Refer sub-note - (i))	15,359.67	3,15,927.27
(b) Provision for impairment on property, plant and equipment and other assets (Refer sub-note - (ii) and (iii))	(8,457.83)	(18,326.60)
	<b>6,901.84</b>	<b>2,97,600.67</b>

### i) Effects of implementation of resolution plan (Refer Note 43 for details of effects of resolution plan)

As per the Resolution Plan approved by the NCLT, settlement of operational creditors has been done over a period of 12 months from the Closing Date, as defined in the Resolution Plan. Further, as per the Resolution Plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof.

### ii) Exceptional items recognised in current year financial statements

During the year, impairment provision was created on CRM extension project in capital work in progress amounting to ₹ 2,081.30 lacs and induction furnace in Angul plant amounting to ₹ 2,174.90 lacs.

### iii) Exceptional items recognised in previous year financial statements

#### (A) Effects of implementation of resolution plan (Refer Note 43 for details of effects of resolution plan)

Pursuant to CIRP proceedings & implementation of resolution plan, there has been a gain of ₹ 3,15,927.27 lacs on account of the following:-

- (a) Operational creditors extinguishment - ₹ 55,212.35 lacs,
- (b) Redemption of Preference shares & waiver of related interest obligation - ₹ 2,42,557.34 lacs,
- (c) Extinguishment of dues towards financial creditors on account of pledged shares invocation - ₹ 18,157.58 lacs.

#### (B) Provision for impairment on property, plant & equipment and other assets includes:

- (a) Provision for impairment of property, plant and equipment - ₹ 5,219.23 lacs.
- (b) Provision for impairment of certain non-current advances - ₹ 17,837.52 lacs.
- (c) Net reversal of provision for impairment made in earlier year - ₹ 4,730.14 lacs.

### 30. EARNING PER SHARE

Basic and diluted earning per share ("EPS") amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company (including the potential savings/expenses that would result from the conversion of the dilutive potential ordinary share) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit/ (Loss) after tax (₹ in lacs)	(64,917.47)	1,71,308.88
<b>Add:-</b> Income that would result from the conversion of the dilutive potential ordinary share (₹ in lacs)	3,035.87	38,026.38
<b>(b) Profit/(Loss) after tax to be considered for computation of Diluted Earnings Per Share (DEPS) (₹ in lacs)</b>	<b>(61,881.59)</b>	<b>2,09,335.26</b>
(c) Weighted average number of equity shares - Basic (Nos.)	1,09,34,39,768	98,18,08,327
<b>Add:-</b> Weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares (Refer sub note (i))	2,94,79,20,079	18,93,75,86,654
<b>(d) Weighted average number of equity shares - Diluted (Nos.)</b>	<b>4,04,13,59,847</b>	<b>19,91,93,94,981</b>
<b>Earning Per Share</b>		
Basic (₹ / share) [ (a)/(c) ]	(5.94)	17.45
Diluted (₹/ share) [ (b)/(d) ]	(5.94)	1.05
Face value per share (₹)	2.00	2.00

(i) During the current year, Earning per share is anti-dilutive hence both Basic and Diluted earning per share is equal.

During the previous year, the dilution was on account of:-

Potential equity shares which may be issued on account of conversion option that exists in the Optionally Convertible Redeemable Preference Shares (OCRPS). OCRPS shall be convertible into equity shares at the option of the investor (being Tata Steel Limited) within a period of 18 months from the date of allotment at ₹ 30.53 per share, and,

Potential equity shares which could have been issued on account of conversion option that existed in the Inter-Corporate Deposits (ICD) taken from Bamnipal Steel Limited. ICD was convertible into equity shares at the option of the investor (being Bamnipal Steel Limited) within a period of 18 months from the date of issue of ICD at face value of equity share, i.e., ₹ 2 per share. The dilution impact has been considered for previous period in which the ICD was outstanding, i.e., May 18, 2018 to March 19, 2019.

### 31. TAX EXPENSES

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

	As at March 31, 2020	As at March 31, 2019
Profit / (loss) before tax	(64,917.47)	1,71,308.88
At India's statutory income tax rate of 25.168% (March 31, 2018: 34.944%)	(16,338.43)	59,862.18
(a) Deferred tax assets on losses and unabsorbed depreciation not recognised	50,173.62	1,54,165.39
(b) Income exempt from tax/items not deductible	7,687.28	31,180.62
(c) Deferred taxes (assets)/liabilities relating to earlier years recognised during the year	(42,849.52)	(2,46,042.88)
(d) Impact of change in tax rate	-	-
(e) Others	1,327.23	834.70
	-	<b>0.00</b>
	-	<b>0.00</b>

(i) The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/deduction under the specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

A new section 115BAA has been inserted in the Income Tax Act, 1961, vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides domestic company with an option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous years relevant to the assessment year beginning on or after April 01, 2020. The rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming any deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate. New tax regime once opted, can not be reversed.

Bases on above, the Company has opted to new tax regime and computed its tax liability on lower tax rate for assessment year 2020-21. The Company has not claimed certain deduction or exemption as prescribed which includes additional depreciation of Rs.3,761.65 crores claimed in earlier years. However the same has been adjusted with the net block of assets as on April 01, 2019 as per the relevant provision of section 115BAA of Income Tax Act, 1961. The statutory tax rate applicable for assessment year 2019-20 was 34.944% (including surcharge and

(b) Movement of deferred tax liability from beginning to end of financial year is as follows:

	As at April 01, 2018	Provided during the year	As at March 31, 2019	Provided during the year	As at March 31, 2020
Deferred tax liability:					
(a) Related to property plant & equipment	4,70,095.62	28,265.63	4,98,361.25	(1,74,518.76)	3,23,842.49
(b) Investments carried at Fair value through profit or loss	-	258.65	258.65	(258.65)	-
<b>Total deferred tax liability</b>	<b>4,70,095.62</b>	<b>28,524.28</b>	<b>4,98,619.90</b>	<b>(1,74,777.41)</b>	<b>3,23,842.49</b>
Deferred tax assets:					
(a) Accumulated business loss and unabsorbed depreciation	2,20,820.24	2,17,729.29	4,38,549.53	(1,74,513.37)	2,64,036.16
(b) Provision for doubtful debts	5,961.44	449.15	6,410.59	(3,994.30)	2,416.29
(c) Amount deductible on payment basis	2,00,901.00	(1,95,330.10)	5,570.90	(251.33)	5,319.57
(d) Others	42,412.94	5,675.94	48,088.88	3,981.59	52,070.47
<b>Total deferred tax assets</b>	<b>4,70,095.62</b>	<b>28,524.28</b>	<b>4,98,619.90</b>	<b>(1,74,777.41)</b>	<b>3,23,842.49</b>
Mat credit entitlement	-	-	-	-	-
<b>Deferred tax liability (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recognised in profit or loss as 'tax expenses'</b>		-		-	
<b>Recognised in profit or loss as 'exceptional item'</b>		-		-	
<b>Recognised in OCI</b>		-		-	
<b>Total</b>		-		-	

(i) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 2,91,666.53 lacs as at March 31, 2020 (March 31, 2019: ₹ 3,21,093.41 lacs), where it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the company.

(ii) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

	Year of expiry	Amount
Unabsorbed depreciation	No expiry	(11,58,878.46)
		<b>(11,58,878.46)</b>



### 32. COMMITMENTS AND CONTINGENCIES

#### A. Contingent liabilities

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
(a) Sales Tax	-	-
(b) Excise Duty/Custom duty/ Service Tax	-	-
(c) Entry Tax	-	-
(d) Income Tax	-	-
(e) Water Conservation Fund	-	-
(f) Others	-	-
	-	-

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 18, 2018 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been legally advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. July 26, 2017, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies (presented under Other Assets - Non current) continue to subsist.

#### B. Commitments

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8,975.50	8,975.50
	8,975.50	8,975.50

#### C. Other matters

- (i) The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Company which were under development. Subsequently, the Government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks.

De-allocated coal block amounting to ₹ 56,289.95 lacs includes expenditure incurred of ₹ 14,833.52 lacs and advance given of ₹ 41,456.44 lacs. During the previous year, Company has provided provision for expenses incurred. In the opinion of the management, the Company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company has filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the Company had filed a Writ Petition bearing No 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Union of India and other. The Counter Affidavit(s) were filed by Union of India in November 2016 and subsequent thereto pleadings were completed.

On May 24, 2018 the above matter came up for hearing before Hon'ble Delhi High Court. Vide office Memorandum dated March 20, 2018, New Patrapara Coal Block has been earmarked for allotment to Odisha Government. Court has directed Union of India to file status report on land acquisition status/proceedings upto 10 days prior to next date of hearing, i.e., September 27, 2018.

On September 27, 2018, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that whether the Company should be awarded interest on the money lying deposited, the rate of interest and the period for which it is payable, would be subject to the final outcome of the proceedings.

On February 7, 2019, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that Union of India had sought time to obtain specific instructions as to time schedule which would be adhered to for disbursement of compensation amount. The Union of India shall file specific undertaking outlining the amounts payable to the Company and also the last date by which the amount could be disbursed. Thereafter matter was adjourned to May 7, 2019.

- (ii) The Company was summoned by the Special Judge (Companies Act)/ Additional Sessions Judge – 03, Dwarka Courts, New Delhi ("Special Court"), to appear before the Special Court in relation to a criminal complaint ("Complaint") filed by the Serious Fraud Investigation Office ("SFIO") against the company. The Company has made necessary disclosures to the stock exchanges in this matter vide its Jetter dated September 30, 2019 and March 20, 2020. The disclosure is available on the websites of National Stock Exchange of India Limited, BSE Limited and on the website of the Company.

The Company was acquired through CIRP under the Insolvency and Bankruptcy Code, 2016 vide resolution plans approved by the NCLT. The management believes that the resolution plans as approved by NCLT provides adequate protection to the Company and BEL against any potential liability arising from any investigation/proceeding/order or any matter relating to period prior to the approval of the resolution plan. Accordingly, the Company is pursuing appropriate legal remedies as available. Also, the Insolvency & Bankruptcy Code (Amendment) Ordinance 2019 dated December 29, 2019, provides immunity against prosecution and prevent action against the properties of Corporate Debtor.

The Company had filed writ petitions before the Delhi High Court ("High Court") challenging the Complaint, Order of Cognizance dated August 16, 2019 and the Summons issued by the Special Court against the company.

Based on the submissions and the law, the High Court was pleased to allow the Writ Petition(s) and set aside the Complaint, Order of Cognizance dated August 16, 2019 and the Summons as were issued against the company.

### 33. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The dues to micro, small and medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

	As at March 31, 2020	As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due to micro, small and medium enterprises	5,482.75	1,648.20
- Interest due	4.24	6.93
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	4.24	6.93
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

#### 34. SEGMENT REPORTING

The business activity of the company falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Ministry of Corporate Affairs is not considered applicable.

### 35. EMPLOYEE BENEFITS

#### Defined Contribution Plans - General Description

Provident Fund:

During the year, the Company has recognised ₹ 632.89 Lacs (2018-19: ₹ 666.61 Lacs) as contribution to Employee Provident Fund in the statement of profit and loss.

#### Defined Benefit Plans - General Description

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service at the time of separation from the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

#### a) Reconciliation of fair value of plan assets and defined benefit obligation:

	(₹ in lacs)
	<b>Gratuity (Funded)</b>
<b>March 31, 2019</b>	
Fair value of plan assets	2,054.86
Defined benefit obligation	5,471.45
<b>Net asset/ (liability) as at March 31, 2019</b>	<b>(3,416.59)</b>
<b>March 31, 2020</b>	
Fair value of plan assets	1,769.34
Defined benefit obligation	6,605.09
<b>Net asset/ (liability) as at March 31, 2020</b>	<b>(4,835.75)</b>

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

	(₹ in lacs)
	<b>Gratuity (Funded)</b>
<b>Defined benefit obligation as at April 1, 2018:</b>	5,372.80
Current service cost	606.14
Interest expense	414.24
Past service cost	
Benefits paid	(380.57)
Actuarial (gain)/ loss on obligations - OCI	(541.16)
<b>Defined benefit obligation as at March 31, 2019</b>	<b>5,471.46</b>
Current service cost	723.18
Interest expense	427.32
Past service cost	-
Benefits paid	(694.02)
Actuarial (gain)/ loss on obligations - OCI	677.16
<b>Defined benefit obligation as at March 31, 2020</b>	<b>6,605.09</b>

#### c) Changes in the fair value of plan assets are, as follows:

	(₹ in lacs)
	<b>Gratuity (Funded)</b>
<b>Fair value of plan assets as at April 1, 2018:</b>	1,905.82
Contribution by employer	400.00
Benefits paid	(380.57)
Return on plan assets	129.61
<b>Fair value of plan assets as at March 31, 2019</b>	<b>2,054.86</b>
Contribution by employer	-
Claim received but not settled	(55.92)
Benefits paid	(354.54)
Return on plan assets	124.94
<b>Fair value of plan assets as at March 31, 2020</b>	<b>1,769.34</b>

	As at March 31, 2020	As at March 31, 2019
Break up of fair value of plan assets		
-SBI Life	635.53	741.66
-LIC	599.23	753.35
-PNB Metlife	415.03	389.92
-Trust	119.54	169.93
<b>Total fair value of plan assets</b>	<b>1,769.34</b>	<b>2,054.86</b>

#### (d) Amount recognised in Statement of Profit and Loss:

	As at March 31, 2020	As at March 31, 2019
Current service cost	723.18	606.14
Past service cost	-	-
Net interest expense	266.84	267.30
Remeasurement of net benefit liability/ asset	-	-
<b>Amount recognised in statement of profit and loss</b>	<b>990.00</b>	<b>873.44</b>

**(e) Amount recognised in other comprehensive income:**

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>Actuarial (gain)/ loss on obligations</b>		
Actuarial (gain)/ loss arising from change in demographic assumptions	(3.30)	(730.27)
Actuarial (gain)/ loss arising from change in financial assumptions	504.77	(23.85)
Actuarial (gain)/ loss arising from change in experience adjustment	175.69	212.96
Return on plan assets (excluding amounts included in net interest expense)	35.54	17.33
<b>Amount recognised in other comprehensive Income for year ended</b>	<b>712.70</b>	<b>(523.84)</b>

**The principal assumptions used in determining gratuity for the Company's plans are shown below:**

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Discount rate (in %)	6.96%	7.81%
Salary escalation (in %)	5.00%	5.00%
Rate of return on plan assets (in %)	6.08%	6.80%
Retirement age (in years)	60.00	60.00
Expected average remaining working lives of employees (in years)*	21.82	22.52
Expected contribution for the next annual reporting period (₹ in Lacs)	1,133.69	922.40

\* Mortality rates inclusive of provision for disability - 100% of IALM (2006-08)

**A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:**

Gratuity	(₹ in lacs) As at March 31, 2020					
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(306.50)	332.52	337.32	(313.42)	Not material	Not material
	(₹ in lacs) As at March 31, 2019					
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(231.43)	250.39	256.09	(238.47)	Not material	Not material

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**Maturity profile of defined benefit obligation (gratuity)**

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Within the next twelve months (next annual reporting period)	392.09	617.96
Between two and five years	1,812.68	1,328.99
Between five and ten years	1,725.28	1,319.46
Beyond ten years	2,675.03	3,776.40
<b>Total expected payments</b>	<b>6,605.09</b>	<b>7,042.81</b>



Novation Loan Repaid	March 31, 2020	-	-	-	-	-	-	-	-	-
	March 31, 2019	-	10,000.00	-	-	-	-	-	-	10,000.00
Purchase of goods/ services (Refer sub-note D)	March 31, 2020	1,06,575.74	-	36,292.36	-	-	-	-	4,27,178.79	5,70,046.89
	March 31, 2019	39,737.37	-	-	-	-	-	-	3,51,844.30	3,91,581.67
Dividend Received	March 31, 2020	-	-	-	-	-	-	-	-	-
	March 31, 2019	1.35	-	-	-	-	-	-	-	1.35
Sales of goods/ services	March 31, 2020	1,549.17	-	6.50	-	-	-	-	39,516.57	41,072.23
	March 31, 2019	17,710.84	-	-	-	-	-	-	6,739.83	24,450.67
<b>Balances</b>										
Inter Corporate Deposit given and interest thereon	March 31, 2020	-	-	-	35,328.19	-	-	-	-	35,328.19
	March 31, 2019	-	-	-	-	-	-	-	-	-
Advance to supplier	March 31, 2020	-	-	-	-	-	-	-	27.30	27.30
	March 31, 2019	-	-	-	-	-	-	-	22.21	22.21
Payable (Refer sub-note D)	March 31, 2020	20,379.66	-	6,608.60	-	-	-	-	1,36,297.20	1,63,285.46
	March 31, 2019	7,035.27	-	1,279.42	-	3.92	-	-	1,67,797.36	1,76,115.96
Receivables	March 31, 2020	161.47	-	1.77	-	-	-	-	910.80	1,074.03
	March 31, 2019	102.50	-	-	-	-	-	-	-	102.50
Preference shares (Refer sub-note B)	March 31, 2020	19,70,000.00	-	-	-	-	-	-	-	19,70,000.00
	March 31, 2019	19,70,000.00	-	-	-	-	-	-	-	19,70,000.00
Advance from Customer	March 31, 2020	73.27	-	-	-	-	-	-	-	73.27
	March 31, 2019	-	-	-	-	-	-	-	53.71	53.71
Dividend Receivables	March 31, 2020	6.48	-	-	-	-	-	-	-	6.48
	March 31, 2019	6.48	-	-	-	-	-	-	-	6.48

B. The Preference shares outstanding include -

- Liability component of preference shares - ₹ 2,65,911.64 lacs
- Equity component of preference shares - ₹ 1,729,582.05 lacs

C. The interest paid excludes interest accrued on the compound financial instruments (being preference shares) amounting to ₹ 26,662.70 lacs (March 31, 2019 : ₹ 657.43 lacs) as the same represents unwinding of interest considered in statement of profit and loss during the year on account of accounting for compound financial instruments in accordance with Ind-AS 32. The same does not represent cash outflow in respect of interest expense payable to the holder of such instrument (being Tata Steel Limited).

D. Purchase of goods/services and payables includes:-

- Purchases of goods from TS Global Procurement Pte Limited amounting to ₹ 4,09,902.21 lacs and
- Amount payable to TS Global Procurement Pte Limited amounting to ₹ 1,31,264.73 lacs respectively.

E. During the year, the Company has recognised an amount of ₹ Nil lacs (March 31, 2019 : ₹ 210.66 lacs) as remuneration to key management personnel. The details of such remuneration is as below:

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(i) Short-term employee benefits	-	210.66
(ii) Post employment benefits	-	-
(iii) Other long-term benefits	-	-
<b>Total expected payments</b>	<b>-</b>	<b>210.66</b>

## 37. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

### **Use of estimates and critical accounting judgements**

In the preparation of financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

### **Significant management judgments**

#### **(a) Evaluation of indicators for impairment of non-financial asset**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### **(b) Provisions & contingent liabilities**

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

#### **(c) Valuation of deferred tax assets**

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

#### **(d) Classification of Leases**

The Company enters into leasing arrangements for various assets. As a lessee, the Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

### **Significant management estimates**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(a) Allowance for expected credit loss**

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

**(b) Allowance for obsolete and slow-moving inventory**

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

**(c) Useful lives of property, plant and equipment and intangible assets**

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

**(d) Defined benefit obligations (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**(e) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value. Recoverable value is taken as higher of value in use and fair value less costs to sell.



38. DISCLOSURE OF INTEREST IN SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES:

1) Disclosure of interest in the following Subsidiaries:

		(₹ in lacs)		
		Ownership interest of Tata Steel BSL Limited (%)		
	Country of Incorporation	As at March 31, 2020	As at March 31, 2019	
(i)	Bhushan Steel (Orissa) Limited	India	99.98%	99.98%
(ii)	Bhushan Steel Madhya Bharat Limited	India	99.98%	99.98%
(iii)	Bhushan Steel (South) Limited	India	100.00%	100.00%
(iv)	Bhushan Steel (Australia) Pty Limited	Australia	90.97%	90.97%
(v)	Angul Energy Limited*	India	99.99%	-

\* The Company has invested in equity shares of Angul Energy Limited and is classified as a subsidiary company w.e.f June 01, 2019.

2) Disclosure of interest in Joint Venture:

		(₹ in lacs)		
		Ownership interest of Tata Steel BSL Limited (%)		
	Country of Incorporation	As at March 31, 2020	As at March 31, 2019	
(i)	Andal East Coal Company Private Limited*	India	0.00%	0.00%

\* The Company held investment in equity shares of Andal East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 145.50 lacs which had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of ₹ Nil upon initial

3) Disclosure of interest in the following categories of Associates:

		(₹ in lacs)		
		Ownership interest of Tata Steel BSL Limited (%)		
	Country of Incorporation	As at March 31, 2020	As at March 31, 2019	
(i)	Bhushan Capital & Credit Services Private Limited	India	42.58%	42.58%
(ii)	Jawahar Credit & Holdings Private Limited	India	39.65%	39.65%

### 39. FINANCIAL INSTRUMENTS

#### A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>Financial assets measured at fair value</b>		
<b>Investments measured at</b>		
Fair value through other comprehensive income	66.95	100.87
Fair value through profit and loss	-	1,59,490.28
Derivative assets	5,142.54	214.07
<b>Financial assets measured at amortised cost</b>		
Trade receivables	70,238.62	69,701.21
Loans	40,107.11	9,799.14
Cash and cash equivalents	72,358.48	27,741.72
Other bank balances	12,598.81	12,689.66
Other financial assets	53,687.61	54,060.75
<b>Total</b>	<b>2,54,200.15</b>	<b>3,33,797.69</b>
<b>Financial liabilities measured at fair value</b>		
Derivative liabilities	763.77	4,141.57
<b>Financial liabilities measured at amortised cost</b>		
Borrowings (including interest accrued)	17,65,083.73	17,02,813.92
Trade payables	2,86,971.11	3,08,896.85
Other financial liabilities	34,678.79	68,437.45
<b>Total</b>	<b>20,87,497.40</b>	<b>20,84,289.79</b>

#### Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows:

**Level 1:** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds.

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ in lacs)			
	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
<b>Investments measured at</b>				
Fair value through other comprehensive income	36.39	-	30.57	66.95
Fair value through profit and loss	-	-	-	-
Derivative assets	-	5,142.54	-	5,142.54
<b>Liabilities at fair value</b>				
Derivative liabilities	-	763.77	-	763.77
(₹ in lacs)				
	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
<b>Investments measured at</b>				
Fair value through other comprehensive income	70.31	-	30.56	100.87
Fair value through profit and loss	1,59,490.28	-	-	1,59,490.28
Derivative assets	-	214.07	-	214.07
<b>Liabilities at fair value</b>				
Derivative liabilities	-	4,141.57	-	4,141.57

#### a. Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:-

- (i) In order to arrive at the fair value of unquoted investments in equity shares, the Company obtains independent valuations. However, for such investments held by Company as of reporting date, costs of such unquoted equity instruments has been considered as an appropriate estimate of fair value because of wide range of fair value measurements and cost represents the best estimate of fair value within that range.
- (ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

b. The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019:

	(₹ in lacs)
	<b>Unquoted Equity shares</b>
<b>As at April 01, 2018</b>	30.60
Change in fair value	(0.04)
<b>As at March 31, 2019</b>	<b>30.56</b>
Change in fair value	-
<b>As at March 31, 2020</b>	<b>30.56</b>

## B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

	(₹ in lacs)	
	As at March 31, 2020	
	Carrying value	Fair value
Loans given	40,107.11	40,107.11
Trade receivables	70,238.62	70,238.62
Cash and Cash equivalents	72,358.48	72,358.48
Other balances with bank	12,598.81	12,598.81
Other financial assets	53,687.61	53,687.61
Borrowings	17,65,083.73	17,65,083.73
Trade payables	2,86,971.11	2,86,971.11
Other financial liabilities	34,678.79	34,678.79

	(₹ in lacs)	
	As at March 31, 2019	
	Carrying value	Fair value
Loans given	9,799.14	9,799.14
Trade receivables	69,701.21	69,701.21
Cash and Cash equivalents	27,741.72	27,741.72
Other balances with bank	12,689.66	12,689.66
Other financial assets	54,060.75	54,060.75
Borrowings	17,02,813.92	17,02,813.92
Trade payables	3,08,896.85	3,08,896.85
Other financial liabilities	68,437.45	68,437.45

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.

(ii) Fair value of borrowings has been estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities.

## 40. FINANCIAL RISK MANAGEMENT

### Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other balances with banks, loans and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities including trade payables	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR) and derivative assets and liabilities	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

## A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

### a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Company provides for expected credit loss based on the following:

	Type of financial asset	Measurement
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher

In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

### Exposure to credit risk

The exposure of credit risk over the financial assets of the Company except trade receivables has been summarized below\*:-

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>I. Low credit risk on financial reporting date</b>		
Loans	40,107.11	9,799.14
Cash and cash equivalents	72,358.48	27,741.72
Other bank balances	12,598.81	12,689.66
Other financial assets	53,687.61	54,060.75
<b>II. High credit risk</b>		
Loans	7,435.69	16,435.69
Other financial assets	15,019.49	15,350.52
<b>Total</b>	<b>2,01,207.20</b>	<b>1,36,077.48</b>

\*These represent gross carrying values of financial assets, without deduction for expected credit losses

### Credit Risk Management policies

#### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

#### Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

#### Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

### b) Expected credit losses for financial assets

**i) Financial assets (other than trade receivables)**

Company provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset or the deposits are made to government authorities.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

(₹ in lacs)				
As at March 31, 2020				
	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	72,358.48	0.00%	-	72,358.48
Other bank balances	12,598.81	0.00%	-	12,598.81
Loans	47,542.80	15.64%	7,435.69	40,107.11
Other financial assets	68,707.10	21.86%	15,019.49	53,687.61

(₹ in lacs)				
As at March 31, 2019				
	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	27,741.72	0.00%	-	27,741.72
Other bank balances	12,689.66	0.00%	-	12,689.66
Loans	26,234.83	62.65%	16,435.69	9,799.14
Other financial assets	69,411.27	22.12%	15,350.52	54,060.75

**(ii) Trade receivables**

Refer Note 11 for details

**B Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**a) Financing arrangements**

Undrawn borrowing facilities at the end of the reporting year to which the Company had access is ₹ lacs ( March 31, 2019: ₹ 55,728 lacs).

**b) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in lacs)				
As at March 31, 2020				
	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings (excluding lease obligations)	2,00,174.19	2,23,090.55	36,99,491.64	41,22,756.37
Lease obligations	34,610.12	68,981.33	1,81,774.16	2,85,365.61
Trade payables	2,86,971.11	-	-	2,86,971.11
Derivative liabilities	763.77	-	-	763.77
Other financial liabilities	36,868.10	-	3,620.35	40,488.45
	<b>5,59,387.30</b>	<b>2,92,071.88</b>	<b>38,84,886.15</b>	<b>47,36,345.33</b>

(₹ in lacs)				
As at March 31, 2019				
	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	1,48,157.65	3,37,648.12	40,21,273.09	45,07,078.86
Trade payables	3,08,896.85	-	-	3,08,896.85
Derivative liabilities	4,141.57	-	-	4,141.57
Other financial liabilities	62,648.48	-	19,309.91	81,958.39
	<b>5,23,844.55</b>	<b>3,37,648.12</b>	<b>40,40,583.00</b>	<b>49,02,075.67</b>

**C Market risk**

**a) Foreign currency risk**

Exposures to currency exchange rates primarily arise from the business transactions carried out by the Company in other than functional currency i.e. INR.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows. The amounts shown are those reported to key management personnel translated into INR at the closing exchange rate:

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Financial assets		
- USD	22,473.98	8,219.64
- EURO	85.94	409.15
- AED	44.46	33.88
	<b>22,604.38</b>	<b>8,662.67</b>
Financial liabilities		
- USD	512.70	1,77,826.67
- EURO	16.03	890.65
- GBP	-	39.18
- SEK	0.19	-
- JPY	108.28	15.90
	<b>637.19</b>	<b>1,78,772.40</b>

The following table summarises the volatility in the following exchange rates during the year.

	As at March 31, 2020	As at March 31, 2019
INR/USD	7.91%	6.82%
INR/ EUR	6.62%	7.26%
INR/ GBP	3.35%	8.82%
INR/ JPY	11.74%	9.32%
INR/ SEK	0.93%	N.A
INR/AED	8.98%	9.17%

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Had the respective foreign currencies strengthened against the INR by the aforementioned percentage of market volatility, then this would have had the following impact on profit/loss & equity:

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
- USD	1,737.14	(11,559.48)
- EURO	4.63	(34.98)
- GBP	-	(3.46)
- JPY	(12.71)	(1.48)
- SEK	(0.00)	-
- AED	3.99	3.11
<b>Total</b>	<b>1,733.05</b>	<b>(11,596.29)</b>

If the respective functional currencies had depreciated against the INR by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.

**b) Interest rate risk**

**i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2019 and March 31, 2018, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Variable rate borrowing	12,42,244.52	13,84,542.07
Other borrowings#	4,24,709.19	3,18,271.85
<b>Total borrowings</b>	<b>16,66,953.71</b>	<b>17,02,813.92</b>
Amount disclosed under other current financial liabilities (Refer Note - 16C)	13,517.16	5,583.18
Amount disclosed under borrowings (Refer Note - 16A)	16,53,436.55	16,97,230.74

# Other borrowings of the Company include such borrowings which do not carry a variable interest rate and hence not exposed to the interest rate volatility.

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>Interest sensitivity*</b>		
Interest rates – increase by 100 basis points (March 31, 2019 100 bps)	12,422.45	13,845.42
Interest rates – decrease by 100 basis points (March 31, 2019 100 bps)	(12,422.45)	(13,845.42)

\* Holding all other variables constant

**ii) Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Price risk**

The Company is not an active investor in equity markets; It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at 31st March, 2019 is Rs. 100.87 lacs (2018 – Rs. 107.67 lacs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

**41. CAPITAL MANAGEMENT**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**(a) Debt equity ratio**

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Total debts	16,92,725.24	15,15,581.93
Total equity	17,65,627.09	18,31,291.18
<b>Net debt to equity ratio</b>	<b>0.96</b>	<b>0.83</b>

(b) Dividend - During the year ended March 31, 2020, no dividend has been recognized as distributions to equity shareholders (March 31, 2019: ₹ Nil)

42. IN COMPLIANCE OF REGULATION 34 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 THE REQUIRED INFORMATION IS GIVEN AS UNDER:

	As at March 31, 2020	As at March 31, 2019
<b>I. Loans and Advances in the nature of loans:</b>		
A) To Subsidiary Companies	32,600.00	-
B) To Associates /Joint Venture	-	-
C) To Firms/Companies in which directors are interested	-	-
D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act.	-	-
<b>II. Investment by the loanee (as detailed above) in the shares of TSBSL and its subsidiaries</b>	-	-
<b>Total</b>	<b>32,600.00</b>	<b>-</b>

43 During the previous year, Corporate insolvency resolution process ("CIRP") was initiated pursuant to a petition filed by one of its financial creditors, State Bank of India ("SBI") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). SBI filed the petition before the National Company Law Tribunal, Principal Bench, New Delhi ("Adjudicating Authority") vide Company Petition No. (IB)-201 (PB)/2017 on July 03, 2017. The Adjudicating Authority admitted the said petition and the CIRP for the Company commenced on July 26, 2017. The CIRP culminated into the approval of the Resolution Plan submitted by Tata Steel Ltd ("TSL") by the Adjudicating Authority vide its order dated May 15, 2018 ("Order").

Accordingly, keeping in view the Order dated May 15, 2018:

i. On May 18, 2018 ("Effective Date"), Bamnival Steel Limited, (wholly owned subsidiary of TSL) ("BNPL") deposited ₹ 35,13,258 lacs, for subscription to equity shares of the Company, payment of CIRP cost and employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.

ii. The reconstituted board of directors in its meeting held on May 17, 2018 approved allotment of 79,44,28,986 fully paid equity shares of ₹ 2 each to BNPL, aggregating to ₹ 15,888.58 lacs, representing 72.65% of the equity share capital of the Company.

iii. The remaining amount of ₹ 34,97,369.42 lacs was treated as Inter Corporate Deposits.

iv. Out of the amount received from BNPL, ₹ 3,258 lacs were utilised towards payment of CIRP cost and employee related dues. The balance amount of ₹ 35,10,000 lacs were paid to the Financial Creditors between May 18, 2018 to May 31, 2018.

v. The financial creditors invoked the pledge created in their favor by the erstwhile promoters of the Company over 6,76,54,810 equity shares of the Company held by them ("Pledged Shares"). The market value of Pledged Shares amounted to ₹ 18,157.58 lacs and, the same has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.

vi. The eligible financial creditors were further allotted 7,24,96,036 equity shares at face value of ₹ 2 each aggregating to ₹ 1,449.92 lacs.

vii. After adjusting the amounts as mentioned in para no. v and vi above, the balance due to Financial Creditors, amounting to ₹ 25,28,550.72 lacs were novated to BNPL for an aggregate consideration of ₹ 10,000 lacs. BNPL, in its capacity as the promoters of TSBSL, has waived off the debts less cost of novation, and the same has been considered as capital contribution. Refer Note 14 for details of other equity.

viii. 10% Redeemable Cumulative Preference shares of ₹ 100 each amounting to ₹ 2,42,557.39 lacs were redeemed for a total sum of ₹ 4,700/- only. Gain arising out of redemption of such preference shares has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.

ix. In respect of Operational Creditors, the Company has provided for liabilities based on the amount of claims admitted pursuant to CIRP. Further, the Company has proposed to pay an amount of ₹ 1,20,000 lacs to Operational Creditors, in the manner mentioned in the Resolution Plan, within 12 months from the closing date (May 18, 2018) i.e. on or before May 17, 2019. Accordingly, the Company has recognized a gain of ₹ 55,212.35 lacs on account of extinguishment of such financial liabilities as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.

44 The Company is eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme the Company has obtained eligibility certificate from Directorate of Industries. As per the Scheme the Company has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2020 amounts to ₹ 1,802.35 lacs (March 31, 2019: ₹ 4,385.37 lacs). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST & claim refunds of the same. During the year, the Company has recognised ₹ 9,599.10 lacs as an income (Refer Note 20) on account of such scheme.

45 There are no significant changes in the contract asset and the contract liability balances during the period ending March 31, 2020 due to acquisition of interest in Bhushan Energy Limited.

46 Due to outbreak of Covid-19 globally and in India, the Company had on March 30, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, the Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Company is in the business of manufacturing steel/steel products, which are connected with activities that are fundamental to the Indian economy. The demand for the Company's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Company. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term.

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandio & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

**Mr. T. V. Narendran**  
Chairman  
(DIN: 03083605)

**Mr. Krishnava Dutt**  
Independent Director  
(DIN: 02792753)

**Ms. Neera Saggi**  
Independent Director  
(DIN: 00501029)

Siddharth Talwar  
Partner  
Membership No. 512752

**Mr. Shashi Kant Maudgal**  
Independent Director  
(DIN: 00918431)

**Mr. Srikumar Menon**  
Independent Director  
(DIN: 00470254)

**Mr. Anand Sen**  
Director  
(DIN: 00237914)

**Mr. Koushik Chatterjee**  
Director  
(DIN: 00004989)

**Mr. Rajeev Singhal**  
Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)



## **Independent Auditor's Report**

**To the Members of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited)**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

1. We have audited the accompanying consolidated financial statements of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2020, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditors on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matter	How our audit addressed the key audit matter
<p><b>Recoverability of amounts paid against on-going litigation</b></p> <p>Refer Note 32 to the consolidated financial statements.</p> <p>Prior to the approval of the resolution plan ('the BSL Resolution Plan') under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016 on 15 May 2018, the Holding Company was a party to certain litigations. Pursuant to the approval of the BSL Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.</p> <p>The Holding Company had also made certain payments to the relevant authorities in respect of those litigations which were presented as recoverable under "Other non-current assets" in the consolidated standalone financial statements.</p> <p>The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.</p> <p>The application of significant judgment in the aforementioned matter required substantial involvement of senior personnel on the audit engagement including individuals with expertise in tax related matters.</p>	<p>We have performed the following procedures, among others, to test the recoverability of payments made by the Holding Company in relation to litigations instituted against it prior to the approval of the BSL Resolution Plan:</p> <ul style="list-style-type: none"> <li>• Verified the underlying documents related to litigations and other correspondences with the statutory authorities;</li> <li>• Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management in developing the accounting estimates;</li> <li>• Assessed management's estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether; <ul style="list-style-type: none"> <li>○ The method of measurement used is appropriate in the circumstances; and</li> <li>○ The assumptions used by management are reasonable in light of the measurement principles of Ind AS.</li> </ul> </li> <li>• Determined whether the methods for making estimates have been applied consistently;</li> <li>• Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Acquisition of Angul Energy Limited (formerly known as Bhushan Energy Limited)</b></p> <p>Refer Note 38C to the consolidated financial statements.</p> <p>On 1 June 2019, the Holding Company acquired Angul Energy Limited (formerly known as Bhushan Energy Limited) for a purchase consideration of INR 75,500 lakhs, in accordance with the resolution plan ('the BEL Resolution Plan') under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016.</p> <p>The acquisition has been accounted for as a business combination under Ind AS 103, Business Combinations and includes a number of significant and complex judgments in determination of the fair value of the identifiable assets acquired and liabilities assumed.</p> <p>The acquisition resulted in recognition of capital reserve amounting to INR 804 Crores, as disclosed in the aforesaid note.</p> <p>Considering the materiality of the impact on the accompanying consolidated financial statements and aforementioned significant judgements and assumptions involved, which required substantial involvement of senior personnel including experts in valuation, this has been considered as a key audit matter.</p>	<p>We have performed the following procedures, among others, to examine whether the acquisition of Angul Energy Limited (formerly known as Bhushan Energy Limited) was appropriately accounted for and presented in the financial statements:</p> <ul style="list-style-type: none"> <li>• Assessed and tested the design and operating effectiveness of the Holding Company's key controls over the accounting of business combination.</li> <li>• Reviewed and obtained understanding of the terms of the BEL Resolution Plan to determine the assets and liabilities acquired by the Holding Company and the value of the consideration paid by the Holding Company.</li> <li>• Assessed the competence, capabilities, objectivity and independence of management's expert;</li> <li>• Involved auditor's valuation specialists to evaluate the reasonableness of the methodology and key assumptions used by management and its expert for determination of fair value of the identifiable assets acquired and liabilities assumed;</li> <li>• Performed enquiries with the management's experts and inspected relevant supporting documents to test the underlying data used in valuation of tangible assets;</li> <li>• Evaluated the appropriateness of the accounting in accordance with Ind AS 103, including computation of the capital reserve and disclosures in the financial statements and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the

other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

responsible for expressing our opinion on whether the Holding Company have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

15. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of ₹ 1,203.63 crores and net assets of ₹ 817.11 crores as at 31 March 2020, total revenues of ₹ 355.54 crores and cash outflows (net) amounting to ₹ 237.26 crores for the period 01 June 2019 (being the date of its acquisition by the Company) to 31 March 2020, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditors.

16. We did not audit the financial information of seven subsidiaries, whose financial information reflects total assets of ₹12.30 crores and net assets of ₹ (16.23) crores as at 31 March 2020, total revenues of ₹ Nil and cash outflows (net) amounting to ₹ 0.02 crores for the year ended on that date, as considered in the consolidated financial statements.. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely

on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

### **Report on Other Legal and Regulatory Requirements**

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditors, referred to in paragraph 15, on separate financial statements of a subsidiary, we report that the Holding Company and the subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, as stated in paragraph 16, financial statements of three subsidiary companies, covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such companies have not paid or provided for any managerial remuneration during the year.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company covered under the Act, none of the directors of the Holding Company and such subsidiary company are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of its subsidiary:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 32 to the consolidated financial statements;

- ii. the Holding Company and such subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and such subsidiary company during the year ended 31 March 2020;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Siddharth Talwar**  
Partner  
Membership No.: 512752

**Place:** Faridabad  
**Date:** 20 May 2020

# **TATA** Steel BSL Limited

## CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020





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## CONSOLIDATED BALANCE SHEET as at March 31, 2020

(₹ in lacs)

	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	3A	29,03,487.75	29,15,441.02
(b) Right-of-use assets	3B	71,818.04	-
(b) Capital work-in-progress	3C	68,171.13	1,15,414.24
(c) Intangible assets	4	2,080.16	17.06
(d) Investments accounted using equity method	6A	-	-
(e) Financial assets			
(i) Investments	6A	137.09	100.87
(ii) Loans	6B	5,014.22	4,646.28
(iii) Other financial assets	6C	41,763.59	44,594.86
(f) Other non-current assets	8	61,263.50	77,103.02
(g) Income tax assets	9	4,256.10	3,181.98
<b>Total non current assets</b>		<b>31,57,991.57</b>	<b>31,60,499.33</b>
<b>II Current assets</b>			
(a) Inventories	10	4,83,949.88	4,58,188.14
(b) Financial assets			
(i) Investments	6A	-	1,59,490.28
(ii) Trade receivables	11	70,238.62	69,701.21
(iii) Cash and cash equivalents	12	72,483.38	27,765.11
(iv) Other balances with bank	13	12,848.81	12,689.66
(v) Loans	6B	2,559.04	5,152.86
(vi) Derivative assets	7	5,142.54	214.07
(vii) Other financial assets	6C	9,170.70	9,465.89
(c) Other current assets	8	65,985.36	55,434.05
<b>Total current assets</b>		<b>7,22,378.34</b>	<b>7,98,101.27</b>
<b>Total assets</b>		<b>38,80,369.91</b>	<b>39,58,600.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	14	21,868.80	21,868.80
(b) Other equity	15	18,26,681.11	18,10,128.78
(c) Non-controlling interests		2.22	(150.15)
<b>Total Equity</b>		<b>18,48,552.12</b>	<b>18,31,847.43</b>
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16A	15,73,257.18	16,97,230.74
(ii) Other financial liabilities	16C	3,620.35	5,788.97
(b) Provisions	18	7,630.35	5,679.77
(c) Deferred tax liabilities (Net)		-	-
(d) Deferred Income	19	189.21	227.69
<b>Total non current liabilities</b>		<b>15,84,697.10</b>	<b>17,08,927.17</b>
<b>III Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16A	89,376.64	713.77
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	16B	5,550.50	1,254.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16B	2,77,283.19	3,07,664.51
(iii) Derivative liabilities	7	763.77	4,141.57
(iv) Other financial liabilities	16C	50,818.21	66,954.54
(b) Other current liabilities	17	23,121.14	36,803.16
(c) Provisions	18	207.24	294.03
<b>Total current liabilities</b>		<b>4,47,120.69</b>	<b>4,17,826.00</b>
<b>Total equity and liabilities</b>		<b>38,80,369.91</b>	<b>39,58,600.60</b>
<b>The accompanying notes forming part of consolidated financial statements</b>	<b>1-45</b>		

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandio & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

**Mr. T. V. Narendran**  
Chairman  
(DIN: 03083605)

**Mr. Krishna Dutt**  
Independent Director  
(DIN: 02792753)

**Ms. Neera Saggi**  
Independent Director  
(DIN: 00501029)

Siddharth Talwar  
Partner  
Membership No. 512752

**Mr. Shashi Kant Maudgal**  
Independent Director  
(DIN: 00918431)

**Mr. Srikumar Menon**  
Independent Director  
(DIN: 00470254)

**Mr. Anand Sen**  
Director  
(DIN: 00237914)

**Mr. Koushik Chatterjee**  
Director  
(DIN: 00004989)

**Mr. Rajeev Singhal**  
Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May 20, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

		(₹ in lacs)	
	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>I Revenue</b>			
(a) Revenue from operations	20	18,19,914.19	20,89,160.35
(b) Other income	21	7,049.53	13,244.42
<b>Total income</b>		<b>18,26,963.71</b>	<b>21,02,404.77</b>
<b>II Expenses:</b>			
(a) Raw materials consumed	22	10,77,532.07	11,60,305.46
(b) Purchases of finished, semi-finished and other products	23	287.56	685.44
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(25,379.94)	(27,818.05)
(d) Employee benefit expense	25	40,902.40	36,250.56
(e) Finance costs	26	1,65,476.53	3,75,217.88
(f) Depreciation and amortisation expense	27	1,46,340.67	1,44,173.92
(g) Other expenses	28	4,91,555.16	5,40,005.58
<b>Total expenses</b>		<b>18,96,714.45</b>	<b>22,28,820.79</b>
<b>III Profit/(loss) before exceptional items and tax (I-II)</b>		<b>(69,750.74)</b>	<b>(1,26,416.02)</b>
<b>IV Exceptional items</b>	29	6,901.84	2,97,600.67
<b>V Profit/(loss) before tax (III+IV)</b>		<b>(62,848.89)</b>	<b>1,71,184.65</b>
<b>VI Tax expense:</b>			
(a) Current tax		-	-
(b) Deferred tax		-	-
<b>Total tax expense</b>		-	-
<b>VII Profit/ (loss) for the year (V-VI)</b>		<b>(62,848.89)</b>	<b>1,71,184.65</b>
<b>VIII Profit/(loss) for the year attributable to:</b>			
Owners of the company		(62,848.91)	1,71,188.91
Non-controlling interests		0.00	(4.26)
<b>IX Other comprehensive income/(loss)</b>			
(a) Items that will not be reclassified to profit or loss		<b>(823.26)</b>	<b>517.03</b>
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
(c) Items that will be reclassified to profit or loss			
Foreign currency translation differences		(39.82)	(13.14)
(d) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income/(loss)</b>		<b>(863.08)</b>	<b>503.89</b>
<b>X Total comprehensive income/(loss) for the year (VII+IX)</b>		<b>(63,711.98)</b>	<b>1,71,688.54</b>
<b>Total Comprehensive income/(loss) for the year attributable to:</b>			
Owners of the Company		(63,711.99)	1,71,693.88
Non-controlling interests		0.01	(5.34)
<b>XI Earnings per share</b>	30		
Basic (₹)		(5.75)	17.44
Diluted (₹)		(5.75)	1.05
<b>XII The accompanying notes forming part of the financial statements</b>	1-45		

As per our report of even date attached.

For Walker Chandok & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

Siddharth Talwar  
Partner  
Membership No. 512752

Place: Mumbai  
Date: May 20, 2020

**Mr. T. V. Narendran**  
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Independent Director  
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**Mr. Koushik Chatterjee**  
Director  
(DIN: 00004989)

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)

For and on behalf of the Board of Directors

**Mr. Krishnava Dutt**  
Independent Director  
(DIN: 02792753)

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Independent Director  
(DIN: 00501029)

**Mr. Anand Sen**  
Director  
(DIN: 00237914)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Tata Steel BSL Limited (Formerly known as BHUSHAN STEEL LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

	(₹ in lacs)		
	Balance as at April 1, 2019	Changes during the period (Refer sub- note (a))	As at March 31, 2020
Equity shares of ₹ 2 each issued, subscribed and fully paid.	21,868.80	-	21,868.80
	(₹ in lacs)		
	Balance as at April 1, 2018	Changes during the period	As at March 31, 2019
Equity shares of ₹ 2 each issued, subscribed and fully paid.	4,530.30	17,338.50	21,868.80

(a) For details of changes made during the period, Refer Note - 14

B. OTHER EQUITY

	(₹ in lacs)											
	Capital redemption reserve	Securities premium reserves	Debenture redemption reserve	Capital reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital Contribution	Equity instruments at fair value through other comprehensive income	Foreign currency translation reserve	Non- controlling interests	Total Equity
<b>As at April 1, 2019</b>	693.34	72,576.10	-	1,942.03	5,64,350.09	(30,76,414.73)	17,29,582.05	25,18,550.72	59.90	(1,210.73)	(150.15)	18,09,978.63
Profit for the year	-	-	-	-	-	(62,849.09)	-	-	-	-	0.00	(62,849.09)
Other comprehensive income/(loss)	-	-	-	-	-	(732.44)	-	-	(90.82)	(39.82)	-	(863.08)
Acquisition of subsidiary	-	-	-	-	-	(150.15)	-	-	-	-	-	-
Transaction with owners in their capacity as owners	-	-	-	80,414.65	-	-	-	-	-	-	152.36	80,567.02
Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>693.34</b>	<b>72,576.10</b>	<b>-</b>	<b>82,356.68</b>	<b>5,64,350.09</b>	<b>(31,40,146.41)</b>	<b>17,29,582.05</b>	<b>25,18,550.72</b>	<b>(30.92)</b>	<b>(1,250.55)</b>	<b>2.22</b>	<b>18,26,833.47</b>
	(₹ in lacs)											
	Capital redemption reserve	Securities premium	Debenture redemption reserve	Capital reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital Contribution	Equity instruments at fair value through other comprehensive income	Foreign currency translation reserve	Non- controlling interests	Total Equity
<b>As at April 1, 2018</b>	693.34	72,576.10	36,512.50	1,942.03	5,27,837.59	(32,48,127.47)	-	-	66.70	(1,198.67)	(144.81)	(26,09,842.69)
Profit for the year	-	-	-	-	-	1,71,188.91	-	-	-	-	(4.26)	1,71,184.65
Other comprehensive income/(loss)	-	-	-	-	-	523.83	-	-	(6.80)	(12.06)	(1.08)	503.89
Transaction with owners in their capacity as owners	-	-	-	-	-	-	17,29,582.05	25,18,550.72	-	-	-	42,48,132.77
Transfers within equity	-	-	(36,512.50)	-	36,512.50	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>693.34</b>	<b>72,576.10</b>	<b>-</b>	<b>1,942.03</b>	<b>5,64,350.09</b>	<b>(30,76,414.73)</b>	<b>17,29,582.05</b>	<b>25,18,550.72</b>	<b>59.90</b>	<b>(1,210.73)</b>	<b>(150.15)</b>	<b>18,09,978.62</b>

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandok & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

**Mr. T. V. Narendran**  
Chairman  
(DIN: 03083605)

**Mr. Krishnava Dutt**  
Independent Director  
(DIN: 02792753)

**Ms. Neera Saggi**  
Independent Director  
(DIN: 00501029)

Siddharth Talwar  
Partner  
Membership No. 512752

**Mr. Shashi Kant Maudgal**  
Independent Director  
(DIN: 00918431)

**Mr. Srikumar Menon**  
Independent Director  
(DIN: 00470254)

**Mr. Anand Sen**  
Director  
(DIN: 00237914)

**Mr. Koushik Chatterjee**  
Director  
(DIN: 00004989)

**Mr. Rajeev Singhal**  
Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May 20, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)

## CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2020

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(loss) before taxes</b>	<b>(62,848.91)</b>	<b>1,71,184.65</b>
Adjustments for:		
Depreciation & amortisation expenses	1,46,340.67	1,44,173.88
Provisions (retirement benefit)	910.46	(389.42)
Finance cost	1,65,476.53	3,75,217.88
Exceptional items	(6,901.84)	(2,97,600.67)
Gain on fair valuation of mutual funds	(3,781.15)	(8,478.77)
Gain on cancellation of forwards, swaps and options	(8,306.27)	3,927.50
Interest income / Dividend income	(1,268.46)	(2,884.82)
Loss/ (Profit) on sale of fixed assets	-	26.69
Provision for doubtful debts / bad debts written off	(3,336.87)	7,760.49
Other non-cash items	(4,510.80)	(3,083.49)
	<b>2,84,622.27</b>	<b>2,18,669.27</b>
<b>Operating profit before working capital changes</b>	<b>2,21,773.36</b>	<b>3,89,853.92</b>
Adjustments for:		
Trade & other receivables	3,542.21	50,971.27
Inventories	(24,197.30)	(55,668.60)
Loans and advances	(12,977.33)	(11,538.93)
Trade payables/ other current liabilities	(761.95)	2,06,652.15
	<b>(34,394.37)</b>	<b>1,90,415.89</b>
<b>Cash generated from operations</b>	<b>1,87,378.99</b>	<b>5,80,269.81</b>
Direct taxes paid	<b>(760.50)</b>	<b>(281.78)</b>
<b>Net cash generated from operating activities</b>	<b>1,86,618.49</b>	<b>5,79,988.03</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of property, plant and equipment / transfer of assets	626.57	28.51
Purchase of property, plant and equipment	(62,038.87)	(35,439.82)
Purchase/sale of current investments	1,63,271.43	(1,51,011.52)
Interest received (Finance income)	1,263.78	2,969.20
Investment made in subsidiaries	(76,500.00)	-
Long term fixed deposits placed/ (realised)	-	2,071.73
Movement other bank balances	2,711.73	19,673.16
Dividend income	4.68	-
	<b>29,339.32</b>	<b>(1,61,708.74)</b>
<b>Net cash used in Investing Activities</b>	<b>29,339.32</b>	<b>(1,61,708.74)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	88,700.00	50,57,369.42
Repayment of borrowings	(1,43,090.77)	(62,52,329.20)
Repayment of finance lease obligations	(6,076.28)	(4,519.58)
Interest paid	(1,34,602.17)	(12,36,393.37)
Proceeds from preference share capital	-	19,70,000.00
Proceeds from equity share capital	-	15,888.50
Unclaimed dividend	-	0.02
	<b>(1,95,069.22)</b>	<b>(4,49,984.21)</b>
<b>Net cash used in Financing Activities</b>	<b>(1,95,069.22)</b>	<b>(4,49,984.21)</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)</b>	<b>20,888.59</b>	<b>(31,704.92)</b>
<b>Add:- Increase in cash balances on account of acquisition</b>	<b>23,829.68</b>	
<b>Opening Cash and Cash Equivalents</b>	<b>27,765.11</b>	<b>59,470.03</b>
<b>Closing Cash and Cash Equivalents (Refer note no 12 )</b>	<b>72,483.38</b>	<b>27,765.11</b>

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandok & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

**Mr. T. V. Narendran**  
Chairman  
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Managing Director  
(DIN: 02719570)

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May 20, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)

Tata Steel BSL Limited (Formerly known as BHUSHAN STEEL LIMITED)

3A. PROPERTY, PLANT AND EQUIPMENT

	(₹ in lacs)								
	Freehold land	Leasehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amount as at April 01, 2019	68,651.35	-	17,03,899.37	85,650.38	35,88,619.83	5,051.99	2,134.17	1,315.35	54,55,322.45
Transfer to right-of-use assets as per Ind AS 116	-	-	-	-	75,406.25	-	-	-	75,406.25
Addition during the year	-	-	12,755.97	-	52,531.54	431.62	208.60	1,340.28	67,268.02
Acquisition	-	-	9,446.68	-	1,06,054.99	2.81	0.96	0.24	1,15,505.68
Sold/discarded during the year	-	-	-	-	(6,337.28)	136.32	711.46	33.38	(5,456.12)
Adjustment during the year	-	-	(0.13)	-	-	(2,839.52)	-	-	(2,839.65)
Other re-classifications	-	-	-	-	(945.47)	-	-	593.70	(351.77)
<b>Gross carrying amount as at March 31, 2020</b>	<b>68,651.35</b>	<b>-</b>	<b>17,26,101.89</b>	<b>85,650.38</b>	<b>37,52,598.18</b>	<b>2,510.58</b>	<b>1,632.27</b>	<b>3,216.19</b>	<b>55,64,954.60</b>
Accumulated impairment & depreciation as at April 1, 2019	9,211.61	-	7,80,218.53	76,081.90	16,68,303.90	3,864.67	1,424.22	776.59	25,39,881.42
Transfer to right-of-use assets as per Ind AS 116	-	-	-	-	19,050.00	-	-	-	19,050.00
Depreciation for the year	-	-	31,225.22	998.56	1,02,853.73	221.64	133.14	261.92	1,35,694.21
Impairment for the year	-	-	-	-	2,174.90	-	-	-	2,174.90
Disposals	-	-	-	-	(6,508.97)	-	549.05	2.84	(5,957.09)
Adjustment during the year	-	-	(1.03)	-	-	(2,839.51)	(0.00)	-	(2,840.54)
Other re-classifications	-	-	-	-	(887.84)	-	-	537.61	(350.23)
<b>Accumulated impairment &amp; depreciation as at March 31, 2020</b>	<b>9,211.61</b>	<b>-</b>	<b>8,11,442.72</b>	<b>77,080.46</b>	<b>17,78,953.66</b>	<b>1,246.81</b>	<b>1,008.31</b>	<b>1,573.28</b>	<b>26,61,466.84</b>
Net carrying amount as on April 1, 2019	59,439.74	-	9,23,680.84	9,568.48	19,20,315.93	1,187.32	709.95	538.76	29,15,441.02
<b>Net carrying amount as on March 31, 2020</b>	<b>59,439.74</b>	<b>-</b>	<b>9,14,659.17</b>	<b>8,569.92</b>	<b>19,73,644.51</b>	<b>1,263.77</b>	<b>623.97</b>	<b>1,642.91</b>	<b>29,03,487.75</b>

	(₹ in lacs)								
Gross carrying amount as at April 01, 2018	68,651.35	-	17,00,123.36	85,650.38	35,64,284.54	4,928.28	2,169.97	918.57	54,26,726.45
Addition during the year	-	-	3,776.01	-	24,389.79	123.71	41.67	396.78	28,727.96
Sold/discarded during the year	-	-	-	-	52.08	-	77.47	-	129.55
Adjustment during the year	-	-	-	-	(2.42)	-	-	-	(2.42)
<b>Gross carrying amount as at March 31, 2019</b>	<b>68,651.35</b>	<b>-</b>	<b>17,03,899.37</b>	<b>85,650.38</b>	<b>35,88,619.83</b>	<b>5,051.99</b>	<b>2,134.17</b>	<b>1,315.35</b>	<b>54,55,322.44</b>
Accumulated impairment & depreciation as at April 1, 2018	9,211.61	-	7,49,575.13	75,085.52	15,53,243.53	1,645.86	1,248.60	560.39	23,90,570.64
Depreciation for the year	-	-	30,643.40	996.38	1,11,821.03	329.70	237.94	137.45	1,44,165.90
Impairment for the year	-	-	-	-	3,251.37	1,889.11	-	78.75	5,219.23
Disposals	-	-	-	-	12.03	-	62.32	-	74.35
Adjustment during the year	-	-	-	-	-	-	-	-	-
<b>Accumulated impairment &amp; depreciation as at March 31, 2019</b>	<b>9,211.61</b>	<b>-</b>	<b>7,80,218.53</b>	<b>76,081.90</b>	<b>16,68,303.90</b>	<b>3,864.67</b>	<b>1,424.22</b>	<b>776.59</b>	<b>25,39,881.42</b>
Net carrying amount as on April 1, 2018	59,439.74	-	9,50,548.23	10,564.86	20,11,041.01	3,282.42	921.37	358.18	30,36,155.81
<b>Net carrying amount as on March 31, 2019</b>	<b>59,439.74</b>	<b>-</b>	<b>9,23,680.84</b>	<b>9,568.48</b>	<b>19,20,315.93</b>	<b>1,187.32</b>	<b>709.95</b>	<b>538.76</b>	<b>29,15,441.02</b>

### 3B. Right of Use Assets

	(₹ lacs)			
	Land	Building	Plant & Machinery	Total
Cost as at March 31, 2019	-	-	-	-
Transfer from Property, Plant & Equipment as per Ind AS 116	-	-	75,406.25	75,406.25
<b>Cost as at April 01, 2019</b>	-	-	<b>75,406.25</b>	<b>75,406.25</b>
Reclassification due to the effect of Ind AS 116*	19,547.13	2,124.76	169.84	21,841.73
Addition during the year	3,664.08	509.38	-	4,173.46
Sold/discarded during the year	-	(24.07)	(37.02)	(61.09)
Adjustment during the year	-	-	-	-
Other re-classifications	-	-	-	-
<b>Cost as at March 31, 2020</b>	<b>23,211.21</b>	<b>2,610.06</b>	<b>75,539.07</b>	<b>1,01,360.35</b>
Accumulated impairment & depreciation as at April 1, 2019	-	-	-	-
Transfer from Property, Plant & Equipment as per Ind AS 116	-	-	19,050.00	19,050.00
Depreciation for the year	342.09	575.54	9,596.75	10,514.37
Impairment for the year	-	-	-	-
Disposals	-	(3.26)	(18.80)	(22.06)
Adjustment during the year	-	-	-	-
Other re-classifications	-	-	-	-
<b>Accumulated impairment &amp; depreciation as at March 31, 2020</b>	<b>342.09</b>	<b>572.28</b>	<b>28,627.95</b>	<b>29,542.31</b>
Net carrying value as on April 1, 2019	-	-	-	-
<b>Net carrying value as on March 31, 2020</b>	<b>22,869.12</b>	<b>2,037.79</b>	<b>46,911.13</b>	<b>71,818.04</b>

### 3C. CAPITAL WORK IN PROGRESS

Capital work in progress (CWIP) As at March 31, 2020 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 68,171.13 lacs (March 31, 2019 ₹ 1,15,414.24 lacs). This includes expenditure capitalised and comprises of direct material cost, labour charges, supervision charges.

₹ 6,418.64 lacs (March 31, 2020 ₹ 7,113.45 lacs) of borrowing costs has been capitalised during the year on qualifying capital work in progress using a annualized capitalisation rate of 9.34% (March 31, 2019: 9.81%)

(i) Net carrying value of plant and machinery comprises of:

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>Asset held under finance leases*</b>		
Cost	-	75,406.25
Accumulated depreciation	-	19,050.00
	-	<b>56,356.25</b>
Owned assets	19,73,644.51	18,63,959.69
	<b>19,73,644.51</b>	<b>19,20,315.94</b>

\*Refer Note 5 (iii)

(ii) For details of capital commitments, refer note 32.

(iii) Property, plant and equipment are pledged against borrowings, the details relating to which have been described in **Note 16A** pertaining to borrowings.

(iv) During the year, impairment provision was created on CRM extension project in capital work in progress amounting to ₹ 2,081.30 lacs and induction furnace in Angul plant amounting to ₹ 2,174.90 lacs. Also during the previous year, the group had recognised an impairment loss against property, plant and equipment aggregating to ₹ 5,219.23 lacs.

#### 4. INTANGIBLE ASSETS

(₹ in lacs)

	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2019	75.29	978.59	1,053.88
Addition during the year	2,195.67	-	2,195.67
Sold/discarded during the year	(0.48)	-	(0.48)
Adjustment during the year	-	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>2,270.48</b>	<b>978.59</b>	<b>3,249.07</b>
Accumulated amortisation as at April 1, 2019	58.23	978.59	1,036.82
Amortisation during the year	132.09	-	132.09
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated amortisation as at March 31, 2020</b>	<b>190.32</b>	<b>978.59</b>	<b>1,168.91</b>
<b>Net carrying value as at April 1, 2019</b>	<b>17.06</b>	<b>-</b>	<b>17.06</b>
<b>Net carrying value as at March 31, 2020</b>	<b>2,080.16</b>	<b>-</b>	<b>2,080.16</b>

(₹ in lacs)

	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2018	60.86	978.59	1,039.45
Addition during the year	14.43	-	14.43
Sold/discarded during the year	-	-	-
Adjustment during the year	-	-	-
<b>Gross carrying amount as at March 31, 2019</b>	<b>75.29</b>	<b>978.59</b>	<b>1,053.88</b>
Accumulated amortisation as at April 1, 2018	50.21	978.59	1,028.80
Amortisation during the year	8.02	-	8.02
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated amortisation as at March 31, 2019</b>	<b>58.23</b>	<b>978.59</b>	<b>1,036.82</b>
<b>Net carrying value as at April 1, 2018</b>	<b>10.65</b>	<b>-</b>	<b>10.65</b>
<b>Net carrying value as at March 31, 2019</b>	<b>17.06</b>	<b>-</b>	<b>17.06</b>



## 5. LEASES

- (i) The Group as a lessee operates certain land, buliding and plant & machinaries under various lease arrangements. Major Leasing activities includes leases of Oxygen plant with Brace Iron Limited.
- (ii) On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases which has replaced Ind-AS 17 "Leases". Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as right of use of the leased assets or together with property, plant and equipment. The new standard grossed up balance sheets and change income statement and cash flow presentation. Rent expense is replaced by depreciation and interest expense in the income statement. De-recognition of operating lease charges and recognition of depreciation and finance costs would positively impact EBIDTA by ₹ 4,969.35 lacs and would negatively impact PBT by ₹ 1,643.52 lacs.  
Following the application of the modified retrospective method at the date of implementation of Ind As 116 on April 1, 2019, whereby Right of Use Assets of ₹ 78,197.98 lacs (net of depreciation) were recognized which includes finance lease assets (previously classified under property plant & equipment) having carrying value amounting to ₹ 56,356.25 lacs which have been reclassified as right to use assets at the date of initial recognition. There was no impact on deferred tax assets and deferred tax liabilities as the corresponding deferred tax assets and deferred tax liabilities attributable to the lease liabilities and right-of-use assets relate to income taxes levied by the same taxation authority within the same legal entity and were therefore offset.

- (iii) On April 1, 2019, the Group adopted Ind As 116 "Leases", which resulted in the recognition of lease liabilities and right-of-use assets for operating lease contracts with fixed terms and future minimum lease payments as summarized in the following table:

	(₹ in lacs)
	Total
Operating lease commitments as at March 31, 2019	7,570.65
Discounted using the lessee's incremental borrowing rate of at the date of initial application	5,038.22
Finance lease obligation recognised as at March 31,2019	79,196.47
Additional lease liabilities as of April 1, 2019 from leases previously classified as operating leases in accordance with Ind AS-17	2,986.62
Recognition exemption for leases of low-value assets	28.78
Recognition exemption for short-term leases	5,316.27
Lease liabilities related to assets held for sale	-
<b>Lease liability recognised as at April 1, 2019</b>	<b>81,876.25</b>

- (iv) For leases that were classified as finance leases applying IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS 17 on March 31, 2019. The carrying amount of finance lease assets and lease liabilities was ₹ 56,356.25 lacs and ₹ 79,196.47 lacs, respectively as of March 31, 2019. Accordingly, the total right-of-use assets and lease liabilities as of April 1, 2019 were ₹ 56,356.25 lakhs and ₹ 79,196.47 lacs respectively.

- (v) There were no impacts on retained earnings upon implementation of Ind As 116.

- (vi) The maturity of the lease liabilities(Net of Interest) as of March 31, 2020, is as follows:

	(₹ in lacs)				
	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years
Maturities of Lease Liabilities	13,044.49	15,208.71	17,585.18	18,921.78	340.87

- (vii) Future cash outflows to which the group is potentially exposed that are not reflected in the measurement of lease liabilities includes:

	(₹ in lacs)
	Total
Variable lease payments	-
Extension options and termination options	-
Residual value guarantees	-
Leases not yet commenced to which the lessee is committed	-
Restrictions or covenants imposed by leases	-
Sale and leaseback transactions	-

- (viii) Total cash outflow for leases includes:

	(₹ in lacs)
	Total
Repayment of principle portion of lease liabilities	6,076.28
Interest paid on lease liabilities	13,043.46

## 6. FINANCIAL ASSETS

### A. Investments

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>(I) Non-current investments</b>		
<b>i) Investments in equity instruments using equity method</b>		
<b>(a) Investment in associates</b>		
Jawahar Credit & Holdings Private Limited - 8,643,742 (March 31, 2019: 8,643,742) equity shares of ₹10/- each fully paid up - unquoted (Refer sub-note (iii))	940.31	940.31
<i>Less: Share of loss</i>	(940.31)	(940.31)
Bhushan Capital & Credit Services Private Limited - 8,643,742 (March 31, 2019: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (Refer sub-note (iii))	940.31	940.31
<i>Less: Share of loss</i>	(940.31)	(940.31)
<b>Total investment in associates</b>	-	-
<b>Total investments in equity instruments using equity method</b>	-	-
<b>(b) Other non-current investments in equity instruments at fair value through other comprehensive income</b>		
Bhushan Energy Limited - 65,000,000 (March 31, 2019: 65,000,000) equity shares of ₹ 10 each fully paid up - unquoted	-	-
Andal East Coal Company Private Limited - 330,000 (March 31, 2019: 3,30,000) equity shares of ₹ 10/- each fully paid up - unquoted (Refer sub-note (iii) below)	-	-
Tata Steel Limited - 13,500 (March 31, 2019: 13,500) equity shares of ₹10/- each fully paid up - quoted	36.39	70.31
Bhushan Buildwell Private Limited - 4,900 (March 31, 2019: 4,900 ) equity shares of ₹ 10/- each fully paid up - Unquoted	24.74	24.74
Saraswat Co-operative Bank Limited - 2,500 (March 31, 2019: 2,500) equity shares of ₹ 10/- each fully paid up - unquoted	0.82	0.82
Bhushan Steel Bengal Limited - 50,000 (March 31, 2019: 50,000) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
United Bank of India - 2,212 (March 31, 2019: 2,212) equity shares of ₹ 10 each fully paid up	0.09	
Coal India Limited - 50,018 (March 31, 2019: 50,018) equity shares of ₹ 10 each fully paid up	70.04	
<b>Total other investment</b>	<b>137.09</b>	<b>100.87</b>
<b>Total investments (a+b)</b>	<b>137.09</b>	<b>100.87</b>
<b>Quoted Investments</b>		
Aggregate carrying amount and market value of quoted investments	36.39	70.31
<b>Aggregate carrying amount of unquoted investments</b>	<b>100.69</b>	<b>30.56</b>

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(II) Current investments</b>		
<b>(a) Investment carried at fair value through profit or loss</b>		
Investment in mutual funds - Unquoted		
Tata Mutual Fund	-	17,679.15
Reliance Liquid Fund	-	20,096.70
Aditya Birla Sunlife Liquid Fund	-	21,439.92
DSP Liquidity Plan - Growth	-	7,698.70
Axis Liquid Fund - Growth	-	8,694.28
ICICI Prudential Liquid Fund - Growth	-	10,249.52
Invesco India Liquid Fund - Growth	-	13,222.97
Kotak Liquid Scheme - Growth	-	5,203.75
SBI Mutual Fund - Growth	-	10,107.04
UTI Liquid Cash Plan - Growth	-	17,849.77
Sundaram Money Fund - Growth	-	12,706.63
Baroda Pioneer Money Fund - Growth	-	3,096.48
HDFC Liquid Fund - Growth	-	6,341.46
L & T Liquid Fund - Growth	-	5,103.91
	-	<b>1,59,490.28</b>

Notes:

- (i) Refer note 39B for determination of fair values of current & non-current investments.
- (ii) The Group held investment in equity shares of Andal East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 145.50 lacs which had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of ₹ Nil upon initial recognition.
- (iii) Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) was being shown as promoter of Jawahar Credit & Holdings Private Limited ("JCHPL") and M/s Bhushan Capital & Credit Services Private Limited ("BCCSPL"). The Company has written to JCHPL, BCCSPL and the Registrar of Companies(Delhi) to de-classify the Company as a promoter therein.

## B. LOANS

### Non-Current (Unsecured, considered good unless otherwise stated)

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Security deposits (Refer sub-note (i))	5,006.14	4,625.74
(b) Loans to employees	8.08	20.54
<b>(c) Other loans</b>		
- Balances - credit impaired	523.75	523.75
Less: Allowance for expected credit losses	(523.75)	(523.75)
	-	-
	<b>5,014.22</b>	<b>4,646.28</b>

**Current (Unsecured, considered good unless otherwise stated)**

	(₹ in lacs)
	As at March 31, 2020
	As at March 31, 2019
<b>(a) Security deposits (Refer sub-note (i))</b>	
- Unsecured, considered good	4,466.28
- Balances - credit impaired	6,210.20
Less: Allowance for expected credit losses	(8,210.20)
	<b>2,466.28</b>
<b>(b) Loans to employees</b>	92.75
<b>(c) Inter corporate deposits</b>	
- Balances - credit impaired	760.00
Less: Allowance for expected credit losses	(760.00)
	-
	<b>2,559.04</b>
	<b>5,152.86</b>

**C. OTHER FINANCIAL ASSETS**

**NON CURRENT**

	(₹ in lacs)
	As at March 31, 2020
	As at March 31, 2019
<b>(a) Recoverable for coal block (Refer sub-note (i))</b>	
- Unsecured, considered good	41,456.43
- Unsecured, considered doubtful	14,833.52
Less: Allowance for expected credit losses	(14,833.52)
	<b>41,456.43</b>
<b>(b) Earmarked bank balances (Refer sub-note (ii))</b>	307.16
<b>(c) Unrestricted Non-current Cash and bank balances</b>	-
	<b>307.16</b>
	<b>41,763.59</b>
	<b>44,594.86</b>

(i) For details of coal block advance, refer note 32C.

(ii) Non-current earmarked bank balances represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies and as margin money against issue of bank guarantees. Earmarked bank balances includes interest accrued but not due.

**CURRENT**

	(₹ in lacs)
	As at March 31, 2019
	As at March 31, 2018
<b>(a) Other financial assets</b>	
- Unsecured, considered good	9,170.70
- Unsecured, considered doubtful	(185.98)
Less: Allowance for credit losses	185.98
Interest accrued on loans & advances	(0.00)
	<b>9,170.70</b>
	<b>9,170.70</b>
	<b>9,465.89</b>

## 7. DERIVATIVE INSTRUMENTS

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
<b>(a) Derivative assets</b>		
Forward Forex Contracts	5,142.54	214.07
<b>Total derivative assets</b>	<b>5,142.54</b>	<b>214.07</b>
<b>(b) Derivative liabilities</b>		
Forward Forex Contracts	763.77	4,141.57
<b>Total derivative liabilities</b>	<b>763.77</b>	<b>4,141.57</b>

## 8. OTHER ASSETS

### Non current

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
<b>(a) Capital advances</b>		
Unsecured, considered good	3,804.80	8,162.34
Unsecured, considered doubtful	4,649.94	673.00
Less: Provision for doubtful balances	(4,649.94)	(673.00)
	<b>3,804.80</b>	<b>8,162.34</b>
<b>(b) Balances with statutory authorities</b>		
Unsecured, considered good	53,955.10	49,588.11
Unsecured, considered doubtful	36,458.88	31,651.06
Less: Provision for doubtful balances	(36,458.88)	(31,651.06)
	<b>53,955.10</b>	<b>49,588.11</b>
(c) Prepaid lease payments for operating leases	-	19,161.94
(d) Prepaid expenses	247.90	189.81
<b>(e) Advance to suppliers</b>		
Unsecured, considered good	3,255.70	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful advances	-	-
	<b>3,255.70</b>	-
(f) Other advances	-	0.82
<b>Total (a+b+c+d+e)</b>	<b>61,263.50</b>	<b>77,103.02</b>

### Current

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
<b>(a) Balances with statutory authorities</b>		
Unsecured, considered good	39,063.35	20,023.53
	<b>39,063.35</b>	<b>20,023.53</b>
(b) Prepaid lease payments for operating leases	-	231.37
(c) Prepaid expenses	1,570.04	737.41
(d) Advance to suppliers		
Unsecured, considered good	25,277.71	34,336.24
Unsecured, considered doubtful	1,951.50	-
Less: Provision for doubtful advances	-1,951.50	-
	<b>25,277.71</b>	<b>34,336.24</b>
(e) Other advances	74.27	105.50
<b>Total (a+b+c+d+e)</b>	<b>65,985.36</b>	<b>55,434.05</b>

## 9. INCOME TAX ASSETS

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Advance tax and tax deducted at source receivable (net of tax provisions)	4,256.10	3,181.98
	<b>4,256.10</b>	<b>3,181.98</b>

## 10. INVENTORIES

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Raw materials	1,33,975.87	1,70,045.57
(b) Finished and semi-finished goods	2,16,180.84	1,96,304.65
(c) Stores and spares	1,20,601.14	83,251.65
Less : Provision	(898.00)	-
(d) Others	14,090.03	8,586.27
	<b>4,83,949.88</b>	<b>4,58,188.14</b>
<b>Included above, goods-in-transit:</b>		
(i) Raw materials	-	31,290.01
(ii) Stores and spares	14,090.03	2,739.07
	<b>14,090.03</b>	<b>34,029.08</b>

- (i) Value of inventories above is stated after provisions (net of reversal) ₹ 898.00 lacs (March 31, 2019: ₹ 977.15 lacs) for write-downs to net realisable value and provision for slow moving and obsolete items.

## 11. TRADE RECEIVABLES

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Unsecured	70,238.62	79,539.82
Trade Receivables - credit impaired.	9,542.63	8,506.72
	<b>79,781.26</b>	<b>88,046.54</b>
Less: Allowance for expected credit losses	(9,542.63)	(18,345.33)
	<b>70,238.62</b>	<b>69,701.21</b>

- (i) For details of receivables from related parties, refer note 36.  
(ii) Trade receivables relate to Group's contracts with its customers, are non-interest bearing and are generally on credit terms not exceeding 12 months.

(iii)

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

- (iv) Movement in allowance for credit losses of receivables is as follows:

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>Balance at the beginning of the year</b>	<b>18,345.33</b>	<b>17,060.00</b>
Charge in statement of profit & loss	-	1,285.33
Release to statement of profit & loss	(8,802.69)	-
<b>Balance at the end of the year</b>	<b>9,542.63</b>	<b>18,345.33</b>

(v) Ageing of trade receivables and credit risk arising there from is as below:

	(₹ in lacs)			
	As at March 31, 2020			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount net of impairment provision
Amount not yet due	45,779.96	0%	89.96	45,690.00
Less than three months overdue	19,668.26	0%	82.48	19,585.78
Between three to six month overdue	1,104.40	18%	197.86	906.55
Between six month to one year overdue	527.22	27%	141.73	385.49
Greater than one year overdue	12,701.41	71%	9,030.60	3,670.81
<b>Balance at the end of the year</b>	<b>79,781.26</b>		<b>9,542.63</b>	<b>70,238.63</b>

	(₹ in lacs)			
	As at March 31, 2019			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount net of impairment provision
Amount not yet due	43,096.79	0%	62.15	43,034.64
Less than three months overdue	19,544.36	2%	354.41	19,189.96
Between three to six month overdue	3,118.76	12%	368.76	2,750.00
Between six month to one year overdue	6,720.94	75%	5,013.95	1,706.99
Greater than one year overdue	15,565.69	81%	12,546.06	3,019.63
<b>Balance at the end of the year</b>	<b>88,046.54</b>		<b>18,345.33</b>	<b>69,701.21</b>

(vi)

The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹ 79,781.26 lacs (March 31, 2019: ₹ 88,046.54 lacs), which after consideration of allowance for expected credit losses, is the fair value of trade receivables. The Group's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2020 and March 31, 2019.

(vii) There are no outstanding receivable debts due from directors or other officers of the Company.

## 12. CASH AND CASH EQUIVALENTS

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Cash in hand	51.21	13.99
(b) Cheques in hand	-	62.49
(c) Balance with banks		
- In current accounts	37,672.09	27,678.07
- Deposits with original maturity of less than three months	34,760.10	10.56
	<b>72,483.38</b>	<b>27,765.11</b>

## 13. OTHER BALANCES WITH BANKS

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Earmarked balances with banks		
- Unpaid dividend	9.05	9.05
- Deposits with original maturity of less than three months	12,839.76	12,680.61
	<b>12,848.81</b>	<b>12,689.66</b>

(i) Earmarked balances with bank represent balances held for unpaid dividends and margin money/fixed deposits against issue of bank guarantees.

(ii) Short-term deposits are made for varying periods between three to twelve months, depending on the immediate cash requirements of the company, and earned interest at the respective short-term deposit rates.

#### 14. EQUITY SHARE CAPITAL

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
<b>46,50,00,00,000</b> Ordinary equity shares of ₹ 2 each (March 31, 2019: 46,500,000,000)	9,30,000.00	9,30,000.00
	<b>9,30,000.00</b>	<b>9,30,000.00</b>
<b>Issued:</b>		
<b>1,09,75,30,242</b> Ordinary equity shares of ₹ 2 each (March 31, 2019: 1,097,530,242)	21,950.60	21,950.60
	<b>21,950.60</b>	<b>21,950.60</b>
<b>Subscribed and Paid up:</b>		
<b>1,09,34,39,768</b> Ordinary equity shares of ₹ 2 each (March 31, 2019: 1,093,439,768 )	21,868.80	21,868.80
	<b>21,868.80</b>	<b>21,868.80</b>

##### a) Reconciliation of number of shares outstanding and the amount of share capital:

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
Shares outstanding at the beginning of the year	1,09,34,39,768	21,868.80	22,65,14,746	4,530.30
Shares issued during the year (Refer sub-note (i))	-	-	86,69,25,022	17,338.50
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,09,34,39,768</b>	<b>21,868.80</b>	<b>1,09,34,39,768</b>	<b>21,868.80</b>

i) During previous year, the Company had issued 86,69,25,022 shares at the face value of ₹ 2 per share by way of private placement of shares.

##### b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder

##### c) Details of the shareholders holding more than 5% share in the Company

	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up				
1. Bamnipal Steel Limited	79,44,28,986	72.65%		
Equity shares of ₹ 2/- each fully paid up				
1. Bamnipal Steel Limited	79,44,28,986	72.65%		

##### d) Details of shares held by the holding company

	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up				
1. Bamnipal Steel Limited	79,44,28,986	72.65%	79,44,28,986	72.65%

#### 15. OTHER EQUITY

##### a) Capital redemption reserve

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	693.34	693.34
Changes during the year	-	-
<b>Balance as at the end of the period</b>	<b>693.34</b>	<b>693.34</b>

##### b) Securities premium reserve

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	72,576.10	72,576.10
Changes during the year	-	-
<b>Balance as at the end of the period</b>	<b>72,576.10</b>	<b>72,576.10</b>

##### c) Debenture redemption reserve

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	-	36,512.50
Changes during the year	-	(36,512.50)
<b>Balance as at the end of the period</b>	<b>-</b>	<b>-</b>



d) Capital reserve

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	1,942.03	1,942.03
Changes during the year	80,414.65	-
<b>Balance as at the end of the period</b>	<b>82,356.68</b>	<b>1,942.03</b>

e) General reserve

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	5,64,350.09	5,27,837.59
Changes during the year	-	36,512.50
<b>Balance as at the end of the period</b>	<b>5,64,350.09</b>	<b>5,64,350.09</b>

f) Retained earnings

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	(30,76,414.73)	(32,48,127.47)
Profit/(Loss) during the year	(62,849.09)	1,71,188.91
Remeasurement of defined employee benefit plans	(732.44)	523.83
Acquisition of Subsidiary	(150.15)	-
<b>Balance as at the end of the period</b>	<b>(31,40,146.41)</b>	<b>(30,76,414.73)</b>

h) Equity component of compound financial instruments

The compound financial instrument relate to the Optionally Convertible Redeemable Preference shares (OCRPS) and Non Convertible Redeemable Preference Shares (NCRPS) issued by the company.

A. Details of authorised, issued, subscribed and paid-up capital

	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
2,20,00,000 Preference shares of ₹ 100 each (March 31, 2018: 2,05,00,000)	22,000.00	22,000.00
12,00,00,00,000 Non Convertible and Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	12,00,000.00	12,00,000.00
12,00,00,00,000 Optionally Convertible and Redeemable Preference shares shares of ₹ 10 each (March 31, 2018: NIL)	12,00,000.00	12,00,000.00
	<b>24,22,000.00</b>	<b>24,22,000.00</b>
<b>Issued:</b>		
10,70,00,00,000 Non Convertible and Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	10,70,000.00	10,70,000.00
9,00,00,00,000 Optionally Convertible and Redeemable Preference shares shares of ₹ 10 each (March 31, 2018: NIL)	9,00,000.00	9,00,000.00
	<b>19,70,000.00</b>	<b>19,70,000.00</b>
<b>Subscribed and Paid up:</b>		
10,70,00,00,000 Non Convertible and Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	10,70,000.00	10,70,000.00
9,00,00,00,000 Optionally Convertible and Redeemable Preference shares shares of ₹ 10 each (March 31, 2018: NIL)	9,00,000.00	9,00,000.00
	<b>19,70,000.00</b>	<b>19,70,000.00</b>

B. Reconciliation of number of shares outstanding:

Non Convertible and Redeemable Preference Shares

	As at March 31, 2020	As at March 31, 2019
Shares outstanding at the beginning of the year	10,70,00,00,000	-
Shares issued during the year (Refer sub-note (I))	-	10,70,00,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,70,00,00,000</b>	<b>10,70,00,00,000</b>

I. During previous year, the Company had issued 10,70,00,00,000 shares at the face value of Rs. 10 per share by way of private placement of shares.

Optionally Convertible and Redeemable Preference shares

	As at March 31, 2020	As at March 31, 2019
Shares outstanding at the beginning of the year	9,00,00,00,000	-
Shares issued during the year (Refer sub-note (I))	-	9,00,00,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>9,00,00,00,000</b>	<b>9,00,00,00,000</b>

I. During previous year, the Company had issued 9,00,00,00,000 shares at the face value of Rs. 10 per share by way of private placement of shares.

C. Rights, preferences and restrictions attached to the preference shares

The Company has preference shares having a par value of ₹ 10/- per share. Preference shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

The Company declares and pays dividend in Indian rupees. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. However, the holders of the preference shares shall be paid dividend on a non-cumulative basis.

The preference shares shall be non-participating in the surplus funds and also in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.

For terms of redemption, refer sub-note (iii) of Note 16A - Borrowings.

D. Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

	As at March 31, 2020	As at March 31, 2019
Equity shares reserved for issue under option	2,94,79,20,079	2,94,79,20,079.00

**E. Terms of conversion attached to Optionally Convertible Redeemable Preference shares**

OCRPS shall be convertible into equity shares at the option of Tata Steel Limited, the holder, within a period of 18 months from the date of allotment at a price determined on the relevant date i.e. February 8, 2019 being ₹ 30.53

**F. Details of the shareholders holding more than 5% share in the Company****Non Convertible and Redeemable Preference Shares**

	As at March 31, 2020	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	10,70,00,00,000	100.00%

**Optionally Convertible and Redeemable Preference shares**

	As at March 31, 2020	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	9,00,00,00,000	100.00%

**G. Equity component of compound financial instruments**

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	17,29,582.05	-
Transactions with owners in their capacity as owners	-	17,29,582.05
<b>Balance as at the end of the period</b>	<b>17,29,582.05</b>	<b>17,29,582.05</b>

**g) Capital contribution**

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	25,18,550.72	-
Transactions with owners in their capacity as owners	-	25,18,550.72
<b>Balance as at the end of the period</b>	<b>25,18,550.72</b>	<b>25,18,550.72</b>

**h) Foreign currency translation reserve**

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	(1,210.73)	(1,198.67)
Changes during the year	(39.82)	(12.06)
<b>Balance as at the end of the period</b>	<b>(1,250.55)</b>	<b>(1,210.73)</b>

**i) Equity instruments at fair value through other comprehensive income**

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the period	59.90	66.70
Other comprehensive (loss)/income recognised during the period	(90.82)	(6.80)
<b>Balance as at the end of the period</b>	<b>(30.92)</b>	<b>59.90</b>
<b>Total other equity</b>	<b>18,26,681.11</b>	<b>18,10,128.79</b>

**i) Description of the nature of reserves existing in the company:-**

**Capital redemption reserve** - The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier year.

**Securities premium account** - Securities premium account is used to record premium received on issue of shares. The account is utilised in accordance with the provisions of the Companies Act, 2013.

**Debenture redemption reserve** - The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. Since, the debentures were redeemed during the previous year, hence Rs.36,512.50 lacs appearing in the debenture redemption reserve was transferred to general reserve during the previous year.

**Capital reserve** - Capital reserves represents the difference between value of net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

**General reserve** - Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

**Retained earnings** - Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

**Equity component of compound financial instruments** - The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) & Non Convertible Redeemable Preference shares (NCRPS) during the financial year ended March 31, 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS & OCRPS as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OCRPS & NCRPS and the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

**Capital contribution** - During the previous year, post implementation of the approved resolution plan dated May 15, 2018, Bamnival Steel Limited (Holding Company), in its capacity as the promoter of the company, had waived off novated debts (reduced by the cost of novation) amounting to Rs. 25,18,550.72 lacs. The Company recognised such waiver as a capital contribution made during the previous year as an item of 'Other equity'. Refer Note 43 for details of accounting of resolution plan.

**Other comprehensive income** - The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity instruments are derecognised.

## 16. FINANCIAL LIABILITIES

### A. BORROWINGS

#### NON - CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Secured</b>		
(i) Debentures	-	-
(ii) Term loans from banks		
- Indian rupees loans (Refer sub-note (ii))	12,42,244.52	13,84,542.07
- Foreign currency loans	-	-
(iii) Term loans from financial institutions	-	-
(iv) Lease Liability	76,288.56	79,196.47
	<b>13,18,533.08</b>	<b>14,63,738.54</b>
<b>(b) Unsecured</b>		
(i) Term loans from banks	-	-
- Indian rupees loans	-	-
- Foreign currency loans	-	-
(ii) Liability component of compound financial instruments	2,65,911.64	2,39,075.38
(iii) From others	-	-
	<b>2,65,911.64</b>	<b>2,39,075.38</b>
Less: Current maturities of long term borrowings classified under 'other financial liabilities'	-	-
Less: Current maturities of finance lease obligation classified under 'other financial liabilities'	11,187.54	5,583.18
	<b>15,73,257.18</b>	<b>16,97,230.74</b>

#### CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Secured</b>		
(i) Working capital facilities from banks	<b>39,700.00</b>	-
- Indian rupees loans	39,700.00	-
- Foreign currency loans	-	-
(ii) Cash Credit / Packing Credits	4,000.00	-
	<b>43,700.00</b>	-
<b>(b) Unsecured</b>		
(i) Working capital facilities from banks	<b>30,000.00</b>	-
- Indian rupees loans	30,000.00	-
(ii) Preference shares (redeemable on demand)	100.00	100.00
(iii) Inter corporate deposits	576.64	613.77
(iv) Other Loans	15,000.00	-
	<b>45,676.64</b>	<b>713.77</b>
	<b>89,376.64</b>	<b>713.77</b>

(i) Rupee Term Loans as at March 31, 2020 amounting to ₹ 12,42,244.52 lacs are secured by a charge on all of the Company's immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan shall be payable across 18 half yearly installments starting from March 2022. The interest rate on such term loans is 0.55% spread over MCLR.

(ii) During the previous year, the Company had issued 11.09% Non-Convertible Redeemable Preference Shares ("NCRPS") and 8.89% Optionally Convertible Redeemable Preference Shares ("OCRPS") to Tata Steel Limited ("TSL"), on private placement basis. The NCRPS and OCRPS are redeemable at par value at maturity, i.e. 20 years from the date of allotment. The Company has an option to early redeem the NCRPS and OCRPS at 3 monthly intervals from the date of allotment. OCRPS shall be convertible into equity shares at the option of TSL within a period of 18 months from the date of allotment at ₹ 30.53 per share.

(iii) As a result of the adoption of IFRS 16 "Leases" as of April 1, 2019, the Group has recognized right-of-use assets and lease liabilities related to non-cancellable operating leases (Refer Note 5). Lease Liabilities are secured against the fixed assets against which the finance lease obligation is arising.

(iv) Working capital facilities from banks as at March 31, 2020 amounting to ₹ 39,700 lacs are secured by a first pari passu charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the company. Cash credit / Packing credit as at March 31, 2020 amounting to ₹ 4,000 lacs are secured by a first pari passu charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts and other current assets.

(v) Reconciliation of borrowings arising from financing activities:

	(₹ in lacs)			
	Term loans from banks	Liability component of compound financial instruments	Other Loans	Lease Liability
<b>Balance as at 1st April 2019</b>	<b>13,84,542.07</b>	<b>2,39,075.38</b>	<b>713.77</b>	<b>79,196.47</b>
<b>Cash Flows</b>	<b>(1,43,367.04)</b>	<b>-</b>	<b>88,700.00</b>	<b>(6,076.28)</b>
<b>Non-Cash Changes</b>	<b>793.22</b>	<b>26,836.28</b>	<b>(37.13)</b>	<b>3,168.38</b>
Acquisition	-	-	-	-
Foreign Exchange Movement	-	-	-	-
Fair Value Changes and Other Changes	793.22	26,836.28	(37.13)	3,168.38
<b>Balance as at 31st March 2020</b>	<b>12,41,968.25</b>	<b>2,65,911.65</b>	<b>89,376.64</b>	<b>76,288.56</b>

## B. TRADE PAYABLES

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 33)	5,550.50	1,254.42
(a) total outstanding dues of creditors other than micro enterprises and small enterprises	2,77,283.19	3,07,664.51
	<b>2,82,833.69</b>	<b>3,08,918.93</b>

(i) The Group considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2020 to be ₹ 2,82,833.69 lacs (March 31, 2019: ₹ 308,918.93 lacs), which is the fair value of trade payables.

## C. OTHER FINANCIAL LIABILITIES

### NON CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Deferred sales tax payable	1,802.35	4,385.37
(b) Other payables	1,818.00	1,403.60
	<b>3,620.35</b>	<b>5,788.97</b>

### CURRENT

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long term borrowings	-	-
(b) Current maturities of finance lease obligation	11,187.54	5,583.18
(c) Interest accrued on borrowings	9,430.02	-
(d) Liability for capital goods	4,275.07	48,986.83
(e) Security deposits	147.74	707.27
(f) Dues to directors	-	3.92
(g) Dues to officers	-	-
(h) Unclaimed dividend	6.85	9.04
(i) Other payables	25,771.00	11,664.30
	<b>50,818.21</b>	<b>66,954.54</b>

## 17. OTHER LIABILITIES

### CURRENT

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
(a) Advances received from customers	9,866.48	12,807.39
(b) Statutory Dues	13,254.66	23,995.77
	<b>23,121.14</b>	<b>36,803.16</b>

- (i) The advances received from customers represents contract liability balance outstanding as at the respective dates. The advance received from customers outstanding as at April 1, 2019 were fully recognized as revenue during the year ended March 31, 2020 upon satisfaction of the associated performance obligations.

## 18. PROVISIONS

### NON CURRENT

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
(a) Provision for employee benefits		
- Gratuity (Refer note 35)	4,967.05	3,416.59
- Compensated absences	2,663.30	2,263.18
	<b>7,630.35</b>	<b>5,679.77</b>

### CURRENT

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
(a) Provision for employee benefits		
- Gratuity	4.16	-
- Compensated absences	203.08	294.03
	<b>207.24</b>	<b>294.03</b>

## 19. DEFERRED INCOME

### NON CURRENT

	As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)
(a) Deferred income	189.21	227.69
	<b>189.21</b>	<b>227.69</b>

## 20. REVENUE FROM OPERATIONS

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Sale of products to customers	17,23,779.36	19,86,010.95
(b) Other operating revenue		
Other sales to customers	74,145.99	77,551.46
Export and other incentives (Refer sub-note (i))	21,988.84	25,597.94
	<b>18,19,914.19</b>	<b>20,89,160.35</b>

- (i) This includes amount recognised on account of Maharashtra Package Scheme of Incentives, 1993 amounting to ₹ 9,599.10 lacs (March 31, 2019 ₹ 14,332.48 lacs). Refer Note 44 for further details.

## Geographical information

Geographical information, by region, of the Group's revenue from operations, has been disclosed below and represents Tata Steel BSL's most significant regional markets.

	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) India	14,90,156.85	17,86,943.07
(b) Asia excluding India	2,36,761.76	1,77,654.52
(c) Europe	59,776.38	83,694.64
(d) Rest of world	33,219.18	40,868.11
	<b>18,19,914.19</b>	<b>20,89,160.34</b>

## Details of performance obligation associated with revenue recognition

### Satisfaction of performance obligations:-

The Group's revenue is derived from the single performance obligation to transfer primarily steel products under arrangements in which the transfer of control of the products and the fulfillment of the Group's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Group has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Group will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Group's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Group has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

Additionally, the Group identifies when goods have left its premises, not when the customer receives the goods. Therefore, the Group estimates, based on its historical experience, the amount of goods in-transit when the transfer of control occurs at the destination and defers the revenue recognition.

In case of export sales, for delivery conditions whereby the Group arranges the logistics of the goods to its premises, the Group charges the freight on actual basis (actuals as levied by the transporter). In this case, the Group acts as an agent in arranging such logistics services. Hence, revenue from such services are netted off with the expenses as levied by the transporter.

### Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days

### Variable considerations associated with such sales

Periodically, the Group enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Group only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Group estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates in each reporting period.

## 21. OTHER INCOME

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Finance income on:		
-Fixed deposits	829.59	2,508.44
-Others	434.19	375.03
(b) Net Gain / (Loss) on sale/fair valuation of investments	3,781.15	8,478.77
(c) Dividend income on - long term investments	4.68	1.35
(d) Liabilities written back	-	89.91
(e) Miscellaneous income	1,999.92	1,790.92
	<b>7,049.53</b>	<b>13,244.42</b>

There were neither income from subleasing right-of-use assets nor gains or losses from sales and leaseback for the year ended March 31, 2019 and March 31, 2020.

## 22. RAW MATERIALS CONSUMED

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Cost of raw materials consumed	10,81,639.00	11,63,663.41
Less: Expenses transferred to capital work in progress	(4,106.93)	(3,357.95)
	<b>10,77,532.07</b>	<b>11,60,305.46</b>

## 23. PURCHASES OF FINISHED, SEMI-FINISHED STEEL & OTHER PRODUCTS

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
Purchase of Finished products	287.56	685.44
	<b>287.56</b>	<b>685.44</b>

## 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Closing stock		
- Finished goods	2,16,180.84	1,96,304.65
- Work-in-progress	-	-
- Others	14,090.03	8,586.27
	<b>2,30,270.87</b>	<b>2,04,890.92</b>
(b) Opening stock		
- Finished goods	1,96,304.65	1,72,552.04
- Work-in-progress	-	-
- Others	8,586.27	4,520.83
	<b>2,04,890.92</b>	<b>1,77,072.87</b>
<b>Net Increase [ (b) - (a) ]</b>	<b>(25,379.94)</b>	<b>(27,818.05)</b>

## 25. EMPLOYEE BENEFIT EXPENSE

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Salaries and wages (Refer sub -note (i))	40,209.93	35,310.67
(b) Contribution to provident and other funds	366.27	1,013.49
(c) Staff welfare expenses	419.64	707.69
	<b>40,995.85</b>	<b>37,031.85</b>
Less: Expenses transferred to capital work in progress	(93.45)	(781.29)
	<b>40,902.40</b>	<b>36,250.56</b>

## 26. FINANCE COSTS

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Interest on borrowings	1,54,630.04	3,80,969.12
(b) Interest on lease obligations	13,043.46	
(c) Other borrowing cost	4,221.68	1,362.21
	<b>1,71,895.18</b>	<b>3,82,331.33</b>
Less: Expenses transferred to capital work in progress	(6,418.64)	(7,113.45)
	<b>1,65,476.53</b>	<b>3,75,217.88</b>

## 27. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Depreciation on tangible assets	1,35,694.21	1,44,165.90
(b) Amortisation of intangible assets	132.09	8.02
(b) Depreciation of right of use assets	10,514.37	-
	<b>1,46,340.67</b>	<b>1,44,173.92</b>

## 28. OTHER EXPENSES

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in lacs)
(a) Consumption of stores, spares and consumables	1,41,163.75	1,30,745.05
(b) Packing material consumed	7,778.39	7,521.02
(c) Purchase of power and consumption of fuel	1,10,040.61	1,17,638.28
(d) Rent (Refer sub-note (ii))	13,799.23	81,749.88
(e) Insurance charges	4,446.52	3,224.92
(f) Rates and taxes	1,218.26	934.66
(g) Repairs and maintenance:		
Building	1,168.26	718.20
Machinery	16,531.27	6,714.27
(h) Payment to auditors:		
Audit fees	392.92	353.73
Tax audit fee	40.00	35.00
Out-of-pocket expenses	63.29	47.57
For other services	2.56	3.06
(i) Freight and handling charges	92,555.03	89,093.63
(j) Commission, discounts and rebates	7,110.06	3,544.60
(k) Loss on sale of property, plant and equipment	(125.61)	26.69
(l) Bad debts written-off	41,997.66	-
(m) Allowance for expected credit losses	(45,330.52)	6,029.63
(o) Contractual manpower costs	33,423.92	33,423.92
(o) Miscellaneous expenses (Refer sub-note (i))	65,311.53	58,399.38
	<b>4,91,587.14</b>	<b>5,40,203.49</b>
Less: Expenses transferred to capital work in progress	(31.98)	(197.91)
	<b>4,91,555.16</b>	<b>5,40,005.58</b>

(i) Miscellaneous expenses includes losses on account of foreign exchange fluctuation amounting to ₹ 3,579.49 lacs (March 31, 2019: ₹ 5,765.57 lacs).

(ii) Expenses related to short-term leases and leases of assets of low value included in Rent expenses were ₹ 1,132.80 lakhs and ₹ 2.40 lakhs, respectively, for the year ended March 31, 2020. Expenses related to variable lease payments not included in the measurement of lease liabilities were ₹ 12,664.03 for the year ended March 31, 2020.



## 29. EXCEPTIONAL ITEMS

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Effects of implementation of resolution plan (Refer sub-note - (i))	15,359.67	3,15,927.27
(b) Provision for impairment on property, plant and equipment and other assets (Refer sub-note - (ii) and (iii))	(8,457.83)	(18,326.60)
	<b>6,901.84</b>	<b>2,97,600.67</b>

### i) Effects of implementation of resolution plan (Refer Note 43 for details of effects of resolution plan)

As per the Resolution Plan approved by the NCLT, settlement of operational creditors has been done over a period of 12 months from the Closing Date, as defined in the Resolution Plan. Further, as per the Resolution Plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof.

### ii) Exceptional items recognised in current year financial statements

During the year, impairment provision was created on CRM extension project in capital work in progress amounting to ₹ 2,081.30 lacs and induction furnace in Angul plant amounting to ₹ 2,174.90 lacs.

### iii) Exceptional items recognised in previous year financial statements

#### (A) Effects of implementation of resolution plan (Refer Note 43 for details of effects of resolution plan)

Pursuant to CIRP proceedings & implementation of resolution plan, there has been a gain of ₹ 3,15,927.27 lacs on account of the following:-

- (a) Operational creditors extinguishment - ₹ 55,212.35 lacs,
- (b) Redemption of Preference shares & waiver of related interest obligation - ₹ 2,42,557.34 lacs,
- (c) Extinguishment of dues towards financial creditors on account of pledged shares invocation - ₹ 18,157.58 lacs.

#### (B) Provision for impairment on property, plant & equipment and other assets includes:

- (a) Provision for impairment of property, plant and equipment - ₹ 5,219.23 lacs.
- (b) Provision for impairment of certain non-current advances - ₹ 17,837.52 lacs.
- (c) Net reversal of provision for impairment made in earlier year - ₹ 4,730.14 lacs.

### 30. EARNING PER SHARE

Basic and diluted earning per share ("EPS") amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company (including the potential savings/expenses that would result from the conversion of the dilutive potential ordinary share) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit/ (Loss) after tax (₹ in lacs)	(62,848.91)	1,71,188.91
(b) Add:- Income that would result from the conversion of the dilutive potential ordinary share (₹ in lacs)	3,035.87	38,026.38
<b>(c) Profit/(Loss) after tax to be considered for computation of Diluted Earnings Per Share (DEPS) (₹ in lacs)</b>	<b>(59,813.03)</b>	<b>2,09,215.29</b>
(d) Weighted average number of equity shares - Basic (Nos.)	1,09,34,39,768	98,18,08,327
Add:- Weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares (Refer sub note (i))	2,94,79,20,079	18,93,75,86,654
<b>(e) Weighted average number of equity shares - Diluted (Nos.)</b>	<b>4,04,13,59,847</b>	<b>19,91,93,94,981</b>
<b>Earning Per Share</b>		
Basic (₹ / share) [ (a)/(c) ]	(5.75)	17.44
Diluted (₹/ share) [ (b)/(d) ]	(5.75)	1.05
Face value per share (₹)	2.00	2.00

- (i) During the current year, Earning per share is anti-dilutive hence both Basic and Diluted earning per share is equal.

During the previous year, the dilution was on account of:-

Potential equity shares which may be issued on account of conversion option that exists in the Optionally Convertible Redeemable Preference Shares (OCRPS). OCRPS shall be convertible into equity shares at the option of the investor (being Tata Steel Limited) within a period of 18 months from the date of allotment at ₹ 30.53 per share, and,

Potential equity shares which could have been issued on account of conversion option that existed in the Inter-Corporate Deposits (ICD) taken from Bamnival Steel Limited. ICD was convertible into equity shares at the option of the investor (being Bamnival Steel Limited) within a period of 18 months from the date of issue of ICD at face value of equity share, i.e., ₹ 2 per share. The dilution impact has been considered for previous period in which the ICD was outstanding, i.e., May 18, 2018 to March 19, 2019.

### 31. TAX EXPENSES

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

	As at March 31, 2020	As at March 31, 2019
Profit / (loss) before tax	(62,848.89)	1,71,184.65
At India's statutory income tax rate of 34.944% (March 31, 2018: 34.944%)	(21,961.92)	59,818.76
(a) Deferred tax assets on losses and unabsorbed depreciation not recognised		1,54,208.80
(b) Income exempt from tax/Items not deductible		31,180.62
(c) Deferred taxes (assets)/liabilities relating to earlier years recognised during the year		(2,46,042.88)
(d) Impact of change in tax rate		-
(e) Others		834.70
	-	-
	-	-

(i) The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/deduction under the specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

A new section 115BAA has been inserted in the Income Tax Act, 1961, vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides domestic company with an option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous years relevant to the assessment year beginning on or after April 01, 2020. The rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming any deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate. New tax regime once opted, can not be reversed.

Bases on above, the Company has opted to new tax regime and computed its tax liability on lower tax rate for assessment year 2020-21. The Company has not claimed certain deduction or exemption as prescribed which includes additional depreciation of Rs.3,761.65 crores claimed in earlier years. However the same has been adjusted with the net block of assets as on April 01, 2019 as per the relevant provision of section 115BAA of Income Tax Act, 1961. The statutory tax rate applicable for assessment year 2019-20 was 34.944% (including surcharge and cess).

	As at April 01, 2018	Provided during the year	As at March 31, 2019	Provided during the year	As at March 31, 2020
Deferred tax liability:					-
(a) Related to property plant & equipment	4,70,095.62	28,265.63	4,98,361.25	-	4,98,361.25
(b) Investments carried at Fair value through profit or loss	-	258.65	258.65	-	258.65
<b>Total deferred tax liability</b>	<b>4,70,095.62</b>	<b>28,524.28</b>	<b>4,98,619.90</b>	<b>-</b>	<b>4,98,619.90</b>
Deferred tax assets:					
(a) Accumulated business loss and unabsorbed depreciation	2,20,820.24	2,17,729.29	4,38,549.53	-	4,38,549.53
(b) Provision for doubtful debts	5,961.44	449.15	6,410.59	-	6,410.59
(c) Amount deductible on payment basis	2,00,901.00	(1,95,330.10)	5,570.90	-	5,570.90
(d) Others	42,412.94	5,675.94	48,088.88	-	48,088.88
<b>Total deferred tax assets</b>	<b>4,70,095.62</b>	<b>28,524.28</b>	<b>4,98,619.90</b>	<b>-</b>	<b>4,98,619.90</b>
Mat credit entitlement	-	-	-	-	-
<b>Deferred tax liability (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recognised in profit or loss as 'tax expenses'</b>		-		-	
<b>Recognised in profit or loss as 'exceptional item'</b>		-		-	
<b>Recognised in OCI</b>		-		-	
<b>Total</b>		-		-	

(i) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ \_\_\_\_\_ lacs as at March 31, 2020 (March 31, 2019: ₹ 3,21,093.41 lacs), where it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the company.

(ii) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

	Year of expiry	Amount
Unabsorbed depreciation	No expiry	9,18,879.95
		<b>9,18,879.95</b>

### 32. COMMITMENTS AND CONTINGENCIES

#### A. Contingent liabilities

	As at March 31, 2020	As at March 31, 2019
(a) Sales Tax	-	-
(b) Excise Duty/Custom duty/ Service Tax	-	-
(c) Entry Tax	-	-
(d) Income Tax	-	-
(e) Water Conservation Fund	-	-
(g) Others	-	-
	-	-

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 18, 2018 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been legally advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. July 26, 2017, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies (presented under Other Assets - Non current) continue to subsist.

#### B. Commitments

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8,975.50	8,975.50
	<b>8,975.50</b>	<b>8,975.50</b>

#### C. Other matters

- (i) The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Company which were under development. Subsequently, the Government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks.

De-allocated coal block amounting to ₹ 56,289.95 lacs includes expenditure incurred of ₹ 14,833.52 lacs and advance given of ₹ 41,456.44 lacs. During the previous year, Company has provided provision for expenses incurred. In the opinion of the management, the Company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company has filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the Company had filed a Writ Petition bearing No 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Union of India and other. The Counter Affidavit(s) were filed by Union of India in November 2016 and subsequent thereto pleadings were completed.

On May 24, 2018 the above matter came up for hearing before Hon'ble Delhi High Court. Vide office Memorandum dated March 20, 2018, New Patrapara Coal Block has been earmarked for allotment to Odisha Government. Court has directed Union of India to file status report on land acquisition status/proceedings upto 10 days prior to next date of hearing, i.e., September 27, 2018.

On September 27, 2018, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that whether the Company should be awarded interest on the money lying deposited, the rate of interest and the period for which it is payable, would be subject to the final outcome of the proceedings.

On February 7, 2019, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that Union of India had sought time to obtain specific instructions as to time schedule which would be adhered to for disbursement of compensation amount. The Union of India shall file specific undertaking outlining the amounts payable to the Company and also the last date by which the amount could be disbursed. Thereafter matter was adjourned to May 7, 2019.

- (ii) The Company and BEL was summoned by the Special Judge (Companies Act)/ Additional Sessions Judge – 03, Dwarka Courts, New Delhi ("Special Court"), to appear before the Special Court in relation to a criminal complaint ("Complaint") filed by the Serious Fraud Investigation Office ("SFIO") against the company. The Company has made necessary disclosures to the stock exchanges in this matter vide its Jetter dated September 30, 2019 and March 20, 2020. The disclosure is available on the websites of National Stock Exchange of India Limited, BSE Limited and on the website of the Company.

The Company and BEL was acquired through CIRP under the Insolvency and Bankruptcy Code, 2016 vide resolution plans approved by the NCLT. The management believes that the resolution plans as approved by NCLT provides adequate protection to the Company and BEL against any potential liability arising from any investigation/proceeding/order or any matter relating to period prior to the approval of the resolution plan. Accordingly, the Company and BEL is pursuing appropriate legal remedies as available. Also, the Insolvency & Bankruptcy Code (Amendment) Ordinance 2019 dated December 29, 2019, provides immunity against prosecution and prevent action against the properties of Corporate Debtor.

The Company and BEL had filed writ petitions before the Delhi High Court ("High Court") challenging the Complaint, Order of Cognizance dated August 16, 2019 and the Summons issued by the Special Court against the company.

Based on the submissions and the law, the High Court was pleased to allow the Writ Petition(s) and set aside the Complaint, Order of Cognizance dated August 16, 2019 and the Summons as were issued against the company and BEL.

#### 33. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The dues to micro, small and medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due to micro, small and medium enterprises	5,546.26	1,648.20
- Interest due	4.24	6.93
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	4.24	6.93
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

#### 34. SEGMENT REPORTING

The business activity of the Group falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Ministry of Corporate Affairs is not considered applicable.

### 35. EMPLOYEE BENEFITS

#### Defined Contribution Plans - General Description

Provident Fund:

During the year, the Company has recognised ₹ 641.48 Lacs (2018-19: ₹ 666.61 Lacs) as contribution to Employee Provident Fund in the statement of profit and loss.

#### Defined Benefit Plans - General Description

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service at the time of separation from the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

#### a) Reconciliation of fair value of plan assets and defined benefit obligation:

	(₹ in lacs)	
	Gratuity (Funded)	
<b>March 31, 2019</b>		
Fair value of plan assets	2,054.86	2,054.86
Defined benefit obligation	5,471.45	5,471.45
<b>Net asset/ (liability) as at March 31, 2019</b>	<b>(3,416.59)</b>	<b>(3,416.59)</b>
<b>March 31, 2020</b>		
Fair value of plan assets	1,769.34	1,769.34
Defined benefit obligation	6,740.55	6,605.09
<b>Net asset/ (liability) as at March 31, 2020</b>	<b>(4,971.21)</b>	<b>(4,835.75)</b>

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

	(₹ in lacs)	
	Gratuity (Funded)	
<b>Defined benefit obligation as at April 1, 2018:</b>	5,372.80	5,372.80
Current service cost	606.14	606.14
Interest expense	414.24	414.24
Past service cost		
Benefits paid	(380.57)	(380.57)
Actuarial (gain)/ loss on obligations - OCI	(541.16)	(541.16)
<b>Defined benefit obligation as at March 31, 2019</b>	<b>5,471.46</b>	<b>5,471.46</b>
<b>Opening defined benefit obligation of subsidiaries acquired during the year</b>	<b>125.98</b>	
Current service cost	738.06	723.18
Interest expense	435.21	427.32
Past service cost		
Benefits paid	(727.04)	(694.02)
Actuarial (gain)/ loss on obligations - OCI	696.90	677.16
<b>Defined benefit obligation as at March 31, 2020</b>	<b>6,740.55</b>	<b>6,605.09</b>

#### c) Changes in the fair value of plan assets are, as follows:

	(₹ in lacs)	
	Gratuity (Funded)	
<b>Fair value of plan assets as at April 1, 2018:</b>	1,905.82	1,905.82
Contribution by employer	400.00	400.00
Benefits paid	(380.57)	(380.57)
Return on plan assets	129.61	129.61
<b>Fair value of plan assets as at March 31, 2019</b>	<b>2,054.86</b>	<b>2,054.86</b>
Claim received but not settled	(55.92)	(55.92)
Benefits paid	(354.54)	(354.54)
Return on plan assets	124.94	124.94
<b>Fair value of plan assets as at March 31, 2020</b>	<b>1,769.33</b>	<b>1,769.34</b>

	(₹ in lacs)		(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019	
Break up of fair value of plan assets				
-SBI Life	635.53	741.66	635.53	
-LIC	599.23	753.35	599.23	
-PNB Metlife	415.03	389.92	415.03	
-Trust	119.54	169.93	119.54	
<b>Total fair value of plan assets</b>	<b>1,769.34</b>	<b>2,054.86</b>	<b>2,054.86</b>	

#### (d) Amount recognised in Statement of Profit and Loss:

	(₹ in lacs)		(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019	
Current service cost	738.06	606.14	723.18	
Past service cost	-	-	-	
Net interest expense	274.72	267.30	266.84	
Remeasurement of net benefit liability/ asset	-	-	-	
<b>Amount recognised in statement of profit and loss</b>	<b>1,012.78</b>	<b>873.44</b>	<b>873.44</b>	

**(e) Amount recognised in other comprehensive income:**

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019	(₹ in lacs) As at March 31, 2019
<b>Actuarial (gain)/ loss on obligations</b>			
Actuarial (gain)/ loss arising from change in demographic assumptions	(3.30)	(730.27)	(3.30)
Actuarial (gain)/ loss arising from change in financial assumptions	512.24	(23.85)	504.77
Actuarial (gain)/ loss arising from change in experience adjustment	187.96	212.96	175.69
Return on plan assets (excluding amounts included in net interest expense)	35.54	17.33	35.54
<b>Amount recognised in other comprehensive Income for year ended</b>	<b>732.44</b>	<b>(523.83)</b>	<b>712.70</b>

**The principal assumptions used in determining gratuity for the Company's plans are shown below:**

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019	(₹ in lacs) As at March 31, 2019
Discount rate (in %)	6.96%	7.81%	6.96%
Salary escalation (in %)	5.00%	5.00%	5.00%
Rate of return on plan assets (in %)	6.08%	6.80%	6.08%
Retirement age (in years)	60.00	60.00	60.00
Expected average remaining working lives of employees (in years)*	21.82	22.52	21.82
Expected contribution for the next annual reporting period (₹ in Lacs)	1,161.91	922.40	1,133.69

\* Mortality rates inclusive of provision for disability - 100% of IALM (2006-08)

**A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:**

Gratuity	(₹ in lacs)					
	As at March 31, 2020					
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(314.54)	341.30	346.23	(321.64)	Not material	Not material
	(₹ in lacs)					
	As at March 31, 2019					
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(231.43)	250.39	256.09	(238.47)	Not material	Not material

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**Maturity profile of defined benefit obligation (gratuity)**

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019	(₹ in lacs)
Within the next twelve months (next annual reporting period)	396.25	617.96	
Between two and five years	1,830.99	1,328.99	
Between five and ten years	1,838.28	1,319.46	
Beyond ten years	2,675.03	3,776.40	
<b>Total expected payments</b>	<b>6,740.55</b>	<b>7,042.81</b>	

### 36. Related party transaction & balances

#### A. Names of related parties having transactions during the year and description of relationship

i) **Entity having significant influence over the ultimate holding company**

Tata Sons Private Limited

ii) **Ultimate holding company**

Tata Steel Limited

iii) **Holding company ("Parent Company")**

Bamnipal Steel Limited

The Group's related parties principally consists of its ultimate holding company - (Tata Steel Limited including its subsidiaries, associates and joint ventures), associates and entity having significant influence over the ultimate holding company (Tata Sons Private Limited). The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended/ as at March 31, 2020 & March 31, 2019.

Transactions	Year ended	Ultimate holding Company	Parent Company	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Other related parties	(₹ in lacs)
									Grand Total
Remuneration and perks (refer sub-note E)	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	-	-	210.66	-	-	-	210.66
Directors sitting fees	March 31, 2020	-	-	-	12.00	-	-	-	12.00
	March 31, 2019	-	-	-	17.05	-	-	-	17.05
Allotment of shares	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	15,888.58	-	-	-	-	-	15,888.58
Issue of preference shares	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	19,70,000.00	-	-	-	-	-	-	19,70,000.00
Capital contribution received	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	25,18,550.72	-	-	-	-	-	25,18,550.72
Inter corporate Deposit received	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	35,97,369.42	-	-	-	-	-	35,97,369.42
Inter Corporate Deposit repaid	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	35,97,369.42	-	-	-	-	-	35,97,369.42
Interest paid (refer sub-note C)	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	2,31,623.50	-	-	-	-	-	2,31,623.50
Novation Loan received	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	10,000.00	-	-	-	-	-	10,000.00
Novation Loan repaid	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	-	10,000.00	-	-	-	-	-	10,000.00
Purchase of goods/ services (refer sub-note D)	March 31, 2020	1,06,581.09	-	-	-	-	-	4,27,178.79	5,33,759.88
	March 31, 2019	39,737.37	-	-	-	-	-	3,51,844.30	3,91,581.67
Dividend received	March 31, 2020	-	-	-	-	-	-	-	-
	March 31, 2019	1.35	-	-	-	-	-	-	1.35
Sales of goods/ services	March 31, 2020	1,549.17	-	-	-	-	-	39,516.57	41,065.73
	March 31, 2019	17,710.84	-	-	-	-	-	6,739.83	24,450.67

<b>Balances</b>										
Advance to supplier	March 31, 2020	-	-	-	-	-	-	-	27.30	27.30
	March 31, 2019	-	-	-	-	-	-	-	22.21	22.21
Payable (refer sub-note D)	March 31, 2020	20,379.66	-	-	-	-	-	-	1,36,297.20	1,56,676.86
	March 31, 2019	7,035.27	-	-	3.92	-	-	-	1,67,797.36	1,74,836.55
Receivables	March 31, 2020	161.47	-	-	-	-	-	-	910.80	1,072.26
	March 31, 2019	102.50	-	-	-	-	-	-	-	102.50
Preference shares (refer sub-note B)	March 31, 2020	19,70,000.00	-	-	-	-	-	-	-	19,70,000.00
	March 31, 2019	19,70,000.00	-	-	-	-	-	-	-	19,70,000.00
Advance from customer	March 31, 2020	73.27	-	-	-	-	-	-	-	73.27
	March 31, 2019	-	-	-	-	-	-	-	53.71	53.71
Dividend Receivables	March 31, 2020	6.48	-	-	-	-	-	-	-	6.48
	March 31, 2019	6.48	-	-	-	-	-	-	-	6.48

B. The Preference shares outstanding include -

- a) Liability component of preference shares - ₹ 2,65,911.64 lacs
- b) Equity component of preference shares - ₹ 1,729,582.05 lacs

C. The interest paid excludes interest accrued on the compound financial instruments (being preference shares) amounting to ₹ 26,662.70 lacs (March 31, 2019 : ₹ 657.43 lacs) as the same represents unwinding of interest considered in statement of profit and loss during the year on account of accounting for compound financial instruments in accordance with Ind-AS 32. The same does not represent cash outflow in respect of interest expense payable to the holder of such instrument (being Tata Steel Limited).

D. Purchase of goods/services and payables includes:-

- i) Purchases of goods from TS Global Procurement Pte Limited amounting to ₹ 4,09,902.21 lacs and
- ii) Amount payable to TS Global Procurement Pte Limited amounting to ₹ 1,31,264.73 lacs respectively.

E. During the year, the Company has recognised an amount of ₹ Nil lacs (March 31, 2019 : ₹ 210.66 lacs) as remuneration to key management personnel. The details of such remuneration is as below:

Particulars	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
(i) Short-term employee benefits	-	210.66
(ii) Post employment benefits	-	-
(iii) Other long-term benefits	-	-
<b>Total expected payments</b>	<b>-</b>	<b>210.66</b>



## 37. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

### Use of estimates and critical accounting judgements

In the preparation of financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

### Significant management judgments

#### (a) Evaluation of indicators for impairment of non-financial asset

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### (b) Provisions & contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

#### (c) Valuation of deferred tax assets

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

#### (d) Classification of Leases

The Group enters into leasing arrangements for various assets. As a lessee, the Group assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration. The Group recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

### Significant management estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

#### (b) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

#### (c) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

#### (d) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### (e) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value. Recoverable value is taken as higher of value in use and fair value less costs to sell.

38A. DISCLOSURE OF INTEREST IN SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES:

1) Disclosure of interest in the following Subsidiaries:

	Country of Incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)	
(i) Bhushan Steel (Orissa) Limited	India	99.98%	99.98%
(ii) Bhushan Steel Madhya Bharat Limited	India	99.98%	99.98%
(iii) Bhushan Steel (South) Limited	India	100.00%	100.00%
(iv) Bhushan Steel (Australia) Pty Limited	Australia	90.97%	90.97%
(v) Angul Energy Limited*	India	99.99%	-

\* The Company has invested in equity shares of Angul Energy Limited and is classified as a subsidiary company w.e.f June 01, 2019.

2) Disclosure of interest in Joint Venture:

	Country of Incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)	
(i) Andal East Coal Company Private Limited*	India	0.00%	0.00%

\* The Company held investment in equity shares of Andal East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 145.50 lacs which had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of ₹ Nil upon initial recognition.

3) Disclosure of interest in the following categories of Associates:

	Country of Incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2020	As at March 31, 2019
		(₹ in lacs)	
(i) Bhushan Capital & Credit Services Private Limited	India	42.58%	42.58%
(ii) Jawahar Credit & Holdings Private Limited	India	39.65%	39.65%

38B. INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

Statement of net assets and profit or loss attributable to owners and minority interest

Name of the entity in the group	Net assets		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Proportionate share (₹ in lacs)	As % of consolidated Net worth (%)	Share in profit/ (loss) (₹ in lacs)	As % of consolidated profit/ (loss) (%)	Share in other comprehensive income (₹ in lacs)	As % of consolidated other comprehensive income (%)	Share in total comprehensive income (₹ in lacs)	As % of consolidated total comprehensive income(%)
<b>Holding Company</b>	17,65,627.09	0.96	(64,917.47)	1.03	(746.62)	86.51	(65,664.09)	103.06
<b>Subsidiaries</b>								
<b>Indian</b>								
Bhushan Steel (South) Limited	(101.38)	(0.00)	(0.38)	0.00	-	-	(0.38)	(0.01)
Bhushan Steel (Orissa) Limited	2.86	0.00	(0.38)	0.00	-	-	(0.38)	0.00
Bhushan Steel Madhya Bharat Limited	2.86	0.00	(0.38)	0.00	-	-	(0.38)	0.00
Angul Energy Limited	82,262.88	0.04	2,074.53	(0.03)	(76.64)	8.88	1,997.89	(3.14)
<b>Foreign</b>								
Bhushan Steel (Australia) Pty Limited	2,647.83	0.00	(0.35)	0.00	(40.45)	4.69	(40.80)	0.06
Bowen Energy Pty Limited	(1,892.24)	(0.00)	(4.48)	0.00	0.62	(0.07)	(3.86)	0.01
Bowen Coal Pty Limited	-	-	-	-	-	-	-	-
Bowen Consolidated Pty Limited	-	-	-	-	-	-	-	-
<b>Associates</b>								
Bhushan Capital & Credit Services Private Limited	-	-	-	-	-	-	-	-
Jawahar Credit & Holdings Private Limited	-	-	-	-	-	-	-	-
Non-controlling interest-Bhushan Steel (Australia) Pty Limited	-	-	-	-	-	-	-	-
Non-controlling interest- Angul Energy Limited	2.22	0.00	0.00	(0.00)	-	-	0.00	(0.00)
Non-controlling interest-Bowen Energy Pty Limited	-	-	-	-	-	-	-	-
<b>Consolidated net worth</b>	<b>18,48,552.12</b>	<b>1.00</b>	<b>(62,848.90)</b>	<b>1.00</b>	<b>(863.08)</b>	<b>100.00</b>	<b>(63,711.98)</b>	<b>100.00</b>

### 38C. Acquisition of Subsidiaries

On 1 June, 2019, Bhushan Energy Limited (“BEL”) was acquired by the company pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code 2016. The impact of the Resolution Plan has been given effect to on the resolution date.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

	(₹ lacs)
	<u>Fair value as on acquisition date</u>
<b>Non Current Assets</b>	
Property, Plant and Equipment	1,15,517.86
Right-of-use assets	2,710.00
Non-current investments	127.03
Loans	7.21
Other financial assets	31.69
Other non-current assets	42.32
Income Tax asset	294.71
	<b>1,18,730.82</b>
<b>Current Assets</b>	
Inventories	2,462.44
Trade receivables	10,557.00
Cash and cash equivalents	23,787.49
Other balances with banks	7.96
Loans	234.71
Other current assets	3,810.91
	<b>40,860.51</b>
<b>Total Assets (A)</b>	<b>1,59,591.33</b>
<b>Non Current Liabilities</b>	
Long term borrowings	1,000.00
Other financial liabilities	309.96
Long term provisions	204.75
	<b>1,514.71</b>
<b>Current Liabilities</b>	
Short term borrowings	(0.00)
Trade payables	1,209.67
Other financial liabilities	455.23
Short term provisions	16.14
Other current liabilities	478.72
	<b>2,159.76</b>
<b>Total Liabilities (B)</b>	<b>3,674.46</b>
<b>Fair value of identified Net Assets (C=A-B)</b>	<b>1,55,916.87</b>
Consideration Paid	75,500.00
Non Controlling Interests	2.21
<b>Consideration Paid including non controlling interests (D)</b>	<b>75,502.21</b>
<b>Capital Reserve (C-D)</b>	<b>80,414.65</b>

(i) Pursuant to the resolution plan, the Company paid Rs. 755 crore to the financial lenders of Bhushan Energy Limited.

### 39. FINANCIAL INSTRUMENTS

#### A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>Financial assets measured at fair value</b>		
Investments measured at		
Fair value through other comprehensive income	137.09	100.87
Fair value through profit and loss	-	1,59,490.28
Derivative assets	5,142.54	214.07
<b>Financial assets measured at amortised cost</b>		
Trade receivables	70,238.62	69,701.21
Loans	7,573.25	9,799.14
Cash and cash equivalents	72,483.38	27,765.11
Other bank balances	12,848.81	12,689.66
Other financial assets	50,934.29	54,060.75
<b>Total</b>	<b>2,19,358.00</b>	<b>3,33,821.09</b>
<b>Financial liabilities measured at fair value</b>		
Derivative liabilities	763.77	4,141.57
<b>Financial liabilities measured at amortised cost</b>		
Borrowings (including interest accrued)	16,83,251.38	17,03,527.70
Trade payables	2,82,833.69	3,08,918.93
Other financial liabilities	33,821.00	67,160.32
<b>Total</b>	<b>20,00,669.84</b>	<b>20,83,748.52</b>

#### B Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows:

**Level 1:** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds.

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ in lacs)			
	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
Investments measured at				
Fair value through other comprehensive income	36.39	-	100.69	137.09
Fair value through profit and loss	-	-	-	-
Derivative assets	-	5,142.54	-	5,142.54
<b>Liabilities at fair value</b>				
Derivative liabilities	-	763.77	-	763.77

	(₹ in lacs)			
	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
Investments measured at				
Fair value through other comprehensive income	70.31	-	30.56	100.87
Fair value through profit and loss	1,59,490.28	-	-	1,59,490.28
Derivative assets	-	214.07	-	214.07
<b>Liabilities at fair value</b>				
Derivative liabilities	-	4,141.57	-	4,141.57

#### a. Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:-

- (i) In order to arrive at the fair value of unquoted investments in equity shares, the Group obtains independent valuations. However, for such investments held by Group as of reporting date, costs of such unquoted equity instruments has been considered as an appropriate estimate of fair value because of wide range of fair value measurements and cost represents the best estimate of fair value within that range.
- (ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

b. The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019:

	(₹ in lacs)
	<b>Unquoted Equity shares</b>
As at April 01, 2018	30.60
Change in fair value	(0.04)
<b>As at March 31, 2019</b>	<b>30.56</b>
Change in fair value	-
<b>As at March 31, 2020</b>	<b>30.56</b>

#### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

	(₹ in lacs)	
	As at March 31, 2020	
	Carrying value	Fair value
Loans given	7,573.25	7,573.25
Trade receivables	70,238.62	70,238.62
Cash and Cash equivalents	72,483.38	72,483.38
Other balances with bank	12,848.81	12,848.81
Other financial assets	50,934.29	50,934.29
Borrowings	16,83,251.38	16,83,251.38
Trade payables	2,82,833.69	2,82,833.69
Other financial liabilities	33,821.00	33,821.00

	(₹ in lacs)	
	As at March 31, 2019	
	Carrying value	Fair value
Loans given	9,799.14	9,799.14
Trade receivables	69,701.21	69,701.21
Cash and Cash equivalents	27,765.11	27,765.11
Other balances with bank	12,689.66	12,689.66
Other financial assets	54,060.75	54,060.75
Borrowings	17,03,527.70	17,03,527.70
Trade payables	3,08,918.93	3,08,918.93
Other financial liabilities	67,160.32	67,160.32

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.
- Fair value of borrowings has been estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as level 2 in the fair value hierarchy.

## 40. FINANCIAL RISK MANAGEMENT

### Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other balances with banks, loans and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities including trade payables	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR) and derivative assets and liabilities	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

#### A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

##### a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- Low credit risk
- Moderate credit risk
- High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Group provides for expected credit loss based on the following:

	Type of financial asset	Measurement
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher

In respect of Trade receivables that results from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

#### Exposure to credit risk

The exposure of credit risk over the financial assets of the Group except trade receivables has been summarized below\*:-

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>I. Low credit risk</b>		
Loans	7,573.25	9,799.14
Cash and cash equivalents	72,483.38	27,765.11
Other bank balances	12,848.81	12,689.66
Other financial assets	50,934.29	54,060.75
<b>II. High credit risk</b>		
Loans	9,493.95	16,435.69
Other financial assets	14,647.54	15,350.52
<b>Total</b>	<b>1,67,981.24</b>	<b>1,36,100.87</b>

\*These represent gross carrying values of financial assets, without deduction for expected credit losses

#### Credit Risk Management policies

##### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

##### Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

##### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses for financial assets

##### i) Financial assets (other than trade receivables)

Group provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Group is in possession of the underlying asset or the deposits are made to government authorities.

- For other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

	(₹ in lacs)			
	As at March 31, 2020			
	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	72,483.38	0.00%	-	72,483.38
Other bank balances	12,848.81	0.00%	-	12,848.81
Loans	17,067.20	55.63%	9,493.95	7,573.25
Other financial assets	65,581.84	22.33%	14,647.54	50,934.29

(₹ in lacs)				
As at March 31, 2019				
	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	27,765.11	0.00%	-	27,765.11
Other bank balances	12,689.66	0.00%	-	12,689.66
Loans	26,234.83	62.65%	16,435.69	9,799.14
Other financial assets	69,411.27	22.12%	15,350.52	54,060.75

(ii) **Trade receivables**  
Refer Note 11 for details

#### B Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

##### a) Financing arrangements

Undrawn borrowing facilities at the end of the reporting year to which the Group had access is ₹ lacs ( March 31, 2019: ₹ 55,728 lacs).

##### b) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in lacs)				
As at March 31, 2020				
	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings (excluding lease obligations)	2,00,750.83	2,23,090.55	36,99,491.64	41,23,333.01
Lease obligations	22,911.94	45,584.97	46,611.80	1,15,108.71
Trade payables	2,82,833.69	-	-	2,82,833.69
Derivative liabilities	4,141.57	-	-	4,141.57
Other financial liabilities	36,010.42	-	3,620.35	39,630.77
	<b>5,46,648.43</b>	<b>2,68,675.52</b>	<b>37,49,723.79</b>	<b>45,65,047.74</b>

(₹ in lacs)				
As at March 31, 2019				
	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	1,48,871.42	3,37,648.12	40,21,273.09	43,59,634.99
Trade payables	3,08,918.93	-	-	3,08,918.93
Derivative liabilities	4,141.57	-	-	4,141.57
Other financial liabilities	61,371.35	-	19,309.91	80,681.26
	<b>5,23,303.26</b>	<b>3,37,648.12</b>	<b>40,40,583.00</b>	<b>47,53,376.74</b>

#### C Market risk

##### a) Foreign currency risk

Exposures to currency exchange rates primarily arise from the business transactions carried out by the Group in other than functional currency i.e. INR.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are as follows. The amounts shown are those reported to key management personnel translated into INR at the closing exchange rate:

(₹ in lacs)		
	As at March 31, 2020	As at March 31, 2019
Financial assets		
- USD	22,473.98	8,219.64
- EURO	85.94	409.15
- AED	44.46	33.88
	<b>22,604.38</b>	<b>8,662.67</b>
Financial liabilities		
- USD	512.75	1,77,826.67
- EURO	16.03	890.65
- GBP	-	39.18
- SEK	0.19	-
- JPY	108.28	15.90
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>637.24</b>	<b>1,78,772.40</b>

The following table summarises the volatility in the following exchange rates during the year.

	As at March 31, 2020	As at March 31, 2019
INR/USD	7.91%	6.82%
INR/ EUR	6.62%	7.26%
INR/GBP	3.35%	8.82%
INR/ JPY	11.74%	9.32%
INR/ SEK	0.93%	-
INR/AED	8.98%	9.17%

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

The sensitivity analysis given in the table below is based on the Group's foreign currency financial instruments held at each reporting date. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Group's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Had the respective foreign currencies had strengthened against the INR by the aforementioned percentage of market volatility, then this would have had the following impact on profit/loss & equity:



	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
- USD	1,737.13	(11,559.48)
- EURO	4.63	(34.98)
- GBP	-	(3.46)
- JPY	(12.71)	(1.48)
- SEK	(0.00)	-
- AED	3.99	3.11
<b>Total</b>	<b>1,733.04</b>	<b>(11,596.29)</b>

If the respective functional currencies had depreciated against the INR by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.

#### b) Interest rate risk

##### i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2020 and March 31, 2019, the Group is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Group's investments in fixed deposits carry fixed interest rates.

##### Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Variable rate borrowing	12,42,244.52	13,84,542.07
Fixed rate borrowing	4,41,006.87	3,18,985.63
<b>Total borrowings</b>	<b>16,83,251.38</b>	<b>17,03,527.70</b>
Amount disclosed under other current financial liabilities (Refer Note - 16C)	16,62,633.82	16,97,944.51
Amount disclosed under borrowings (Refer Note - 16A)	20,617.56	5,583.18

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>Interest sensitivity*</b>		
Interest rates – increase by 100 basis points (March 31, 2019 100 bps)	12,422.45	13,845.42
Interest rates – decrease by 100 basis points (March 31, 2019 100 bps)	(12,422.45)	(13,845.42)

\* Holding all other variables constant

##### ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### c) Price risk

The Group is not an active investor in equity markets; It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at 31st March, 2019 is Rs. 137.09 lacs (2019 – Rs. 100.87 lacs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.. The Group's exposure to such investments is not significant.

The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

## 41. CAPITAL MANAGEMENT

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

##### (a) Debt equity ratio

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
Total debts	16,10,768.00	15,16,272.31
Total equity	18,48,552.12	18,31,847.43
<b>Net debt to equity ratio</b>	<b>0.87</b>	<b>0.83</b>

(b) Dividend - During the year ended March 31,2020, no dividend has been recognized as distributions to equity shareholders (March 31, 2019: ₹ Nil)

42. IN COMPLIANCE OF REGULATION 34 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 THE REQUIRED INFORMATION IS GIVEN AS UNDER:

	As at March 31, 2020	(₹ in lacs) As at March 31, 2019
<b>I. Loans and Advances in the nature of loans:</b>		
A) To Subsidiary Companies	32,600.00	-
B) To Associates /Joint Venture	-	-
C) To Firms/Companies in which directors are interested	-	-
D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act.	-	-
<b>II. Investment by the loanee (as detailed above) in the shares of TSBSL and its subsidiaries</b>	-	-
<b>Total</b>	-	-

43 During the previous year, Corporate insolvency resolution process ("CIRP") was initiated pursuant to a petition filed by one of its financial creditors, State Bank of India ("SBI") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). SBI filed the petition before the National Company Law Tribunal, Principal Bench, New Delhi ("Adjudicating Authority") vide Company Petition No. (IB)-201 (PB)/2017 on July 03, 2017. The Adjudicating Authority admitted the said petition and the CIRP for the Company commenced on July 26, 2017. The CIRP culminated into the approval of the Resolution Plan submitted by Tata Steel Ltd ("TSL") by the Adjudicating Authority vide its order dated May 15, 2018 ("Order").

Accordingly, keeping in view the Order dated May 15, 2018:

- i. On May 18, 2018 ("Effective Date"), Bamnival Steel Limited, (wholly owned subsidiary of TSL) ("BNPL") deposited ₹ 35,13,258 lacs, for subscription to equity shares of the Company, payment of CIRP cost and employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.
- ii. The reconstituted board of directors in its meeting held on May 17, 2018 approved allotment of 79,44,28,986 fully paid equity shares of ₹ 2 each to BNPL, aggregating to ₹ 15,888.58 lacs, representing 72.65% of the equity share capital of the Company.
- iii. The remaining amount of ₹ 34,97,369.42 lacs was treated as Inter Corporate Deposits.
- iv. Out of the amount received from BNPL, ₹ 3,258 lacs were utilised towards payment of CIRP cost and employee related dues. The balance amount of ₹ 35,10,000 lacs were paid to the Financial Creditors between May 18, 2018 to May 31, 2018.
- v. The financial creditors invoked the pledge created in their favor by the erstwhile promoters of the Company over 6,76,54,810 equity shares of the Company held by them ("Pledged Shares"). The market value of Pledged Shares amounted to ₹ 18,157.58 lacs and, the same has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
- vi. The eligible financial creditors were further allotted 7,24,96,036 equity shares at face value of ₹ 2 each aggregating to ₹ 1,449.92 lacs.
- vii. After adjusting the amounts as mentioned in para no. v and vi above, the balance due to Financial Creditors, amounting to ₹ 25,28,550.72 lacs were novated to BNPL for an aggregate consideration of ₹ 10,000 lacs. BNPL, in its capacity as the promoters of TSBSL, has waived off the debts less cost of novation, and the same has been considered as capital contribution. Refer Note 14 for details of other equity.
- viii. 10% Redeemable Cumulative Preference shares of ₹ 100 each amounting to ₹ 2,42,557.39 lacs were redeemed for a total sum of ₹ 4,700/- only. Gain arising out of redemption of such preference shares has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
- ix. In respect of Operational Creditors, the Company has provided for liabilities based on the amount of claims admitted pursuant to CIRP. Further, the Company has proposed to pay an amount of ₹ 1,20,000 lacs to Operational Creditors, in the manner mentioned in the Resolution Plan, within 12 months from the closing date (May 18, 2018) i.e. on or before May 17, 2019. Accordingly, the Company has recognized a gain of ₹ 55,212.35 lacs on account of extinguishment of such financial liabilities as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.

44 The Company is eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme the Company has obtained eligibility certificate from Directorate of Industries. As per the Scheme the Company has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2020 amounts to ₹ 1,802.35 lacs (March 31, 2019: ₹ 4,385.37 lacs). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST & claim refunds of the same. During the year, the Company has recognised ₹ 9,599.10 lacs as an income (Refer Note 20) on account of such scheme.

45 Due to outbreak of Covid-19 globally and in India, the Company had on March 30, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, the Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Company is in the business of manufacturing steel/steel products, which are connected with activities that are fundamental to the Indian economy. The demand for the Company's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Company. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term.

As per our report of even date attached.

For and on behalf of the Board of Directors

For Walker Chandiook & Co LLP  
Chartered accountants  
Firm Registration No. : 001076N/N500013

**Mr. T. V. Narendran**  
Chairman  
(DIN: 03083605)

**Mr. Krishnava Dutt**  
Independent Director  
(DIN: 02792753)

**Ms. Neera Saggi**  
Independent Director  
(DIN: 00501029)

Siddharth Talwar  
Partner  
Membership No. 512752

**Mr. Shashi Kant Maudgal**  
Independent Director  
(DIN: 00918431)

**Mr. Srikumar Menon**  
Independent Director  
(DIN: 00470254)

**Mr. Anand Sen**  
Director  
(DIN: 00237914)

**Mr. Koushik Chaterjee**  
Director

**Mr. Rajeev Singhal**  
Managing Director

**Mr. Sanjib Nanda**  
Chief Financial Officer

Place: Mumbai  
Date: May 20, 2020

**Nisha Anil Seth**  
Company Secretary  
(Membership no. 27019)