Independent auditor's report

To the Members of T S Alloys Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of T S Alloys Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit/ loss and other comprehensive income) ,changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. 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 financial statements that give a true and fair view of the financial

position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act 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.

6. 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. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. 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 SAs 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.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 with reference to financial statements 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.

9. 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.

10. 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.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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 purposes 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Company 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number : 099625
Hyderabad
April 15, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of T S Alloys Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements for the year ended March 31, 2019

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026 E/E-300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number : 099625

Hyderabad
April 15, 2019

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Title deeds of immovable properties, as disclosed in Note 2 on fixed assets to the financial statements, are in the name of the Company. In respect of land on which the factory is built, the title deed is yet to be transferred in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has granted security against loan taken by a party covered under Section 185 and 186 of the Act. The Company has not granted any loans or made any investments, or provided any guarantees or security to any parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, value added tax or goods and service tax as at March 31, 2019 which has not been deposited on account of a dispute, are as follows:

Name of the statute	**Nature of dues**	**Amount (Rs.in lakhs)**	**Period to which the amount relates**	**Forum where the dispute is pending**
Central Excise Act, 1944	Excise Duty	440.57	FY 2004-2006	Appellate Tribunal Excise
Central Excise Act, 1944	Excise Duty	151.19	FY 2011-2016	CESTAT

Name of the statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	13.74	FY 2016-18	Assistant Commissioner, Central Excise & Service Tax
Orissa Value Added Tax Act, 2004	Salex Tax	11.58	FY 2010-11	Sales Tax Officer, Bhubaneshwar

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number : 099625

Hyderabad
April 15, 2019

T S ALLOYS LTD

Balance Sheet as at March 31 , 2019

Amount in INR (Lakhs)

	Note No.	As at March 31, 2019	As at March 31, 2018
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	5,269.93	5,345.27
(b) Capital work-in-progress	2	89.50	73.12
(c) Intangible assets	3	4.87	-
		5,364.30	**5,418.39**
(d) Financial assets			
(i) Investments	4	2,265.29	2,434.80
(ii) Other financial assets	5	884.79	883.43
(e) Retirement benefit assets	6	44.19	22.06
(f) Other assets	7	974.43	623.36
(g) Income tax assets(Net)		558.59	453.48
		10,091.59	**9,835.52**
(2) Current assets			
(a) Inventories	8	1,174.73	1,103.10
(b) Financial assets			
(i) Investments	10	459.67	-
(ii) Trade receivables	9	2,445.21	2,209.02
(iii) Cash and cash equivalents	11A	136.29	1,908.86
(iv) Bank balance other than (iii) above	11B	1,200.00	-
(v) Other financial assets	5	133.84	78.27
(c) Other assets	7	150.25	1,141.90
		5,699.99	**6,441.15**
TOTAL ASSETS		**15,791.58**	**16,276.67**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12	6,570.75	6,570.75
(b) Other equity	13	5,613.96	6,071.21
		12,184.71	**12,641.96**
(2) Non-current liabilities			
(a) Deferred tax liabilities (net)	15	497.77	980.36
		497.77	**980.36**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade Payables	16		
- Total outstanding dues of micro enterprises and small enterprises		19.32	-
- Total outstanding other than above		2,358.43	1,956.42
(ii) Other financial liabilities	17	359.12	305.29
(b) Provisions	14	54.67	37.33
(c) Other liabilities	18	317.56	355.31
		3,109.10	**2,654.35**
TOTAL EQUITY AND LIABILITIES		**15,791.58**	**16,276.67**

Accompanying notes 1 - 40 forms an integral part of the financial statements.

For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number : 304026E/E-300009

Chartered Accountants

M Srinivas
Chief Financial Officer

B D Nanda
Managing Director

Ashish Taksali
Partner
Membership No. 099625

J.K. Panda
Company Secretary

Debashis Jena
Director

Hyderabad, April 15, 2019

Puri, April 15, 2019

T S ALLOYS LTD

Statement of Profit and Loss for the year ended March 31, 2019

Amount in INR (Lakhs)

		Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	19	17,496.02	19,215.06
II	Other income	20	196.81	159.63
III	**Total Income (I + II)**		**17,692.83**	**19,374.69**
IV	**Expenses**			
	(a) Raw materials consumed	21	1,396.97	1,541.50
	(b) Changes in inventories of work-in-progress	22	(35.49)	(29.41)
	(c) Employee benefit expense	23	1,224.29	988.86
	(d) Finance costs	24	1.33	17.43
	(e) Depreciation and amortisation expense	25	811.42	646.66
	(f) Purchase of power		11,329.60	11,582.87
	(g) Other expenses	26	3,726.85	3,148.42
	Total Expenses (IV)		**18,454.97**	**17,896.33**
V	**Profit/(loss) before tax (III - IV)**		**(762.14)**	**1,478.36**
VI	Tax Expense	15		
	(1) Current tax		3.27	508.07
	(2) Deferred tax		(378.00)	(251.80)
	Total tax expense		**(374.73)**	**256.27**
VII	**Profit/(loss) after tax for the year (V - VI)**		**(387.41)**	**1,222.09**
VIII	**Other comprehensive income**		(69.83)	615.82
	Items that will not be reclassified to profit or loss			
	Remeasurement gains / (losses) on post employment benefits	31	(4.91)	(5.95)
	Fair value changes of investments in equity shares	4	(169.51)	808.35
	Income tax relating to these items above		104.59	(186.58)
IX	**Total comprehensive income for the period (VII + VIII)**		**(457.24)**	**1,837.91**
X	**Earnings per equity share:**			
	Basic and Diluted		(0.59)	1.86

Accompanying notes 1 - 40 forms an integral part of the financial statements.

For and on behalf of the Board of Directors

This is the Statement of Profit and Loss referred to in our report of even date.
For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number : 304026E/E-300009
Chartered Accountants

M Srinivas
Chief Financial Offic

B D Nanda
Managing Director

Ashish Taksali
Partner
Membership No. 099625

J.K. Panda
Company Secretary

Debashis Jena
Director

Hyderabad, April 15, 2019

Puri, April 15, 2019

T S ALLOYS LTD

Statement of changes in equity for the year ended March 31, 2019

Amount in INR (Lakhs)

A Equity share capital

Balance as at April 01, 2018	Changes during the year	Balance as on March 31 ,2019
6,570.75	-	**6,570.75**

Balance as at April 1, 2017	Changes during the year	Balance as on March 31 ,2018
6,570.75	-	**6,570.75**

B Other equity

	Reserves & Surplus	
Retained earnings	**As at March 31, 2019**	**As at March 31, 2018**
As at beginning of year	6,071.21	4,707.80
Profit / (Loss) for the year	(387.41)	1,222.09
Other Comprehensive income for the year	(69.83)	615.82
Total comprehensive income for the year	**(457.24)**	**1,837.91**
Less: Dividend Paid	**-**	(474.50)
As at end of year	**5,613.97**	**6,071.21**

For and on behalf of the Board of Directors

This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number : 304026E/E-300009

Chartered Accountants

M Srinivas
Chief Financial Officer

B D Nanda
Managing Director

Ashish Taksali
Partner
Membership No. 099625

J.K. Panda
Company Secretary

Debashis Jena
Director

Hyderabad, April 15, 2019

Puri, April 15, 2019

T S ALLOYS LTD

Statement of Cash Flows for the year ended March 31, 2019

Amount in INR (Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
A.	**Cash Flow from Operating activities:**		
	Profit before taxes	(762.14)	1,478.36
	Adjustments for:		
	Depreciation and amortisation	811.42	646.66
	Profit on sale of investment (net)	(16.37)	-
	Profit on sale of property plant and equipment (net)	(0.35)	(0.16)
	Finance cost	1.33	17.43
	Interest income	(108.13)	(19.64)
	Operating profit before working capital changes	**(74.24)**	**2,122.65**
	Adjustments for:		
	Increase/decrease in non current/current financial and other assets	746.86	(276.23)
	Increase/decrease in inventories	(71.63)	(14.32)
	Increase/decrease in non current/current financial and other liabilities/provisions	449.38	636.80
	Cash generated from operations	**1,050.37**	**2,468.90**
	Income taxes paid	(108.38)	(70.30)
	Net cash (used in)/from operating activities	**941.99**	**2,398.60**
B.	**Cash Flow from Investing activities:**		
	Payments for property plant equipments	(1,123.22)	(128.35)
	Proceeds from sale of property plant and equipment	0.35	0.16
	Purchase of investments (net)	(443.30)	-
	Fixed deposits with bank	(1,200.00)	-
	Interest received	52.49	69.83
	Net cash (used in)/from investing activities	**(2,713.68)**	**(58.36)**
C.	**Cash Flow from Financing activities:**		
	Payment of Dividend including tax on same	-	(474.50)
	Interest paid	(0.87)	(17.43)
	Net cash (used in) financing activities	**(0.87)**	**(491.93)**
Net increase or decrease in cash or cash equivalents		**(1,772.56)**	**1,848.31**
Cash & cash equivalents as at 1st April		**1,908.86**	**60.55**
Cash & cash equivalents as at 31st March		**136.30**	**1,908.86**

For and on behalf of the Board of Directors

This is the Statement of Cash Flows referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number : 304026E/E-300009

Chartered Accountants

M Srinivas
Chief Financial Officer

B D Nanda
Managing Director

Ashish Taksali
Partner
Membership No. 099625
Hyderabad, April 15, 2019

J.K. Panda
Company Secretary

Debashis Jena
Director

Puri, April 15, 2019

T S ALLOYS LTD
Notes to Financial Statements

Background

T S Alloys Limited ("the Company") is a wholly owned subsidiary of Tata Steel Limited. The Company primarily acts as a conversion agent/ external processing agent for conversion of ferro chrome from chrome ore and coke supplied by Tata Steel Limited.

Note 1: Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the presentation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis for preparation

(i) **Compliance with Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules,2015] and other relevent provisions of the Act.

(ii) **Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets is measured at fair value;
- defined benefit plans – plan assets measured at fair value.

(b) Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment, impairment of property, plant and equipment,provision for employee benefits and other provisions, commitments and contingencies.

(c) Revenue Recognition

The company has applied the Standard Ind AS 115-Revenue from Contracts with customer for the Annual reporting period commencing April 1, 2018. There has been no change in the accounting policy following the adoption of Ind AS 115.
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes, goods and service tax(GST).
The company recognises revenue when the amount of revenue can be reliably measured,it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

(i) **Sale of Goods**

Timing of Recognition: Revenue from sale of goods is recognised in the Statement of Profit and Loss when the entity sells goods and the control over ownership are transferred to the buyer.

(ii) **Conversion Income and Operation & Maintenance Income:**

Timing & Measurement of Recognition: Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

(iii) **Interest Income**

Timing & Measurement of Recognition: Interest income is recognised on time proportion basis based on the amount outstanding and the rate applicable.

(d) Income taxes
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e)Leases
As a Lessee
Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(f) Impairment of Assets
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(g) Cash and Cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade Receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Inventories

Raw materials, stores & spares and work in progress

Raw materials, stores & spares and work in progress are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j)Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

-those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Equity Instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the entity's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognised only when

-The company has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Income Recognition

Interest income
Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends
Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

(k) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(l) Property, Plant and Equipment
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Methods,estimated useful lives and residual value
Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.
The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's experts which are same as those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the assets.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(m) Trade and other payables:
These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

(n) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee Benefits

(i) Short-term obligations:
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii)Other Long Term Benefits Obligation:
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations:
The group operates the following post-employment schemes:
(a) defined benefit plans- gratuity and leave encashment;
and
(b) defined contribution plan- provident fund

Gratuity Obligations
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(p) Foreign Currency Transactions
Items included in the financial statements are measured using the currency of primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is T S Alloys Limited's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(q) Equity
Equity shares are classified as equity.

(r)Earnings Per Share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
-the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
-the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

T S ALLOYS LTD

Notes to Financial Statements

Amount in INR (Lakhs)

	As at March 31, 2019	As at March 31, 2018
2. Property, plant & equipment and capital work-in-progress		
Carrying amounts of:		
Freehold Land	11.81	11.81
Buildings	1,268.61	1,346.92
Plant and machinery	3,921.29	3,907.36
Furniture, fixtures & office equipment	33.57	38.92
Vehicles	34.65	40.26
Sub-total	**5,269.93**	**5,345.27**
Capital work-in-progress	89.50	73.12
Total	**5,359.43**	**5,418.39**

	Freehold land	Freehold buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total tangible assets
Deemed cost as at Apr 1, 2018	11.81	1,580.94	5,551.27	20.77	85.99	47.96	**7,298.74**
Additions	-		719.73	-	15.27	-	**735.00**
Disposals			(487.29)			(0.36)	**(487.65)**
Deemed cost as at March 31, 2019	**11.81**	**1,580.94**	**5,783.71**	**20.77**	**101.26**	**47.60**	**7,546.09**
Accumulated Depreciation as at Apr 1, 2018	-	234.02	1,643.91	16.57	51.27	7.70	**1,953.47**
Charge for the year	-	78.31	705.80	2.81	17.81	5.61	**810.34**
Disposals			(487.29)			(0.36)	**(487.65)**
Accumulated depreciation as at March 31, 2019	**-**	**312.33**	**1,862.42**	**19.38**	**69.08**	**12.95**	**2,276.16**
Net book value as at April 1, 2018	**11.81**	**1,346.92**	**3,907.36**	**4.20**	**34.72**	**40.26**	**5,345.27**
Net book value as at March 31, 2019	**11.81**	**1,268.61**	**3,921.29**	**1.39**	**32.18**	**34.65**	**5,269.93**

Note :Depreciation charge for the year include accelerated depreciation amounting to Rs 177.08 lakhs (March 31, 2018 -NIL)for certain plant & machinery

T S ALLOYS LTD

Notes to Financial Statements

2. Property, plant & equipment and capital work-in-progress (contd...)

Amount in INR (Lakhs)

	Freehold land	Freehold buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total tangible assets
Deemed cost as at Apr 1 2017	11.81	1,524.58	5,496.23	19.00	60.66	22.42	**7,134.70**
Additions	-	56.36	55.04	1.77	25.33	25.54	**164.04**
Disposals	-	-		-	-		**-**
Deemed cost as at March 31, 2018	**11.81**	**1,580.94**	**5,551.27**	**20.77**	**85.99**	**47.96**	**7,298.74**
Accumulated depreciation as at Apr 1, 2017	-	154.88	1,098.81	12.95	35.71	4.46	**1,306.81**
Charge for the year	-	79.14	545.10	3.62	15.56	3.24	**646.66**
Accumulated depreciation as at March, 2018	**-**	**234.02**	**1,643.91**	**16.57**	**51.27**	**7.70**	**1,953.47**
Net carrying value as at March 31, 2017	**11.81**	**1,369.70**	**4,397.42**	**6.05**	**24.95**	**17.96**	**5,827.89**
Net carrying value as at March 31, 2018	**11.81**	**1,346.92**	**3,907.36**	**4.20**	**34.72**	**40.26**	**5,345.27**

3. Intangible assets

	Software costs	Total Intangible Assets
Deemed Cost as at April 1, 2018		**-**
Additions	5.95	**5.95**
Disposals		**-**
Deemed cost as at March 31, 2019	**5.95**	**5.95**
Accumulated amortisation as at April 1, 2018		**-**
Charge for the year	1.08	**1.08**
Disposals		**-**
Accumulated amortisation as at March 31, 2019	**1.08**	**1.08**
Net carrying value as at April 1, 2018	**-**	**-**
Net carrying value as at March 31, 2019	**4.87**	**4.87**

T S ALLOYS LTD
Notes to Financial Statements

	Amount in INR (Lakhs) As at March 31, 2019	As at March 31, 2018
4. Investments		
Non current		
Equity instrument at FVOCI		
1,62,64,484 nos shares(March 31, 2018 -162,64,484) equity shares of Bhubaneswar power private limited	2,265.29	2,434.80
	2,265.29	**2,434.80**

Notes:

T S Alloys limited has invested in equity shares of Bhubaneshwar Power Private Limited (BPPL) which is equal to 6.42% of total share capital of the BPPL. The investment is carried at fair value.

Out of the above, NIL shares (March 31, 2018 - 97.59 lakhs) equity shares of Rs 10 each have been pledged with Power Finance Corporation and Rural Electrification Corporation Ltd, for availling rupee term loan by Bhubaneswar Power Private Limited.

		As at March 31, 2019	As at March 31, 2018
5. Other financial assets- Non-current			
(a)	**Security deposits**		
	Unsecured, considered good *	876.39	876.09
		876.39	**876.09**
(b)	**Interest accrued on deposits, loans and advances**		
	Unsecured, considered doubtful	26.90	26.90
	Less: Provision for bad & doubtful loans	26.90	26.90
		-	-
(c)	**Unrestricted Non-current cash and bank balances**		
	Fixed Deposits with maturity of more than a year	8.40	7.34
		8.40	**7.34**
	Total other non-current financial assets	**884.79**	**883.43**

* Security Deposit amounting to Rs. 7.90 lakhs includes FD and NSC pledged with Government Authorities.

		As at March 31, 2019	As at March 31, 2018
	Other financial assets- current		
(a)	**Security deposits**		
	Unsecured, considered good	1.50	1.57
		1.50	**1.57**
(b)	**Interest accrued on deposits, loans and advances**		
	Unsecured, considered good	132.34	76.70
		132.34	**76.70**
	Total other current financial assets	**133.84**	**78.27**

T S ALLOYS LTD
Notes to Financial Statements

		Amount in INR (Lakhs)	
		As at March 31, 2019	As at March 31, 2018
6. Non- Current retirement benefit assets			
(i)	Retiring gratuities	44.19	22.06
	Total Retirement benefit asset (Refer note no.31)	**44.19**	**22.06**
7. Other Non-financial assets			
I.	**Other Non-current non-financial assets**		
(i)	Capital advances	422.00	56.13
(ii)	Advance with public bodies	2.42	13.19
(iii)	Prepaid rentals for operating leases:	546.74	553.94
	Prepaid lease payments cost	640.29	640.29
	Less:Cumulative prepaid lease payments amortisation (Refer note i below)	93.55	86.35
(iv)	Other non-financial assets	0.10	0.10
	Prepaid expenes	3.17	-
		974.43	**623.36**
II.	**Other current non-financial assets**		
(i)	Advance with public bodies	90.57	163.13
(ii)	Prepaid rentals for operating leases (Refer note i below)	7.19	7.19
(iii)	Advance to vendors	16.77	971.58
(iv)	Prepaid expenses	35.72	-
		150.25	**1,141.90**

Notes:
Note i: Prepaid lease payment relates to payment made against land leases.

8. Inventories			
(a)	Raw materials	311.47	285.31
(b)	Work-in-progress	68.27	32.78
(c)	Stores and spares	794.99	785.01
		1,174.73	**1,103.10**

Amount in INR (Lakhs)

	As at March 31, 2019	As at March 31, 2018
9. Trade receivables		
Unsecured considered good - current (Receivable from related party)	2,445.21	2,209.02
	2,445.21	**2,209.02**

i. Trade receivables are further analysed as follows

As at March 31, 2019	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	2,186.24	-	2,186.24
One month overdue	258.97	-	258.97
	2,445.21	**-**	**2,445.21**

As at March 31, 2018	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	2,202.81	-	2,202.81
One month overdue	6.21	-	6.21
	2,209.02	**-**	**2,209.02**

	As at March 31, 2019	As at March 31, 2018
10. Current investments (fair value through profit and loss)		
Unquoted		
(11,728.2125 units (March 31, 2018-Nil) of HDFC money market fund-direct plan - growth option)	459.67	-
	459.67	**-**
11A Cash and cash equivalents		
(i) Cash In hand	0.10	0.10
(ii) Unrestricted balances with banks	-	-
(i) In current account	136.19	713.05
(ii) In deposit account	-	1,195.71
- Original maturity - less than three months		
	136.29	**1,908.86**
11B Bank balances other than cash and cash equivalents		
(ii) In deposit account		
Bank deposits with Original Maturity more than three months	1,200.00	-
	1,200.00	-

T S ALLOYS LTD
Notes to Financial Statements

	As at March 31, 2019	As at March 31, 2018
		Amount in INR (Lakhs)
12. Share capital		
Authorised:		
70,000,000 equity shares of Rs. 10 each	7,000.00	7,000.00
(March 31, 2019: 70,000,000 equity shares of Rs. 10 each)		
(March 31, 2018: 70,000,000 equity shares of Rs. 10 each)		
	7,000.00	**7,000.00**
Issued, Subscribed and Paid Up:		
65,707,544 equity shares of Rs. 10 each	6,570.75	6,570.75
(March 31, 2019: 65,707,544 Equity Shares of Rs. 10 each)		
(March 31, 2018: 65,707,544 Equity Shares of Rs. 10 each)		
	6,570.75	**6,570.75**

A. There has been no movement in subscribed and paid up share capital during the year.

B. Shareholders holding more than 5 percent shares in the company:

Name of shareholders	As at March 31, 2019		As at March 31, 2018	
	No. Of ordinary shares	%	No. of ordinary shares	%
Tata Steel Limited	65,707,044	100%	65,707,044	100%

C. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the payment of the preferential amounts.

13. Other equity		
Retained earnings	5,060.13	5,451.17
Other Reserves	553.83	620.04
	5,613.96	**6,071.21**
Retained earnings		
Balance at the beginning of year	5,451.17	4,707.80
Profit / (Loss) for the year	(387.41)	1,222.09
Items of other comprehensive income recognised directly in retained earnings		
- remeasurements of post-employment benefit obligation, net of tax	(3.63)	(4.22)
Balance at end of year	**5,060.13**	**5,925.67**
Less : Dividends paid and dividend distribution tax	-	474.50
Balance at end of year	**5,060.13**	**5,451.17**

Retained earnings represents the undistributed profits of the company.

Other Reserves - FVOCI Equity Instruments		
Balance at the beginning of year	620.04	-
Changes in Fair Value of FVOCI equity instruments	(169.52)	808.35
Deferred Tax	103.31	(188.31)
Balance at the end of the year	**553.83**	**620.04**

T S ALLOYS LTD
Notes to Financial Statements

	Amount in INR (Lakhs) For the year ended March 31, 2019	For the year ended March 31, 2018
14. Provisions		
Current provisions		
(a) Provision for employee benefits		
Compensated absences	54.67	37.33
	54.67	**37.33**

15. Income taxes

(i) Income tax (expenses)/credit recognised in the statement of profit and loss are analysed as below:

Current taxes	3.27	508.07
Deferred taxes	(378.00)	(251.80)
	(374.73)	**256.27**

(ii) The reconciliation of estimated income taxes to income tax expenses is as follows:

Profit before tax	(762.14)	1,478.36
Income tax expense at tax rate applicable to individual entities	(198.16)	511.63
Effect of expenses that are not deductible in determining taxable profit	100.07	143.67
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	101.36	(147.23)
Previously recognized deferred tax assets (net) actualised during the year	(378.00)	(186.58)
Others	-	(65.22)
Income tax expense reported	**(374.73)**	**256.27**

(iii) Significant component of deferred tax assets and liabilities for the year ended Mar 31, 2019 is as follows :

	Opening balance	Deferred tax expense/ (income recognised in profit and loss)	Deferred tax expense/ (income recognised in other comprehensive income)	Closing balance
Deferred tax assets				
Provisions	7.83	(0.84)	-	6.99
Retirement benefit assets/ liabilities	4.44	(3.00)	1.28	2.72
Tax losses		101.36		101.36
Total	12.27	97.52	1.28	111.07
Deferred tax liabilities				
Property, plant and equipment	804.32	(281.47)	-	522.85
Fair valuation of investment	188.31	0.99	(103.31)	85.99
Total	992.63	(280.48)	(103.31)	608.84
Net deferred tax assets/(liabilities)	**(980.36)**	**378.00**	**104.59**	**(497.77)**

Significant component of deferred tax assets and liabilities for the year ended March 31, 2018 is as follows :

	Opening balance	Deferred tax expense/ (income) recognised in profit and loss	Deferred tax expense/ (income) recognised in other comprehensive income	Closing balance
Deferred tax assets				
Other un-used tax credits	28.99	(28.99)	-	-
Provisions	9.31	(1.48)	-	7.83
Retirement benefit	3.99	(1.28)	1.73	4.44
Total	42.29	(31.75)	1.73	12.27
Deferred tax liabilities				
Property, plant and equipment	1,087.86	(283.54)	-	804.32
Fair valuation of investment			188.31	188.31
Total	1,087.86	(283.54)	188.31	992.63
Net deferred tax assets / (liabilities)	**(1,045.57)**	**251.79**	**(186.58)**	**(980.36)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

	Amount in INR (Lakhs) As at March 31,2019	As at March 31, 2018
16. Trade Payable		
(a) Creditors for supplies and services		
Trade payable- MSME	19.32	-
Trade payable-other	2,358.43	1,956.42
	2,377.75	**1,956.42**

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 0-45 days.

(ii) There are no amount outstanding in relation to micro, small or medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at the end of the year other than those disclosed above, based on the information available with the Company. There are no interest payable to MSMED Creditors as the Company does timely payment to MSMED vendors.

(iii) **Classification of trade payable**		
(a) Trade payable	1,175.00	1,026.68
(b) Trade payable to related parties	1,202.75	929.74
17. Other financial liabilities		
(a) Interest payable		
Interest accrued but not due on borrowings	0.47	0.01
Interest accrued and due on borrowings	55.83	55.83
(b) Creditors for other liabilities		
Creditors for capital supplies/services	70.70	70.70
(c) Creditors for accrued wages and salaries	232.12	178.75
	359.12	**305.29**
18. Other liabilities		
(a) Advances received from customers	15.81	16.68
(b) Employee recoveries and employer contributions	11.34	11.18
(c) Statutory Dues (GST, excise duty, service tax, sales tax, TDS, cess etc)	290.41	327.45
	317.56	**355.31**

T S ALLOYS LTD

Notes to Financial Statements

	Amount in INR (Lakhs)	
	For the year ended March 31, 2019	**For the year ended March 31, 2018**
19. Revenue from operations		
(a) **Services rendered**		
Conversion income	15,754.09	18,087.27
(b) **Other operating income**		
Sale of scrap	102.53	147.56
Operation and maintenance services	1,639.40	980.23
Total revenue from operations	**17,496.02**	**19,215.06**

Revenue from services are derived from a single customer, Tata Steel Limited.

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the retrospective effect method. The adoption of the Standard did not result in any material impact on the financial statements.

20. Other income		
(a) Interest from:		
(i) Income tax refund	54.81	32.74
(ii) Interest income from deposits	108.13	19.64
(b) Provisions / liabilities no longer required written back	-	0.40
(c) Net gain/(loss) on investment clasified at fair value through profit and loss	16.37	-
(d) Gain/(loss) on sale of tangible asset and intangible assets	0.35	0.16
(e) Other miscellaneous income	17.15	106.69
Total other income	**196.81**	**159.63**

T S ALLOYS LTD

Notes to Financial Statements

		Amount in INR (Lakhs)
	For the year ended March 31, 2019	**For the year ended March 31, 2018**
21. Raw material consumed		
Opening stock	285.31	342.43
Add: Purchases	1,423.13	1,484.38
Less: Closing stock	(311.47)	(285.31)
Total Raw material consumed	**1,396.97**	**1,541.50**
Material consumed comprises:		
Furnace oil	196.48	130.97
Lime	263.32	292.64
Molasses	455.51	602.08
Carbon paste	314.91	303.92
Quartz	145.19	183.03
Others	21.56	28.86
Total	**1,396.97**	**1,541.50**
22. Changes in inventories of work-in-progress		
Stock at the beginning of the year	32.78	3.37
Stock at the end of the year	68.27	32.78
Net (increase) / decrease in stock of work-in-progress	**(35.49)**	**(29.41)**

T S ALLOYS LTD

Notes to Financial Statements

	For the year ended March 31, 2019	For the year ended March 31, 2018
		Amount in INR (Lakhs)
23. Employee benefits expense		
(a) Salaries and wages, including bonus	1,083.78	871.72
(b) Contribution to provident and other funds		
Provident fund	52.29	44.79
Employees state insurance	17.85	19.05
Gratuity	9.24	9.59
(c) Staff welfare expenses	61.13	43.71
Total employee benefits expense	**1,224.29**	**988.86**
24. Finance costs		
(a) Interest expense		
(a) Interest on borrowings		
- On cash credits	1.33	17.43
Total finance costs	**1.33**	**17.43**
25. Depreciation and amortisation		
Depreciation on property plant and equipment	810.34	646.66
Amortisation on intangible assets	1.08	-
	811.42	**646.66**

T S Alloys Limited

Notes to Financial Statements

	For the year ended March 31, 2019	For the year ended March 31, 2018
	Amount in INR (Lakhs)	
26. Other expenses		
(a) Repairs to buildings	169.92	135.30
(b) Repairs to machinery	268.88	269.92
(c) Repairs and maintenace of Other	20.59	-
(d) Rent	3.96	3.59
(e) Rates and taxes	10.58	5.70
(f) Insurance charges	8.23	8.50
(g) Stores and spares consumed	641.18	589.02
(h) Jigging, breaking and sizing expenses	501.98	497.62
(i) Other expenses		
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit (refer note i below)	3.90	3.98
(ii) For other services (refer note i below)	0.50	0.51
(iii) Auditors out-of-pocket expenses	0.80	-
(2) Legal and other professional costs	47.70	12.59
(3) Advertisement, promotion & selling expenses	0.31	0.30
(4) Travelling and conveyance expenses	70.64	65.15
(5) Security charges	122.95	99.04
(6) Corporate social responsibility expenses (Refer Note ii below)	23.64	51.81
(7) Raw material handling charges	524.98	478.89
(8) Operation & maintenance-Gopalpur	1,030.12	376.51
(9) Other general expenses (refer note iii below)	275.99	549.99
Total Other expenses	**3,726.85**	**3,148.42**

Notes:

(i). Amount is exclusive of tax

(ii). Revenue expenditure charged to the statement of profit and loss in respect of corporate social responsibility (CSR) activities undertaken during the year is amounting to Rs. 23.64 Lakhs (Rs. 23.64 lakhs has been paid in cash) as compared to Rs. 51.81. Lakhs (Rs. 42.14 lakhs has been paid in cash and Rs. 9.67 lakhs was not paid in cash) for the year ended March 31, 2018. The amounts are spent on purposes other than construction / acquisition of any asset.

(iii). Other general expenses include gain on exchange fluctuation of Rs. 0.24 lakhs for the year ended 31st March, 2019 (31st March, 2018: Rs 1.19 lakhs)

27. Contingent liabilities

In the ordinary course of business, the company faces claims by various parties. The company assesses such claims and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The company records a liability for any claims where a potential loss is probable and capable of being estimated. For potential losses that are considered possible, but not probable, the company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.
The following is a description of claims where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.
As at March 31, 2019, there were pending litigations relating to excise duty, sales taxes ,water conservation fund and income tax involving demands of amounts disclosed below.

Amount in INR (Lakhs)

	As at March 31, 2019	As at March 31, 2018
Contingent liabilities not provided for:		
(a) Excise duty	614.00	416.00
(b) Service tax	13.74	-
(c) Sales tax	11.00	11.00
(d) Water conservation fund (WCF)	250.00	150.00
(e) Income tax	-	326.43
Total	**888.74**	**903.43**

28. Commitments

(a). Estimated amounts of contracts remaining to be executed on capital account and not provided for : **Rs. 47.68 Lakhs** net of advances of 48.35 Lakhs. (As at March 31, 2018: Rs. 17.50 , Net of advance: 7.50 Lakhs)

29. Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Profit after tax attributable to ordinary shareholders - for basic and diluted EPS	**(387.41)**	1,222.09
	Nos.	**Nos.**
(b) Weighted average no. of ordinary shares for basic and diluted EPS (nos.)	**65,707,544**	65,707,544
(c) Nominal value of ordinary shares (Rs.)	**10.00**	10.00
(d) Basic and diluted earnings per ordinary share (Rs./ share)	**(0.59)**	1.86

30. Related party transaction

(a) List of related parties and relationship

Name of the related party	Relationship
(i) Tata Steel Limited	Holding company
(ii) Tata Steel Processing and Distribution Limited	Fellow subsidiary
(iii) Bhubaneswar Power Private Limited	Fellow subsidiary
(iv) Tata Pigment Limited	Fellow subsidiary
(v) T S Alloys Employees Gratuity Trust	Retirement benefit plan

(b) Related party transaction **Amount in INR (Lakhs)**

Name of the related party	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
Tata Steel Limited	Conversion income	18,586.73	20,501.73
	Other reimbursement	-	(81.77)
	Rendering service	1,934.49	1,289.02
	Receiving of service	132.53	51.08
	Dividend paid	-	394.24
Bhubaneswar Power Private Limited	Reimbursement of expense	0.39	8.01
	Sale of goods	1.84	8.88
	Purchase of power	9,456.82	9,987.07
	Purchase of goods	0.69	
	Finance provided (Short term advance)	-	700.00
	Recovery of Finance Provided	700.00	-
Tata Steel Processing and Distribution Limited	Purchase of goods	37.12	20.23
T S Alloys Employees Gratuity Trust	Contribution to trust	36.27	16.03
Key Management Personnel	Short term employees benefit	128.46	130.58
	Post employment benefits	15.88	6.00
	Other long term benefits	4.20	9.10
	Sitting fees	-	3.01

Name of the related party	Nature of balances	As at March 31, 2019	As at March 31, 2018
Tata Steel Limited	Amount receivable	2,445.21	2,209.02
	Amount payable(Interest)	55.83	55.83
	Amount payable	8.93	2.83
Tata Steel Processing and Distribution Limited	Amount receivable	-	0.07
	Amount payable	-	-
T S Alloys Employees Gratuity Trust	Amount receivable	141.11	105.53
Bhubaneswar Power Private Limited	Amount receivable	-	700.00
	Amount payable	1,193.83	926.91

Notes:
(i) Transactions with related parties are at arms length prices.
(ii) All outstanding balance are unsecured and considered good, payable in cash.

T S Alloys Limited
Notes to Financial Statements
31. Employee benefits

(a) Defined contribution plans

The Company provides Provident Fund benefit to all employees and Employees State Insurance benefit to selected employees. Under these schemes fixed contributions are paid to a separate trust managed by the trustees appointed by the Company. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The company has made the following contributions which are recognised as expense in the statement of profit and loss for year in which the services are rendered by employees.

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	Contribution to Provident fund	52.29	44.79
(ii)	Contribution to ESIC	17.85	19.05
		70.14	63.84

(b) The Company operates post retirement defined benefit plans and other long term employee benefits as follows:

A. Post retirement defined benefit plans
Post retirement gratuity [Funded]

B. Other long term employee benefits plans
Compensated absences [Unfunded]

(c) Details of the gratuity and compensated absences benefit are as follows — **Amount in INR (Lakhs)**

Description	2018-19		2017-18	
	Gratuity	Compensated absences	Gratuity	Compensated absences
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at beginning of the year	83.47	37.33	63.38	33.12
b. Current service cost	12.25	6.02	11.66	5.41
c. Interest cost	6.00	2.68	4.35	2.25
d. Actuarial (gain)/loss	1.89	0.72	6.41	(1.41)
e. Acquisition from group companies	-	-	-	-
f. Benefits paid	(6.69)	(3.31)	(2.33)	(2.04)
g. Obligation as at the end of the year	96.92	43.44	83.47	37.33
2. Change in fair value of plan assets				
a. Fair value of plan assets as at the beginning of the year	105.53	-	84.95	-
b. Expected return on plan assets	9.02	-	6.42	-
c. Actuarial gain/(loss)	(3.02)	-	0.46	-
d. Contributions/refunds made by/to the company	36.27	-	16.03	-
e. Benefits paid	(6.69)	-	(2.33)	-
f. Acquisition from group companies	-	-		-
g. Fair value of plan assets as at the end of the year	141.11	-	105.53	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at the end of the year	141.11	-	105.53	-
b. Present value of obligation as at the end of the year	96.92	43.44	83.47	37.33
c. Amount recognised in the balance sheet assets/(liabilities) (Refer note i)	44.19	(43.44)	22.06	(37.33)
4. Expenses recognised in Statement of Profit & Loss				
a. Current service cost	12.25	6.02	11.66	5.41
b. Interest cost	6.01	2.68	(2.07)	2.25
c. Expected return on plan assets	(9.02)	-	-	-
d. Actuarial (gains)/loss	-	0.72	-	(1.41)
e. Expenses recognised during the year (Refer note ii)	9.24	9.42	9.59	6.25
5. Expenses recognised in Statement of Other Comprehensive Income				
a. Actuarial (gain)/loss due to DBO experience	1.89	-	12.22	-
b. Actuarial (gain)/loss due to DBO assumption changes	-	-	(5.81)	-
c. Return on plan assets (greater)/less than discount rate	3.02	-	(0.46)	-
d. Expenses recognised during the year (Refer note ii)	4.91	-	5.95	-
6. Investment details				
a. Funds with Life Insurance Corporation of India	90%	NA	82%	NA
b. Fixed Deposit	10%	NA	18%	NA
7. Assumptions				
a. Discount rate (per annum)	7.50%	7.50%	7.50%	7.50%
b. Rate of escalation in salary (Refer note iii)	5.00%	5.00%	5.00%	5.00%

Notes:

i. In case of gratuity the amount is recognised under "Retirement benefit assets" in Note 06 whereas for compensated absences the same is recognised under "Provisions for employee benefits" in Note 14.

ii. Expenses relating to gratuity are included in Contribution to Provident and Other Funds [Note 23(b)] whereas for compensated absences the same is included in salaries and wages including bonus [Note 23(a)].

iii. The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factors.

iv. The weighted average duration of the defined benefit obligation as at March 31, 2019 is 14 years (March 31 ,2018:16 years).

8. Net asset/(liability) recognized in balance sheet (including experience adjustment impact):

Gratuity	2018-19	2017-18	2016-17	2015-16	2014-15
1. Present value of defined benefit obligation	(96.92)	(83.47)	(63.38)	(54.37)	(35.79)
2. Fair value of plan assets	141.11	105.53	84.95	48.85	48.85
3. Status [surplus/(deficit)]	44.19	22.06	21.57	(5.52)	13.06
Compensated absences	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
1. Present value of defined benefit obligation	(43.44)	(37.33)	(33.12)	(15.51)	(10.59)
2. Fair value of plan assets	-	-	-	-	-
3. Status [surplus/(deficit)]	(43.44)	(37.33)	(33.12)	(15.51)	(10.59)

9. Sensitivity analysis

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and inflation cost:

Gratuity

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by 12.20%, increase by 14.70%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 14.90%, decrease by 12.60%

Compensated Absences

Assumption	Change in assumption	Impact on Defined Benefit Obligation
Discount rate	1% Increase in Discount	(5.23)
	1% Decrease in Discount	6.31
Salary escalation	1% Increase in Discount	6.42
	1% Decrease in Discount	(5.39)

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

10. a) The Gratuity scheme is a post retirement defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal.

b) The Leave scheme is a other long term employee benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal.

The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Change in Leave Balances : This is the risk of variability of results due to a significant variation from expected accumulation of leave balances. All other aspects remaining same, higher than expected increase in the leave balances will increase the defined benefit obligation.

32. Operating lease

The Company had taken land under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company:

	Amount in INR (Lakhs)	
Operating lease payments	**As at March 31, 2019**	**As at March 31, 2018**
Not later than one year	0.63	0.63
Later than one year but not later than five years	2.51	2.51
Later than five years	45.19	45.82
Total minimum lease commitments	48.33	48.96

T S Alloys Limited
Notes to Financial Statements

33. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements

(A) Financial assets and liabilities

The following table presents amortised cost and fair value of each category of financial assets and liabilities and basis of valuation as at March 31, 2019

Amount in INR (Lakhs)

As at March 31, 2019	**Amortised cost**	**Fair value through profit and loss account**	**Fair value through other comprehensive income**	**Total carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Investments	-	-	2,265.29	2,265.29	-	-	2,265.29	2,265.29
Current investments		459.67		459.67	459.67			459.67
Trade receivables	2,445.21	-	-	2,445.21	-	-	-	-
Other financial assets	1,018.63	-	-	1,018.63	-	-	-	-
Cash and bank balances	136.29	-	-	136.29	-	-	-	-
Other Bank balances	1,200.00	-	-	1,200.00				
Total financial assets	**4,800.13**	**459.67**	**2,265.29**	**7,525.09**	**459.67**	**-**	**2,265.29**	**2,724.96**
Financial liabilities								
Trade payables	2,377.75	-	-	2,377.75	-	-	-	-
Other financial liabilities	359.12	-	-	359.12	-	-	-	-
Total financial liabilities	**2,736.87**	**-**	**-**	**2,736.87**	**-**	**-**	**-**	**-**
Total	**2,063.26**	**459.67**	**2,265.29**	**4,788.22**	**459.67**	**-**	**2,265.29**	**2,724.96**

As at March 31, 2018	**Amortised cost**	**Fair value through profit and loss account**	**Fair value through other comprehensive income**	**Total carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Investments	-	-	2,434.80	2,434.80	-	-	2,434.80	2,434.80
Trade receivables	2,209.02	-	-	2,209.02	-	-	-	-
Other financial assets	961.70	-	-	961.70	-	-	-	-
Cash and bank balances	1,908.86	-	-	1,908.86	-	-	-	-
Total financial assets	**5,079.58**	**-**	**2,434.80**	**7,514.38**	**-**	**-**	**2,434.80**	**2,434.80**
Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	1,956.42	-	-	1,956.42	-	-	-	-
Other financial liabilities	305.29	-	-	305.29	-	-	-	-
Total financial liabilities	**2,261.71**	**-**	**-**	**2,261.71**	**-**	**-**	**-**	**-**
Total	**2,817.87**	**-**	**2,434.80**	**5,252.67**	**-**	**-**	**2,434.80**	**2,434.80**

Notes:

i. The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

ii. Level 1: Hierarchy includes financial Instruments measured using quoted prices.

Level 2: Hierarchy includes fair value of financial instrments that are not traded in an active market. It is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Hierarchy includes fair value of financial instrments if one or more of the significant inputs is not based on obseravable market data.

(B) Financial risk management
The Company's principal financial liabilities comprises of trade payable and other financial liabilities. The main purpose of these financial instruments is to manage short-term cash flow and generate finances for the company's capital expenditure program. The company has various financial assets such as trade receivable, long-term deposits, short-term deposits and cash, which arise directly from its operations.

Risk exposures and responses
The company manages its exposure to key financial risks in accordance with the direction of board of directors. The main risks that could adversely affect the company's financial assets, liabilities or future cash flows are market risks, foreign currency risk, liquidity risk and credit risk. Management and board of directors review and agree policies for managing each of these risks which are summarised below.

(i) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's financial instrument mainly affected in market prices risk comprises of three types of risk: currency risk, interest rate risk and other price risk which include equity price risk and price risk. Financial instruments affected by market risk includes investments, trade receivables, other financial assets, trade payables and other financial liabilities.

(a) Foreign currency risk management
The Company undertakes transactions denominated in foreign currencies for importing it's raw material, consequently, exposures to exchange rate fluctuations arise.

The sensitivity analysis have not been prepared as there is no amount outstanding as debt in foreign currencies as at March 31, 2019 and March 31, 2018 .

(b) Interest rate risk management
Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. As the company has only short term borrowings in the nature of cash credits from banks, there is no significant exposure to the interest rate risk but only to the extent of recognition of interest portion of financial instrument classfied at amortised cost. The company manages it interest risk exposure relating to the financial instrument classified at amortised cost by using the market interest rate as the effective interest rate and the changes in the assets liabilities is accounted for as interest income/expenses with respect to financial assets/financial liabilities respectively.
However, as there is no primary exposure to the interest rate risk the sensitivity analysis has not been performed by the company.

(c) Equity price risk:
Equity price risk is related to the change in market reference price of the investments in equity securities. The company holds investment for strategic rather than trading purposes.

The company does not have any investment in the equity shares apart from the investment in Bhubaneswar Power Private Limited which is a fellow subsidiary and is fair valued in the financial statement. The shares of Bhubaneswar Power Private Limited are unlisted. They are however exposed to changes in value arising from changes in expectations of equity returns, etc.

(ii) Credit risk management
Credit risk is the risk of financial loss arising from the counter party failure to repay or service debt according to the contractual terms and obligations, credit risk encompasses both the direct risk of default and the risk of deterioration of the credit worthiness as well as concentration risks.
Financial instruments that are subjected to concentration of credit risk principally consists of trade receivables and loans. None of the financial instruments of the company results in the material concentration of the credit risk.

(iii) Liquidity risk management
Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.
The company has obtained cash credit facilities with IDBI bank. The company invests its surplus funds in bank fixed deposit, which carry no/low mark to market risk and has sufficient owned funds to finance its existing and continuing commitments.
The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019 and March 31, 2018.

	Amount in INR (Lakhs)	
	Less than 1 year	**Carrying Amount**
As at March 31, 2019		
a) Trade payables	2,377.75	**2,377.75**
b) Other financial liabilities	359.12	**359.12**
As at March 31, 2018		
a) Trade payables	1,956.42	**1,956.42**
b) Other financial liabilities	305.29	**305.29**

34. Capital management

(a) Risk management
The Company's objectives when managing capital are to:
- Safeguard their ability to continue as going concern, so that they can continue to provide returns for share holder and benefits for other stake holder.
And
- Maintain optimal capital structure to reduce the cost of capital.

(b) Dividend

	Amount in INR (Lakhs)	
	As at March 31, 2019	**As at March 31,2018**
(i) Equity Shares		
Final dividend for the year ended Mar 2019 (Mar, 2018: @ Rs0.60 Per Share)	Nil	394.24
Tax on final dividend	Nil	80.26

35. Net cash and bank reconciliation

	Amount in INR (Lakhs)	
	As at March 31, 2019	**As at March 31,2018**
Balance as at 1st April	1,908.86	60.55
Interest credited by bank	108.13	19.64
Interest charged by bank	(0.87)	(17.43)
Cash flow during the year	(679.83)	1,846.10
Balance as at March 31*	**1,336.29**	**1,908.86**

* Represents balance of cash and bank as on date

36. Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning April 1, 2019.
Ind AS 116 – Leases -Ind AS 116 will supercede the existing Ind AS 17. The company is in the process of evaluating the impact of adoption of Ind AS 116 on its financial statements.

37. The Company primarily acts as a conversion agent to Tata Steel Limited for conversion into ferro chrome from chrome ore and coke supplied by Tata Steel Limited. The Company derives revenue from India and all non-Current assets are in India. Conversion of high carbon ferro chrome is the only reportable segment in accordance with Indian Accounting Standard 108 - Operating Segments.

38. The Honourable Supreme Court of India in its judgment in the matter of Vivekanada Vidyamandir & Others Vs The Regional Provident Fund Commissioner (II) West Bengal laid principles in relation to inclusion of allowances for determination of wages for the purposes of computing the provident fund contributions. The management is currently evaluating the matter together with the legal advisors to determine the applicability/ effective date (i.e., prospective or retrospective) and the operation of the Order. However, based on initial assessment the impact of the same is not expected to be material on these financial statements.

39. Previous year's figure have been regrouped/reclassified wherever necessary to correspond with the current year's figure.

40. The financial statements were approved for issue by the Board of Directors on April 15, 2019

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number : 304026E/E-300009
Chartered Accountants

Ashish Taksali
Partner
Membership No. 099625

Hyderabad, April 15, 2019

For and on behalf of the Board of Directors

M Srinivas
Chief Financial Officer

B D Nanda
Managing Director

J.K. Panda
Company Secretary

Debashis Jena
Director

Puri, April 15, 2019