TATA STEEL DOWNSTREAM PRODUCTS LIMITED
(Formerly known as Tata Steel Processing And Distribution Limited)

Balance Sheet as at 31 March 2020

		Notes	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
I. ASSETS				
(1) **Non-current assets**				
(a)	Property, plant and equipment	2A	49,349.50	41,248.45
(b)	Capital work-in-progress	2A	4,262.51	10,166.00
(c)	Other intangible assets	2A	77.38	127.32
(d)	Right of use assets	2B	3,393.58	-
(e)	Financial assets			
	(i) Investments	6	-	-
	(ii) Other financial assets	3	187.17	218.50
(f)	Non current tax assets (net)	21	283.55	258.58
(g)	Other non-current assets	4	3,888.45	5,939.16
Total non-current assets			**61,442.14**	**57,958.01**
(2) **Current assets**				
(a)	Inventories	5	39,871.11	50,781.43
(b)	Financial assets			
	(i) Investments	6	-	-
	(i) Trade receivables	7	31,105.17	35,415.54
	(ii) Cash and cash equivalents	8	5,555.36	842.40
	(iii) Other Financial assets	9	78.70	6.38
(c)	Other current assets	10	5,527.53	6,264.69
Total current assets			**82,137.87**	**93,310.44**
Total assets			**1,43,580.01**	**1,51,268.45**
II. EQUITY AND LIABILITIES				
(1) **Equity**				
(a)	Equity share capital	11	6,825.00	6,825.00
(b)	Other equity	12	67,033.30	61,318.30
Total equity			**73,858.30**	**68,143.30**
(2) **Non-current liabilities**				
(a)	Financial liabilities			
	(i) Borrowings	13	18,772.44	18,077.47
	(ii) Lease liabilities	16A	1,193.70	-
(b)	Provisions	15	2,512.41	1,912.94
(c)	Deferred tax liabilities (net)	36	3,949.31	3,373.51
(d)	Other non-current liabilities	16	323.77	366.21
Total non-current liabilities			**26,751.63**	**23,730.13**
(3) **Current liabilities**				
(a)	Financial liabilities			
	(i) Borrowings	14	20,218.52	28,470.01
	(ii) Lease liabilities	16A	97.26	-
	(iii) Trade payables	17		
	(a) Total dues of micro enterprise and small enterprise		127.98	45.54
	(b) Total outstanding dues to other than (iii)(a) above		13,380.97	23,146.23
	(iv) Other financial liabilities	18	5,715.15	4,682.43
(b)	Provisions	15	613.75	78.76
(c)	Current tax liabilities (Net)	20	1,519.74	1,532.63
(d)	Other current liabilities	19	1,296.71	1,439.42
Total current liabilities			**42,970.08**	**59,395.02**
Total liabilities			**69,721.71**	**83,125.15**
Total equity and liabilities			**1,43,580.01**	**1,51,268.45**

The above Balance Sheet should be read in conjunction with the accompanying notes — 1-46

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

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

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. : 057572

Rajeev Singhal
Chairman
DIN: 02719570

Asis Mitra
Company Secretary

Swapna Nair
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: June 22, 2020
Place: Kolkata

Date: June 22, 2020
Place: Kolkata

TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)

Statement of Profit and Loss for the year ended 31 March 2020

		Notes	Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
I.	Revenue from operations	22	3,10,808.99	4,28,092.42
II.	Other income	23	242.00	294.63
III.	**Total Income (I +II)**		**3,11,050.99**	**4,28,387.05**
IV.	**Expenses**			
	(a) Cost of materials consumed	24	2,43,822.13	3,58,149.35
	(b) Purchase of stock-in-trade	25	20,005.85	24,095.86
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	1,195.18	(1,397.37)
	(d) Employee benefits expense	27	9,615.64	8,091.51
	(e) Finance costs	28	2,988.00	3,396.99
	(f) Depreciation and amortisation expense	2A & 2B	3,376.91	2,801.94
	(g) Other expenses	29	20,581.03	21,558.19
			3,01,584.74	**4,16,696.47**
	Less : Expenditure (other than interest) transferred to capital and other accounts		66.79	87.07
			3,01,517.95	**4,16,609.40**
V.	**Profit before tax (III - IV)**		**9,533.04**	**11,777.65**
VI.	**Tax expense**	36		
	(a) Current tax		2,628.00	3,318.00
	(b) Deferred tax		790.44	849.97
			3,418.44	4,167.97
VII.	**Profit for the year (V-VI)**		**6,114.60**	**7,609.68**
	Other comprehensive income/(loss)			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plan		(614.24)	351.56
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(214.64)	122.85
VIII.	**Total other comprehensive income/(loss)**		**(399.60)**	**228.71**
IX.	**Total comprehensive income for the year (VII+VIII)**		**5,715.00**	**7,838.39**
	Profit for the year attributable to:			
	Owners of the Company		6,114.60	**7,609.68**
	Other comprehensive income for the year attributable to:			
	Owners of the Company		(399.60)	**228.71**
	Total comprehensive income for the year attributable to:			
	Owners of the Company		**5,715.00**	**7,838.39**
X.	**Earnings Per share of Rs. 10 each**	33		
	Basic and Diluted (Rs.)		8.96	11.15

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes 1-46

This is the Statement of Profit and Loss referred to in our report of even date

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

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. : 057572

Rajeev Singhal
Chairman
DIN: 02719570

Swapna Nair
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: June 22, 2020
Place: Kolkata

Date: June 22, 2020
Place: Kolkata

TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)

Statement of Cash Flow for the year ended 31 March 2020

	Year ended 31.03.2020		Year ended 31.03.2019	
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
A CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT BEFORE TAX		**9,533.04**		11,777.65
Adjustments for :				
Depreciation and amortisation expense	3,376.90		2,801.94	
Amortisation of lease payments	-		45.34	
Interest income recognised in profit or loss	(100.53)		(79.40)	
Deferred income-government subsidy	(42.44)		(42.44)	
Finance costs	2,988.00		3,396.99	
Unrealised (gain)/ Loss on foreign exchange	8.86		(5.66)	
Difference in derivatives (MTM) loss / (gain)	(72.33)		(130.14)	
(Gain)/ Loss on disposal of property, plant and equipment	163.44		(5.05)	
Net (gain)/loss arising on financial assets designated as at FVTPL	-		2.44	
		6,321.90		5,984.02
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		15,854.94		17,761.67
Adjustments for :				
(Increase)/Decrease in trade and other receivables	4,310.74		(2,664.85)	
(Increase)/Decrease in inventories	10,910.32		(15,408.78)	
Increase/(Decrease) in trade and other payables	(9,297.59)		8,840.00	
(Increase)/Decrease in other assets	1,314.47	7,237.94	(68.58)	(9,302.21)
CASH GENERATED FROM OPERATIONS		23,092.88		8,459.46
Income taxes paid (net)		(2,665.87)		(3,089.97)
NET CASH GENERATED BY OPERATING ACTIVITIES		20,427.01		5,369.49
B CASH FLOW FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment,capital work-in-progress, other intangible assets and right of use assets	(5,729.57)		(4,676.92)	
Proceeds from disposal of property, plant and equipment	56.73		24.52	
Proceeds on sale of financial assets	-		278.79	
Interest received	100.53		79.40	
NET CASH USED IN INVESTING ACTIVITIES		(5,572.31)		(4,294.21)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	4,500.00		-	
Repayment of Long Term borrowings	(2,890.48)		(3,036.76)	
Proceeds from Short Term borrowings	158.57		4,322.26	
Repayment of Short Term borrowings	(8,410.07)		(547.76)	
Finance Cost paid	(3,422.99)		(3,893.08)	
Principal elements of lease payments	(76.77)		-	
NET CASH USED IN BY FINANCING ACTIVITIES		(10,141.74)		(3,155.34)
Net Increase in Cash and Cash equivalents (A+B+C)		4,712.96		(2,080.06)
Cash and cash equivalents at the beginning of the year		842.40		2,922.46
Cash and cash equivalents at the end of the year (Refer Note 8)		5,555.36		842.40

The above Statement of Cash Flow should be read in conjunction with the accompanying notes 1-46

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

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

For and on behalf of the Board of Directors

Pinaki Chowdhury
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Company Secretary

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Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: June 22, 2020
Place: Kolkata

Date: June 22, 2020
Place: Kolkata

TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)

Statement of Changes in Equity for the year ended 31 March 2020

(A) **Equity Share Capital**	**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
(i) **Authorised** 50,00,000,000 fully paid equity shares of Rs.10 each (March 31, 2019 : 75,000,000 fully paid shares of Rs.10 each)	**5,00,000.00**	**7,500.00**
(ii) **Issued , Subscribed and paid up**		
68,250,000 equity shares of Rs. 10 each fully paid	6,825.00	6,825.00
[100% share capital of the company is held by Tata Steel Limited, The Holding Company and its nominees]		
Total issued, subscribed and fully paid up share capital	**6,825.00**	**6,825.00**

(B) **Reconciliation of number of shares**	**As at 31.03.2020 Number of shares**	**As at 31.03.2019 Number of shares**
Opening balance	6,82,50,000	6,82,50,000
Issued during the year	-	-
Closing balance	**6,82,50,000**	**6,82,50,000**

(C) **Other equity**	**Reserves and Surplus**		**Total**
	General Reserve	**Retained Earnings**	
	Rs. In lakhs	**Rs. In lakhs**	**Rs. In lakhs**
Balance as at 01.04.2018	373.77	53,106.14	**53,479.91**
Profit for the year	-	7,609.68	**7,609.68**
Other comprehensive income for the year, net of income tax	-	228.71	**228.71**
Balance as at 31.03.2019	373.77	60,944.53	**61,318.30**
Balance as at 01.04.2019	373.77	60,944.53	**61,318.30**
Profit for the year	-	6,114.60	**6,114.60**
Other comprehensive income for the year, net of income tax	-	(399.60)	**(399.60)**
Balance as at 31.03.2020	**373.77**	**66,659.53**	**67,033.30**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes 1-46

This is the Statement of Changes in Equity referred to in our report of even date

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

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. : 057572

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DIN: 02719570

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Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: June 22, 2020
Place: Kolkata

Date: June 22, 2020
Place: Kolkata

Note 1: Significant accounting policies

A. General information

Tata Steel Downstream Products Limited (Formerly known as Tata Steel Processing and Distribution Limited) ('TSDPL' or 'the Company') is a public limited Company incorporated in India with its registered office at Tata Centre, 43, Chowringhee Road, Kolkata - 700071, West Bengal, India.

The Company is engaged in the business of production/manufacture of processed coils and sheets including corrugation of processed sheets and complex fabrication of plates and manufacture of components for heavy earth moving equipments and small car segment.

The functional and presentation currency of the Company is Indian Rupees (Rs.) which is the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

The Company is a 100% subsidiary of Tata Steel Limited.

B. Significant accounting policies

(1) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Ind AS 116 "Leases" (refer Note 1B(8) and 38).

(2) Basis of preparation and presentation

a) The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting year, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

b) Current Versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting year, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting year, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting year.

All other liabilities are classified as non-current.

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

c) New and amended standards adopted by the company

The company had applied the following standards and amendments for the first time for their annual reporting period commencing April 01, 2019:

- Ind AS 116, Leases
- Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits
- Uncertainty over income Tax Treatments – Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs

  The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in Note 1(B)(8) and 38. The other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(3) 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 recognised in the year in which the estimate is revised and future years affected.

Significant judgments and estimates relating to the carrying amounts of assets and liabilities including carrying amount of property, plant and equipment, provision for employee benefits, other provisions and contingencies are included in the following notes:

- Carrying amounts of property, plant and equipment: Refer notes 1B (5), 1B (6), 1B (7) and 2A
- Provision for employee benefits and other provisions: Refer note 15 and 35
- Contingent liabilities: Refer notes 1B (14) and 30
- Carrying amount of inventory : Refer notes 1B(12) and 5

(4) Intangible assets

Intangible assets acquired separately

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

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful life of the software is 5 years.

(5) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised. Where a property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the year of construction is added to the cost of eligible property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

(6) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost less its estimates residual value.

Depreciation on Property, plant and equipment is provided on straight-line method over the remaining useful life of assets as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain categories of the assets, in whose case the life of the assets have been assessed after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The details of estimated useful life for each category of assets are as under:

S.No.	Category of assets	Useful life

a)	Factory building	30 years
b)	Building (others)	30 to 60 years
c)	Roads and pathways	10 to 20 years
d)	Plant and equipment	6 to 20 years
e)	Electrical installations	5 to 20 years
f)	Furniture and fixtures	10 years
g)	Office equipment	5 to 15 years
h)	Vehicles	5 years
i)	Computer	5 years
j)	Leasehold Improvements	Over the base year or estimated useful life, whichever is lower

Note: Useful life of class of assets has been determined based on independent technical valuation carried out by independent valuers which management believes best represent the year over which the assets are expected to be used.

(7) Impairment of tangible and intangible assets

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

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

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

(8) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease.

The company as a lessee

From April 01, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease component. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be paid by the company under residual value guarantees
- The exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lesse's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in an economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- Where possible, uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- Use a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by TSDPL, which does not have recent third party financing, and
- Makes adjustments specific to the lease, e.g term, country, currency and security.

The company is exposed to potential future increases in variable lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.
Lease payments are allocated between principal and finance cost. The finance cost is charged to profit & 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.
Variable lease payments that depends on sale are recognized in profit or loss in the period in which the condition that triggers those payment occurs.
An entity shall determine the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Right-of-use assets are measured at cost comprising the following
- The amount of initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration cost.
  Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

  Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less. Low-value asset comprises IT equipment and small items of office furniture.

The Company as lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(9) Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

a) Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are a portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 taking into account historical credit loss experience and adjustment for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains or losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting year.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

b) Financial liabilities and equity instruments

Equity instruments

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

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Derecognition of financial liabilities

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

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting year, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gain or losses and is recognised in the Statement of Profit and Loss.

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, cross currency swaps and interest rate swaps. The instruments are employed as hedges of transactions included in the accounts or for highly probable forecast transactions/ firm contractual commitments. These derivatives contracts do not generally extend beyond 12 months, except for certain interest rate swaps and cross currency interest rate swaps.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting year. The fair value for forward currency contracts, interest rate swaps are marked to market at the end of each reporting year. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss as they arise.

(10) Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

Short-term and other long-term employee benefits

The liability is recognised for benefits accruing to employee with respect of wages and salaries in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(11) Taxation

Tax expense for the year comprises current and deferred tax.

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting year. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to cover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity.

Deferred tax liabilities are recognised for all taxable timing differences.

Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spares are valued at lower of cost (comprising of purchase price, freight and handling, non-refundable taxes and duties and other directly attributable costs) and net realizable value.

Cost of inventories are generally ascertained on the “weighted average” basis.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product category basis.

(13) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, drafts on hand, deposits held at call with banks and other short term deposits.

(14) Provisions

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

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes.

(15) Government grants

Government grants related to expenditure on property, plant and equipment are credited to the Statement of Profit and Loss over the useful lives of qualifying assets. Total grants received less the amounts credited to the Statement of Profit and Loss at the balance sheet date are included in the balance sheet as deferred income.
Government loan received in form of interest free financial assistance, to be repaid after a specified year, is initially recognised at its fair value which is the discounted amount of the loan computed using the market rate of interest for a similar loan.

The difference between the nominal value of loan and its fair value is recognised as government grant. The grant is recognised in profit and loss on a systematic basis over the years in which the company recognises as expenses the related costs for which the grant is intended to compensate.

(16) Revenue

Revenue is measured at fair value of consideration received or receivable, net of discounts and taxes and duties collected on behalf of the government, taking into account the contractually defined terms.

Sale of goods

The Company is in the business of production/manufacture of processed coils and sheets including corrugation of processed sheets and complex fabrication of plates and manufacture of components for heavy earth moving equipments and small car segment. Revenue from sale of goods are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of obsolescence and loss have been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice for the industry.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any contracts where the year between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Sale of services

Income from services is accounted over the year of rendering of services. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due and associated costs.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(17) Foreign currency transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS 21 "The Effect of Change in Foreign Exchange Rate" financial reporting year are recognised directly in equity or added/deducted from the cost of assets as the case may be.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the reporting year. Exchange differences arising on translation of non-monetary items carried at fair value through profit and loss are recognised in Statement of Profit and Loss for the year as part of the fair value gain or loss and translation differences arising on non-monetary items classified as FVOCI are recognised directly in other comprehensive income.

(18) Borrowing Costs

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

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

(19) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

TATA STEEL DOWNSTREAM PRODUCTS LIMITED

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Notes annexed to and forming part of the financial statements

NOTE 2A : PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS AND OTHER INTANGIBLE ASSETS

Rs. in lakhs

Particulars	Freehold land	Building	Plant and equipment	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Computers	Total tangible assets	Computer software	Total intangible assets	Total assets
Gross Block as at 01.04.2018	164.83	11,032.30	29,084.38	1,685.91	271.19	218.65	177.17	411.77	43,046.20	348.34	348.34	43,394.54
Additions/ transfers during the year	-	924.94	6,116.29	109.41	28.99	43.20	33.23	51.57	7,307.63	39.06	39.06	7,346.69
Adjustment for foreign exchange fluctuation (gain)/loss	-	32.74	138.49	4.47	-	-	-	-	175.70	-	-	175.70
Deletions/ transfers during the year	-	4.84	12.99	3.34	3.54	4.45	-	9.60	38.76	-	-	38.76
Gross Block as at 31.03.2019	**164.83**	**11,985.14**	**35,326.17**	**1,796.45**	**296.64**	**257.40**	**210.40**	**453.74**	**50,490.77**	**387.40**	**387.40**	**50,878.17**
Additions/ transfers during the year	-	1,847.15	8,783.13	471.79	131.21	59.02	-	101.15	11,393.45	0.08	0.08	11,393.53
Adjustment for foreign exchange fluctuation (gain)/loss	-	-	69.79	-	-	-	-	-	69.79	-	-	69.79
Deletions/ transfers during the year	-	102.41	92.68	50.64	60.51	50.04	0.58	18.62	375.48	-	-	375.48
Gross block as at 31.03.2020	**164.83**	**13,729.88**	**44,086.41**	**2,217.60**	**367.34**	**266.38**	**209.82**	**536.27**	**61,578.53**	**387.48**	**387.48**	**61,966.01**
Impairment as at 01.04.2018	-	-	274.39	0.61	-	0.03	-	-	275.03	-	-	275.03
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31.03.2019	**-**	**-**	**274.39**	**0.61**	**-**	**0.03**	**-**	**-**	**275.03**	**-**	**-**	**275.03**
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31.03.2020	**-**	**-**	**274.39**	**0.61**	**-**	**0.03**	**-**	**-**	**275.03**	**-**	**-**	**275.03**
Accumulated Depreciation as at 01.04.2018	-	1,534.69	3,850.37	372.09	96.23	95.04	77.49	220.57	6,246.48	198.25	198.25	6,444.73
Depreciation during the year	-	531.11	1,931.03	105.14	35.28	29.59	34.61	73.35	2,740.11	61.83	61.83	2,801.94
Deductions/ transfers during the year	-	0.60	2.06	0.53	2.34	4.24	-	9.53	19.30	-	-	19.30
Accumulated Depreciation as at 31.03.2019	**-**	**2,065.20**	**5,779.34**	**476.70**	**129.17**	**120.39**	**112.10**	**284.39**	**8,967.29**	**260.08**	**260.08**	**9,227.37**
Depreciation during the year	-	532.77	2,321.55	113.50	34.52	35.58	35.64	68.47	3,142.03	50.02	50.02	3,192.05
Deductions/ transfers during the year	-	3.83	36.39	21.83	39.53	35.44	-	18.30	155.32	-	-	155.32
Accumulated Depreciation as at 31.03.2020	**-**	**2,594.14**	**8,064.50**	**568.37**	**124.16**	**120.53**	**147.74**	**334.56**	**11,954.00**	**310.10**	**310.10**	**12,264.10**
Net Block as at 31.03.2018	**164.83**	**9,497.61**	**24,959.62**	**1,313.21**	**174.96**	**123.58**	**99.68**	**191.20**	**36,524.69**	**150.09**	**150.09**	**36,674.78**
Net Block as at 31.03.2019	**164.83**	**9,919.94**	**29,272.44**	**1,319.14**	**167.47**	**136.98**	**98.30**	**169.35**	**41,248.45**	**127.32**	**127.32**	**41,375.77**
Net Block as at 31.03.2020	**164.83**	**11,135.74**	**35,747.52**	**1,648.62**	**243.18**	**145.82**	**62.08**	**201.71**	**49,349.50**	**77.38**	**77.38**	**49,426.88**
Net Capital Work in Progress as at 01.04.2018												11,745.38
Additions during the year												5,668.01
Transfers during the year												(7,247.39)
Gross Capital Work in Progress as at 31.03.2019												**10,166.00**
Additions during the year												5,825.71
Transfers during the year												(11,729.20)
Capital Work in Progress as at 31.03.2020												**4,262.51**

i) Refer Note 31 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

ii) Refer Note 44 for information on property, plant and equipment pledged as security against borrowings.

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Notes annexed to and forming part of the balance sheet

NOTE 2B : RIGHT OF USE ASSET

	Right to Use Land	Right to Use Building	Right to Use Plant & Machinery	Total Right to Use Assets
Gross Carrying Amount as at 01.04.2018	**-**	**-**	**-**	**-**
Additions/ Transfers during the year	-	-	-	-
Cost Gross Carrying Amount as at 31.03.2019	**-**	**-**	**-**	**-**
Additions/ Transfers during the year (i)	1,893.08	1,405.19	280.17	3,578.44
Cost Gross Carrying Amount as at 31.03.2020	**1,893.08**	**1,405.19**	**280.17**	**3,578.44**
Accumulated Depreciation as at 01.04.2018	**-**	**-**	**-**	**-**
Depreciation during the Year	-	-	-	-
Accumulated Depreciation as at 31.03.2019	**-**	**-**	**-**	**-**
Depreciation during the year	119.67	55.83	9.36	184.86
Accumulated Depreciation as at 31.03.2020	**119.67**	**55.83**	**9.36**	**184.86**
Net Carrying Amount as at 31.03.2018	**-**	**-**	**-**	**-**
Net Carrying Amount as at 31.03.2019	**-**	**-**	**-**	**-**
Net Carrying Amount as at 31.03.2020	**1,773.41**	**1,349.36**	**270.81**	**3,393.58**
i) Refer Note 38 for first time adoption of Ind As 116 "Leases".				

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Notes annexed to and forming part of financial statements

NOTE 3 : OTHER FINANCIAL ASSETS	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
Non-current		
Security deposits	187.17	218.50
	187.17	**218.50**

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Notes annexed to and forming part of financial statements

NOTE 4 : OTHER NON-CURRENT ASSETS	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
(a) **Unsecured, considered good**		
(i) Capital advances	443.85	1,065.97
(ii) Prepaid expenses	18.49	19.79
(iii) Prepayment for leasehold land	-	892.37
(iv) Advance sales tax	225.30	186.03
(v) Balance with GST authorities	1,529.70	2,091.82
(vi) Balance with other Indirect tax authorities	1,671.11	1,683.18
(b) **Unsecured, considered doubtful**		
Capital advances	-	55.09
	3,888.45	**5,994.25**
Less: Provision for doubtful capital advances	-	55.09
	3,888.45	**5,939.16**

NOTE 5: INVENTORIES (valued at lower of cost or net realisable value)		**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
(a)	Raw materials (Refer Note (ii))	31,988.32	42,210.86
(b)	Work-in-Progress	286.03	418.14
(c)	Finished goods (including scrap) (Refer Note (iii))	5,288.47	5,619.88
(d)	Stock-in-trade	1,226.04	1,957.70
(e)	Stores and spares	1,082.25	574.85
		39,871.11	**50,781.43**

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 2,65,023.16 lakhs, (previous year 31.03.2019 Rs. 3,80,847.84 lakhs).

(ii) Raw materials include Goods in transit Rs. 5,047.73 lakhs, (31.03.2019 Rs. 9,441.02 lakhs)

(iii) Finished goods include Scrap of Rs. 321.46 lakhs, (31.03.2019 Rs. 198.62 lakhs)

(iv) The mode of valuation of inventories has been stated in note 1 (B) (12).

(v) There is a write down of inventories to it's net realisable value for an amount of Rs. 541.40 lakhs (31.03.2019 Rs. 481.46 lakhs).

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NOTE : 6: INVESTMENTS

Particulars	Balance As at 31.03.2020		Balance As at 31.03.2019	
	No. of Units	Rs. In lakhs	No. of Units	Rs. In lakhs
NON - CURRENT INVESTMENTS				
Unquoted investments (fully paid)				
Investment in Equity Instruments at FVTOCI - -Nicco Jubilee Park Limited (Face Value: Re 1)	10,000.00	1.00	10,000.00	1.00
Less: Provision for impairment in value		**(1.00)**		**(1.00)**
Total aggregate unquoted investments	**10,000.00**	**-**	**10,000.00**	**-**
Aggregate amount of impairment in value of investments		**1.00**		**1.00**

NOTE 7 : TRADE RECEIVABLES

		As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
	Current		
(a)	Considered good - Unsecured	31,105.17	35,415.54
(b)	Credit impaired	2,516.39	2,398.11
		33,621.56	**37,813.65**
	Less : Allowance for credit impaired	2,516.39	2,398.11
		31,105.17	**35,415.54**

Trade receivables
The average credit period on sale of goods is 0-90 days. In the event of customer making payments for an invoice/debit note beyond its stipulated/assigned credit period, an interest of 0% to 18% p.a is charged/debited to the customer for the number of days delayed, beyond due date.

The Company uses an internal customer credit analysis to assess the existing and potential customer's credit quality and defines the credit limits by customer. Of the trade receivables balance as on 31 March, 2020 of Rs. 5,765.65 lakhs (as at 31 March, 2019 of Rs. 2,919.34 lakhs) is due from Tata Steel Limited, the Company's largest customer (see note 34). There are no other customers who represent more than 5% of the total balance of trade receivables.

The Company has used a practical expedient to compute the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the reporting year is as follows:

	As at 31.03. 2020	
Ageing	**Gross Receivables (Rs. in lakhs)**	**Expected credit loss (Rs. in lakhs)**
0-90 days due	30,102.99	172.59
91-180 days due	1,000.84	23.67
181-365 days due	394.57	196.97
More than 365 days due	2,123.16	2,123.16
	33,621.56	**2,516.39**

	As at 31.03. 2019	
Ageing	**Gross Receivables (Rs. in lakhs)**	**Expected credit loss (Rs. in lakhs)**
0-90 days due	34,946.46	-
91-180 days due	465.52	-
181-365 days due	181.56	178.00
More than 365 days due	2,220.11	2,220.11
Total	**37,813.65**	**2,398.11**

Movement in the expected credit loss allowance	**Year ended 31.03.2020 (Rs. in lakhs)**	**Year ended 31.03.2019 (Rs. in lakhs)**
Balance at the beginning of the year	2,398.11	2,018.58
Bad debts written off	(0.02)	(20.58)
Allowance for doubtful trade receivables	118.30	400.11
Balance at end of the year	**2,516.39**	**2,398.11**

Notes:-
(i) There were no outstanding debts due from directors or other officers of the Company.
(ii) Trade receivables from related party as on March 31, 2020 amounting to Rs. 6,013.41 lakhs (March 31, 2019 Rs. 3,285.20 lakhs)

NOTE 8 : CASH AND CASH EQUIVALENTS	**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
(a) Balances with scheduled banks :		
-In current accounts	5,356.54	759.75
(b) Cheques, drafts on hand	197.79	80.21
(c) Cash on hand	1.03	2.44
	5,555.36	**842.40**

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NOTE 9 : OTHER FINANCIAL ASSETS	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
Financial Derivative Asset	78.70	6.38
	78.70	**6.38**

NOTE 10 : OTHER CURRENT ASSETS		**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
(a)	**Unsecured, considered good**		
	- Other advances (Refer note (i) & (ii) below)	2,383.02	2,723.34
(b)	Advance with Government autorities		
	- Balance with GST authorities	2,519.83	3,017.37
(c)	Prepaid expenses	287.27	217.32
(d)	Unamortised lease payments	-	45.35
(e)	Unbilled conversion revenue	337.41	215.05
(f)	Advance Gratuity	-	46.26
(g)	**Unsecured, considered doubtful**		
	Other advances	26.37	26.71
		5,553.90	**6,291.40**
	Less: Provision for doubtful advances	26.37	26.71
		5,527.53	**6,264.69**

Notes:
(i) Other advances includes unclaimed input credits of goods in transit and vendor advances.
(ii) Other advances includes advance to related parties Rs. 726.33 lakhs (31.03.2019 - Rs. 246.36 lakhs)

NOTE 11 : EQUITY SHARE CAPITAL	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
(a) **Authorised Share Capital**		
50,00,000,000 fully paid equity shares of Rs.10 each (March 31, 2019 : 75,000,000 fully paid shares of Rs.10 each)	5,00,000.00	7,500.00
(b) **Issued , Subscribed and fully paid up**		
68,250,000 equity shares of Rs. 10 each fully paid [100% share capital of the company is held by Tata Steel Limited, Holding Company and its nominees.]	6,825.00	6,825.00
Total issued, subscribed and fully paid up share capital	**6,825.00**	**6,825.00**

Terms and rights attached with Equity Shares :

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE 12 : OTHER EQUITY		As at 31.03.2020 Rs. In lakhs	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
(A)	**General reserve**				
	At the commencement of the year	373.77		373.77	
	At the end of the year		**373.77**		**373.77**
(B)	**Surplus in Profit and Loss**				
	At the commencement of the year	60,944.53		53,106.14	
Add:	Profit for the year	6,114.60		7,609.68	
Add:	Other comprehensive income/(loss)	(399.60)		228.71	
	At the end of the year		**66,659.53**		**60,944.53**
			67,033.30		**61,318.30**

Note: The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. In respect of the financial year 31 March, 2020 and 31 March, 2019, the Directors in their Board meeting dated 22 June, 2020 and 12 April, 2019 have proposed a final dividend of Rs. Nil per share and Rs. Nil per share respectively.

The Nature of reserves are as follows:-
(i) General Reserves

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

There is no movement in general reserve during the current and previous year.

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NOTE 13 : NON-CURRENT BORROWINGS

		As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
(a)	**Secured borrowings**		
	Term loans from bank	18,101.93	17,437.90
(B)	**Unsecured borrowings**		
	Deferred payment liabilities		
	-Sales tax deferment loans	670.51	639.57
	Total non current borrowings	**18,772.44**	**18,077.47**

Notes: **Additional information on borrowings**

	Particulars of Loan	Amount outstanding as on 31.03.2020	Amount outstanding as on 31.03.2019	Terms of Repayment	Security
[A]	**Term loan from Banks**	**(Rs. in lakhs)**	**(Rs. in lakhs)**		
i.	Rupee Loan	2,625.00	4,125.00	Quarterly repayments starting from 31.03.2017 till 31.12.2021 Interest rate of 1 yr MCLR + 0.50% per annum is charged on the outstanding loan amount.	Primary charge - Fixed assets of Chennai Service Centre, Thiruninravur
ii.	ECB loan-USD 1.31 mn (31.03.2019 - USD 1.88 mn)	839.86	1,305.56	Quarterly repayments starting 31.12.2017 till 30.09.2021 Interest rate of 3 months LIBOR + 1.50% per annum is charged on the outstanding loan amount. Refer note (iii) below	Fixed assets at CR Works (Jamshedpur Continuous Annealing and Processing Company Private Limited Slitting Facility), Jamshedpur
iii.	Rupee Loan	18,145.00	14,500.00	Quarterly repayments starting from 30.09.2019 till 30.06.2027 Interest rate of 3 month MCLR + 0.15% per annum is charged on the outstanding loan amount.	Fixed assets at HR Coil Processing Facility at Kalinganagar
	Total	**21,609.86**	**19,930.56**		
	Less: Current maturities of long term debt (Refer Note 18)	3,472.78	2,445.85		
	Less: Borrowing cost adjusted	35.15	46.81		
	Non-current borrowings-Secured	**18,101.93**	**17,437.90**		
[B]	**Sales tax deferment loan**	**670.51**	**639.57**	Repayable in five equal annual instalments after a period of 10 years from the end of the month of collection of sales tax (during the period from 2013-14 to 2022-23)	Unsecured

i) Loan guaranteed by the directors as on 31 March, 2020 - Rs. Nil (31 March, 2019-Rs. Nil).

ii) There is no breach of loan agreements during the current year and previous year.

iii) The interest rate of External Commercial Borrowings are based on 3 Months USD LIBOR for the relevant period which is hedged through Cross Currency Interest Rate Swaps.

iv) The interest rates for loans for the year ended 31.03.2020 as mentioned in [A] above are linked to LIBOR/MCLR and range between 3.40% to 9.05% p.a. (31.03.2019 - 3.00% to 9.55% p.a.).

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Debt Reconciliation

		As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
(i)	Non current borrowings (including current maturities of long term borrowings)	(22,245.22)	(20,523.32)
(ii)	Current borrowings	(20,218.52)	(28,470.01)
(iii)	Lease Liabilities	(1,290.96)	-
(iv)	Cash and cash equivalents	5,555.36	842.40
		(38,199.34)	**(48,150.93)**

Movements in Borrowings

	Current Borrowings Rs. In lakhs	Non current borrowings (including current maturities of long term borrowings) Rs. In lakhs
As at 01.04.2018	24,695.51	23,333.34
New loans / Drawals	4,322.26	-
Repayments	(547.76)	(3,036.76)
Exchange differences taken to Property, Plant and Equipment	-	175.70
Other adjustments	-	51.04
As at 31.03.2019	**28,470.01**	**20,523.32**
As at 01.04.2019	28,470.01	20,523.32
New loans / Drawals	158.57	4,500.00
Repayments	(8,410.07)	(2,890.48)
Exchange differences taken to Property, Plant and Equipment	-	69.79
Other adjustments	-	42.60
As at 31.03.2020	**20,218.51**	**22,245.23**

NOTE 14 : CURRENT BORROWINGS	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
Secured		
Loan repayable on demand		
(i) Cash credit from bank	-	613.31
(ii) Short term loan against customer bills	818.52	659.94
Unsecured		
(i) Loan repayable on demand [Refer Note -(iii)]	19,400.00	10,000.00
(ii) Commercial paper	-	17,196.76
Total current borrowings	**20,218.52**	**28,470.01**

Notes:

i) Cash credit from bank is secured against first charge on inventories and trade receivables. This carries MCLR linked interest rate ranging from 7.90% to 8.70% per annum (31 March, 2019 - 8.30% to 8.70% p.a). This is payable on demand.

ii) There is no default in repayment of borrowings and interest for the year ended 31 March, 2020 and 31 March, 2019.

iii) The loan is repayable on demand and carries MCLR linked interest rate ranging from 7.00% to 8.40% p.a (31 March, 2019- 8.55% to 8.60% p.a).

iv) Details of Commercial Papers :
Two series of commercial papers aggregating Rs. 100 crores and Rs 75 crores each were listed at Bombay Stock Exchange on January 15, 2020 and February 10, 2020 respectively and redeemed on January 21, 2020 and March 30,2020 respectively. None of these remained outstanding as at the year end.

As at 31.03.2020

Subscriber (Face Value)	Coupon Rate	Repayment date
-	-	-

As at 31.03.2019

Subscriber (Face Value)	Coupon Rate	Repayment date
Invesco Asset Management (India) Pvt Ltd (Rs. 100 Crores)	8.10% p.a.	22 May, 2019
Invesco Asset Management (India) Pvt Ltd (Rs. 75 Crores)	7.80% p.a.	03 June, 2019

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NOTE 15 : PROVISIONS	**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
Non-current provisions		
Provision for employee benefits		
(i) Compensated absences	1,143.52	806.83
(ii) Post retirement medical benefits	714.19	479.92
(iii) Post retirement benefits	654.70	626.19
Total non-current provisions (A)	**2,512.41**	**1,912.94**
Current provisions		
(i) Provision for employee benefits		
(a) Compensated absences	28.96	31.81
(b) Gratuity	535.87	-
(c) Other post retirement benefits	48.80	46.95
(ii) Provision for contingencies-sales tax	0.12	-
Total current provisions (B)	**613.75**	**78.76**
Total provisions (A+B)	**3,126.16**	**1,991.70**

NOTE 16 : OTHER NON-CURRENT LIABILITIES	**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
Unamortised deferred income	323.77	366.21
	323.77	**366.21**

Notes:

(i) Includes Rs. 9.00 lakhs (31.03.2019 - Rs 10.50 lakhs) of capital subsidy received from State Industrial Development Corporation of Uttarakhand Limited for investments in plant and equipment at Pantnagar unit, Uttarakhand. The amount has been recognised as deferred income, being a grant against plant and equipment, and is being amortised equally over the estimated useful life of plant and equipment and credited to the Statement of Profit and Loss.

(ii) Includes Rs 314.77 lakhs (31.03.2019 - Rs 355.71 lakhs) of Government grant recognised as deferred income with respect to sales tax deferral loan scheme received from Government of Maharashtra for the unit at Ranjangaon Pune. The grant is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grant is intended to compensate.

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NOTE 16A : LEASE LIABILITIES	**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
NON-CURRENT LEASE LIABILITY		
Lease Liability	1,193.70	-
	1,193.70	**-**
CURRENT LEASE LIABILITY		
Lease Liability	**97.26**	**-**
	97.26	**-**

NOTE 17 : TRADE PAYABLES

	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
Current		
(A) Total outstanding dues of micro and small enterprises		
Total outstanding dues of micro enterprises and small enterprises	127.98	45.54
	127.98	**45.54**
(B) Total outstanding dues of creditors other than micro and small enterprises		
(i) Trade payables - others	8,912.14	8,687.89
(ii) Trade payables to related parties (Refer Note 34)	4,468.83	14,458.34
	13,380.97	**23,146.23**
	13,508.95	**23,191.77**

NOTE 18 : OTHER FINANCIAL LIABILITIES		As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
(a)	Current maturity of long-term debt		
	- Term loan from bank (Secured) - Refer note 13	3,472.78	2,445.85
(b)	Interest accrued but not due on borrowings	204.76	263.32
(c)	Interest accrued on trade payables	34.18	26.57
(d)	Payables for purchase for property, plant and equipment	2,003.43	1,946.69
		5,715.15	**4,682.43**

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NOTE 19 : OTHER CURRENT LIABILITIES	**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
(a) Statutory dues (Contribution to Indirect Tax, PF, ESIC, withholding taxes, etc)	297.28	424.00
(b) Advance from customers	956.99	972.98
(c) Unamortised deferred income	42.44	42.44
	1,296.71	**1,439.42**

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NOTE 20 : CURRENT TAX LIABILITIES (NET)	As at 31.03.2020 Rs. In lakhs	As at 31.03.2019 Rs. In lakhs
Current tax liabilities		
Provision for tax	19,667.00	19,667.00
Less: Advance tax	18,147.26	18,134.37
	1,519.74	**1,532.63**

NOTE 21 : NON CURRENT TAX ASSETS (NET)	**As at 31.03.2020 Rs. In lakhs**	**As at 31.03.2019 Rs. In lakhs**
Non-Current tax assets		
Advance tax	10,016.34	7,363.37
Less: Provision for tax	9,732.79	7,104.79
	283.55	**258.58**

NOTE 22 : REVENUE FROM OPERATIONS	Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
(a) Sales of products	2,82,023.54	4,01,759.57
(b) Sale of services	25,387.57	21,922.88
(c) Other operating revenues [Refer note (iii)]	3,397.88	4,409.97
	3,10,808.99	**4,28,092.42**

Notes :

(i) Details of sale of products		
(1) Steel coils and sheets	2,73,718.02	3,89,523.46
(2) Others (Long products and components)	8,305.52	12,236.11
	2,82,023.54	**4,01,759.57**
(ii) Detail of sale of services		
Processing of steel coils/ sheets, longs and plates	25,387.57	21,922.88
	25,387.57	**21,922.88**

(iii) Includes scrap sales Rs. 3,038.61 lakhs [Previous year Rs. 4,371.18 lakhs]

NOTE 23 : OTHER INCOME

		Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
(a)	Interest income	100.53	79.40
(b)	Gain on sale/discard of Property, Plant & Equipment	-	5.05
(c)	Net gain/(loss) arising on financial assets designated as at FVTPL	-	(2.44)
(d)	Difference in derivatives (MTM) gain	99.03	170.18
(e)	Deferred income-government subsidy	42.44	42.44
		242.00	**294.63**

NOTE 24: COST OF RAW MATERIALS CONSUMED	Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
a] Opening Stock	42,210.86	28,296.79
b] Add : Purchases	2,33,599.59	3,72,063.42
	2,75,810.45	**4,00,360.21**
c] Less : Closing stock	31,988.32	42,210.86
	2,43,822.13	**3,58,149.35**
Details of raw materials consumed		
(i) Steel coils	2,38,300.26	3,47,561.35
(ii) Others	5,521.87	10,588.00
	2,43,822.13	**3,58,149.35**
NOTE: 25 PURCHASE OF STOCK-IN-TRADE		
(ii) Steel sheets	18,883.96	23,772.19
(ii) Others	1,121.89	323.67
	20,005.85	**24,095.86**
NOTE 26: CHANGES IN INVENTORIES		
WORK-IN-PROGRESS		
Opening stock	418.14	276.40
Less: Closing stock	286.03	418.14
	132.11	(141.74)
FINISHED GOODS		
Opening stock	5,619.88	5,381.60
Less: Closing stock	5,288.47	5,619.88
	331.41	(238.28)
STOCK-IN-TRADE		
Opening stock	1,957.70	940.35
Less: Closing stock	1,226.04	1,957.70
	731.66	(1,017.35)
	1,195.18	**(1,397.37)**

Notes annexed to and forming part of the financial statements

NOTE: 27 EMPLOYEE BENEFITS EXPENSE

		Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
(i)	Salaries and wages	8,277.75	6,966.69
(ii)	Company's contribution to provident and other funds	767.34	688.14
(iii)	Staff welfare expenses	570.55	436.68
		9,615.64	**8,091.51**

Note: During the year, the company recognised an amount of Rs. 281.51 lakhs (2018-19 Rs. 268.03 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
(a) Short term employee benefits	260.35	259.49
(b) Post employment benefits	17.59	7.10
(c) Other long term employment benefits	3.57	1.44
	281.51	**268.03**

NOTE 28 : FINANCE COSTS	Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
(a) Interest expense		
(i) On term loans	1,946.07	1,865.27
(ii) Trade payables	7.60	4.21
(iii) Others [Refer note (ii)]	1,441.69	2,137.49
(b) Other borrowing costs	11.65	18.97
	3,407.01	**4,025.94**
Less: Interest capitalised [Refer Note (i)]	419.01	628.95
	2,988.00	**3,396.99**

Notes:

(i) The capitalisation rate used to determine the amount of borrowing cost to be capitalised is the weighted average interest rate applicable to the entity's borrowings during the year, in this case it is in the range of 8.15% p.a. to 8.75% p.a. (previous year: 8.25% p.a. to 8.75% p.a.)

(ii) Interest expense amounting to Rs. 94.74 Lakhs has been recognised in the current year on account of lease liabilities (previous year - Nil).

NOTE 29: OTHER EXPENSES	Year ended 31.03.2020 Rs. In lakhs	Year ended 31.03.2019 Rs. In lakhs
Consumption of stores and spares	5,594.17	5,761.73
Packing expenses	536.13	504.40
Power and fuel	1,267.83	1,374.08
Conversion charges	2,138.20	2,352.13
Rent [Refer note (i)]	253.32	609.46
Repairs and maintenance		
- Buildings	17.37	30.10
- Plant and equipment	922.45	1,074.63
- Others	1,242.62	1,156.18
Insurance	234.23	211.81
Rates and taxes	312.19	89.60
Postage, telegram and telephone	35.45	37.44
Travelling and conference	481.37	408.81
Vehicle running	78.35	82.28
Printing and stationery	84.09	100.83
Freight and handling charges	2,599.63	2,823.44
Legal and professional charges	255.39	466.76
Expenses on corporate social responsibility (Refer note 39)	184.63	150.62
Directors fees and commission	17.52	14.28
Provision for doubtful trade receivables and advances	118.30	388.55
Loss on sale/discard of Property, Plant & Equipment	163.44	-
Net loss / (gain) on foreign currency transactions	3.00	(11.36)
Contract labour charges	2,258.93	1,988.99
Miscellaneous expenses	1,782.42	1,943.43
	20,581.03	**21,558.19**

Note:

(i) Expense relating to short-term leases Rs. 242.82 Lakhs and low value leases Rs 10.50 Lakhs has been recognised in the current year.

Note 30: Contingent liabilities

		As at 31.03.2020 Rs. in lakhs	As at 31.03.2019 Rs. in lakhs
Contingent Liabilities not provided for			
a)	Excise duty	**-**	56.97
b)	Sales tax/ VAT	**651.11**	760.64
c)	Income tax	**61.91**	61.91

Note:

The Company has done the impact assessment of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management (including considering a view from legal expert, recent inspections by PF authorities), the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Note 31: Capital commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances) :
Rs. 1,726.03 lakhs, (As at 31.03.2019 Rs. 3,638.12 lakhs).

Note 32: Payment to Auditors comprises:

	Year ended 31.03.2020 Amount (Rs. in lakhs)	Year ended 31.03.2019 Amount (Rs. in lakhs)
(a) To Statutory Auditors		
i) Audit fees	**15.82**	14.07
ii) Tax audit fees	**2.50**	2.50
iii) Other services	**13.75**	13.25
iv) Out-of-pocket expenses	**2.73**	6.38
	34.80	36.20
(b) To Cost Auditors		
i). Cost audit	**2.25**	2.25
ii). Other services	**0.18**	0.18
	2.43	2.43

The above figures are exclusive of Goods and Services Tax.

Note 33: Earnings per share

	Year ended 31.03.2020	Year ended 31.03.2019
Profit for the year (Rs. in lakhs)	**6,114.60**	7,609.68
Weighted average number of equity shares	**6,82,50,000**	6,82,50,000
Nominal value per equity share-Rs.	**10**	10
Basic and diluted earnings per share (Rs.)	**8.96**	11.15

Note: The Company did not have any potentially dilutive equity shares in any of the years presented.

Note 34: Related party disclosures

List of Related Parties and Relationship with whom transactions have taken place in the current year and/or previous year.

Name of the Related Party	
i) Tata Sons Limited	Company having significant influence in the Parent Company
ii) Tata Steel Limited	Parent Company
iii) The Tinplate Company of India Limited	Fellow Subsidiary Company
iv Tata Metaliks Limited	Fellow Subsidiary Company
v) Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary Company
vi) T S Alloys Limited	Fellow Subsidiary Company
vii) Tata Steel Special Economic Zone Limited	Fellow Subsidiary Company
viii) TM International Logistics Limited	Fellow Subsidiary Company
ix) Tata Steel BSL Limited	Fellow Subsidiary Company
x) Jamshedpur Continuous Annealing and Processing Company Private Limited	Joint Venture of Parent Company
xi) TKM Global Logistics Limited	Joint Venture of Parent Company
xii) Tata Bluescope Steel Private Limited	Joint Venture of Parent Company
xiii) Mjunction Services Limited	Joint Venture of Parent Company
xiv) TRF Limited	Associate of Parent Company
xv) Tata Ryerson Limited Officer's Superannuation Fund	Employee Benefit Fund
xvi) Tata Ryerson Limited Gratuity Fund	Employee Benefit Fund
xvii) Abraham G Stephanos (Managing Director)	Key Management Personnel
xviii) Dr. Rupali Basu (Independent Director, upto March 27,2020)	Key Management Personnel
xix) Mr. Srikumar Menon (Independent Director, upto March 27,2020)	Key Management Personnel
xx) Mr. Chacko Joseph (Non-Executive Director)	Key Management Personnel
xxi) Mr. Anand Sen (Chairman, upto October 16,2019)	Key Management Personnel

The related parties principally comprise subsidiaries, associates and joint ventures of Tata Steel Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for sale and purchase of products and services with its related parties.

The following table summarises related party transactions and balances included in the financial statements for the year ended and as at 31 March, 2020.

(Rs. in lakhs)

Transaction	**Period**	**Company having significant influence**	**Parent Company**	**Fellow Subsidiary Company**	**Joint Venture of Holding Company**	**Associate of Holding Company**	**Key Management Personnel (KMP) & Others**
Sale of products							
Tata Metaliks Limited	Year ended 31.03.2020	-	-	-	-	-	-
	Year ended 31.03.2019	-	-	40.40	-	-	-
T S Alloys Limited	Year ended 31.03.2020	-	-	28.03	-	-	-
	Year ended 31.03.2019	-	-	37.12	-	-	-
Tata Steel Special Economic Zone Limited	Year ended 31.03.2020	-	-	-	-	-	-
	Year ended 31.03.2019	-	-	1.78	-	-	-
TRF Limited	Year ended 31.03.2020	-	-	-	-	26.77	-
	Year ended 31.03.2019	-	-	-	-	-	-
Total	**Year ended 31.03.2020**	**-**	**-**	**28.03**	**-**	**26.77**	**-**
	Year ended 31.03.2019	**-**	**-**	**79.30**	**-**	**-**	**-**

Sale of services							
Tata Steel Limited	Year ended 31.03.2020	-	23,409.84	-	-	-	-
	Year ended 31.03.2019	-	19,360.43	-	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2020	-	-	-	1,718.84	-	-
	Year ended 31.03.2019	-	-	-	1,632.27	-	-
Total	**Year ended 31.03.2020**	**-**	**23,409.84**	**-**	**1,718.84**	**-**	**-**
	Year ended 31.03.2019	**-**	**19,360.43**	**-**	**1,632.27**	**-**	**-**

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Purchase of goods							
Tata Steel Limited	Year ended 31.03.2020	-	2,76,849.55	-	-	-	-
	Year ended 31.03.2019	-	4,42,834.83	-	-	-	-
Tata Steel BSL Limited	Year ended 31.03.2020	-	-	14,924.42	-	-	-
	Year ended 31.03.2019	-	-	7,579.80	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2020	-	-	-	5,226.52	-	-
	Year ended 31.03.2019	-	-	-	4,788.56	-	-
Tata Bluescope Steel Private Limited	Year ended 31.03.2020	-	-	-	114.79	-	-
	Year ended 31.03.2019	-	-	-		-	-
Total	**Year ended 31.03.2020**	**-**	**2,76,849.55**	**14,924.42**	**5,341.31**	**-**	**-**
	Year ended 31.03.2019	**-**	**4,42,834.83**	**7,579.80**	**4,788.56**	**-**	**-**

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Reimbursement of expenses (Paid)							
Tata Steel Limited	Year ended 31.03.2020	-	1,422.30	-	-	-	-
	Year ended 31.03.2019	-	1,472.69	-	-	-	-
The Tinplate Company of India Limited	Year ended 31.03.2020	-	-	3.83	-	-	-
	Year ended 31.03.2019	-	-	33.55	-	-	-
Total	**Year ended 31.03.2020**	**-**	**1,422.30**	**3.83**	**-**	**-**	**-**
	Year ended 31.03.2019	**-**	**1,472.69**	**33.55**	**-**	**-**	**-**

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Receiving of Services							
Tata Sons Limited	Year ended 31.03.2020	646.68	-	-	-	-	-
	Year ended 31.03.2019	520.71	-	-	-	-	-
Jamshedpur Utilities & Services Company Limited	Year ended 31.03.2020	-	-	5.00	-	-	-
	Year ended 31.03.2019	-	-	5.00	-	-	-
TKM Global Logistics Limited	Year ended 31.03.2020	-	-	-	-	-	-
	Year ended 31.03.2019	-	-	-	1.79	-	-
TM International Logistics Limited	Year ended 31.03.2020	-	-	-	40.95	-	-
	Year ended 31.03.2019	-	-	-	68.12	-	-
Tata Bluescope Steel Private Limited	Year ended 31.03.2020	-	-	-	25.83	-	-
	Year ended 31.03.2019	-	-	-	29.63	-	-
Mjunction Services Limited	Year ended 31.03.2020	-	-	-	47.65	-	-
	Year ended 31.03.2019	-	-	-	53.64	-	-
Total	**Year ended 31.03.2020**	**646.68**	**-**	**5.00**	**114.43**	**-**	**-**
	Year ended 31.03.2019	**520.71**	**-**	**5.00**	**153.18**	**-**	**-**

TATA STEEL DOWNSTREAM PRODUCTS LIMITED
(Formerly known as Tata Steel Processing And Distribution Limited)
Notes annexed to and forming part of financial statements

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Employee Benefit Plan - Contribution							
Tata Ryerson Limited Officer's Superannuation Fund	Year ended 31.03.2020	-	-	-	-	-	-
	Year ended 31.03.2019	-	-	-	-	-	146.83
Tata Ryerson Limited Gratuity Fund	Year ended 31.03.2020		-	-	-	-	-
	Year ended 31.03.2019		-	-	-	-	-
Total	**Year ended 31.03.2020**	**-**	**-**	**-**	**-**	**-**	**-**
	Year ended 31.03.2019	**-**	**-**	**-**	**-**	**-**	**146.83**
Employee Benefit Plan - Settlement							
Tata Ryerson Limited Officer's Superannuation Fund	Year ended 31.03.2020	-	-	-	-	-	**42.28**
	Year ended 31.03.2019	-	-	-	-	-	108.01
Tata Ryerson Limited Gratuity Fund	Year ended 31.03.2020		-	-	-	-	**77.56**
	Year ended 31.03.2019		-	-	-	-	95.12
Total	**Year ended 31.03.2020**	**-**	**-**	**-**	**-**	**-**	**119.84**
	Year ended 31.03.2019	**-**	**-**	**-**	**-**	**-**	**203.13**
Managerial remuneration							
Mr. Abraham G Stephanos #	Year ended 31.03.2020	-	-	-	-	-	**281.51**
	Year ended 31.03.2019	-	-	-	-	-	268.03
Dr. Rupali Basu	Year ended 31.03.2020		-	-	-	-	**8.28**
	Year ended 31.03.2019		-	-	-	-	8.20
Mr. Srikumar Menon	Year ended 31.03.2020		-	-	-	-	**5.86**
	Year ended 31.03.2019		-	-	-	-	6.02
Mr. Chacko Joseph	Year ended 31.03.2020		-	-	-	-	**1.20**
	Year ended 31.03.2019		-	-	-	-	-
Mr. Anand Sen	Year ended 31.03.2020		-	-	-	-	**0.25**
	Year ended 31.03.2019		-	-	-	-	-
Total	**Year ended 31.03.2020**	**-**	**-**	**-**	**-**	**-**	**297.10**
	Year ended 31.03.2019	**-**	**-**	**-**	**-**	**-**	**282.25**

Managerial remuneration for KMP excludes provision for compensated absences and gratuity, as separate figures for KMP are not available.

TATA STEEL DOWNSTREAM PRODUCTS LIMITED
(Formerly known as Tata Steel Processing And Distribution Limited)
Notes annexed to and forming part of financial statements

(Rs. in lakhs)

Outstanding balances		Company having significant influence	Parent Company	Fellow Subsidiary company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Security deposits							
Tata Steel Limited	**As at 31.03.2020**	-	65.23	-	-	-	-
	As at 31.03.2019	-	65.23	-	-	-	-
Trade receivables							
Tata Steel Limited	As at 31.03.2020	-	5,765.65	-	-	-	-
	As at 31.03.2019	-	2,919.34	-	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	As at 31.03.2020	-	-	-	221.00	-	-
	As at 31.03.2019	-	-	-	365.86	-	-
TRF Limited	As at 31.03.2020	-	-	-	-	26.77	-
	As at 31.03.2019	-	-	-	-	-	-
Total	**As at 31.03.2020**	**-**	**5,765.65**	**-**	**221.00**	**26.77**	**-**
	As at 31.03.2019	**-**	**2,919.34**	**-**	**365.86**	**-**	**-**
Advances to related party							
Tata Steel Limited	**As at 31.03.2020**	-	485.54	-	-	-	-
	As at 31.03.2019	-	132.55	-	-	-	-
Tata Steel BSL Limited	**As at 29.02.2020**	-	-	240.79	-	-	-
	As at 31.03.2019	-	-	113.81	-	-	-
Total	**As at 29.02.2020**	**-**	**485.54**	**240.79**	**-**	**-**	**-**
	As at 31.03.2019	**-**	**132.55**	**113.81**	**-**	**-**	**-**

Outstanding balances		Company having significant influence	Parent Company	Fellow Subsidiary company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Trade payables							
Tata Steel Limited	As at 31.03.2020	-	3,945.92	-	-	-	-
	As at 31.03.2019	-	14,366.38	-	-	-	-
The Tinplate Company of India Limited	As at 31.03.2020	-	-	-	-	-	-
	As at 31.03.2019	-	-	5.92	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	As at 31.03.2020	-	-	-	314.44	-	-
	As at 31.03.2019	-	-	-	56.83	-	-
Tata Bluescope Steel Private Limited	As at 31.03.2020	-	-	-	59.95	-	-
	As at 31.03.2019	-	-	-	-	-	-
T S Alloys Limited	As at 31.03.2020	-	-	-	-	-	-
	As at 31.03.2019	-	-	0.02	-	-	-
Tata Steel BSL Limited	As at 31.03.2020	-	-	146.61	-	-	-
	As at 31.03.2019	-	-	27.82	-	-	-
Mjunction Services Limited	As at 31.03.2020	-	-	-	1.91	-	-
	As at 31.03.2019	-	-	-	1.37	-	-
Total	**As at 31.03.2020**	**-**	**3,945.92**	**146.61**	**376.30**	**-**	**-**
	As at 31.03.2019	**-**	**14,366.38**	**33.76**	**58.20**	**-**	**-**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Note 35: Employee benefits

A. Defined contribution plans

The Company participates in a number of defined contributions plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the company at rates specified by the rules of those plans. The only amounts included in the Balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contributions plans operated by the company are as below:

(a) Provident fund and pension

The Company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the company make monthly contributions at a specified percentage of the eligible employee's salary. Contributions under such schemes are made to Government managed funds and does not have a future obligations to make good short fall if any, are treated as a defined contribution plan.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees .Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' basic salary to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Company has recognised in the Statement of Profit and Loss an amount of Rs. 617.38 lakhs (31.03.2019: Rs. 464.22 lakhs) and in Capital Work in Progress Rs. 0.54 lakhs (31.03.2019 Rs. 0.35 lakhs) respectively towards expenses under defined contribution plans. As at 31 March, 2020 contributions of Rs. 192.81 lakhs (as at 31 March, 2019: Rs. 52.31 lakhs) due in respect of 2019-20 (2018-19) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

	Benefit (Contribution to)	Year ended 31.03.2020 Amount (Rs. in lakhs)	Year ended 31.03.2019 Amount (Rs. in lakhs)
i)	Provident Fund	**437.97**	292.57
ii)	Superannuation Fund	**163.82**	151.84
iii)	Employee State Insurance	**16.13**	20.16
		617.92	464.57

B. Defined benefits plans

The Company operates post retirement defined benefit plans as follows:

a. Funded

(i) Post Retirement Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Plan Provides for a lump sum payment to vested employees at retirement, death while in employment or on termination to 15 days salary payable for each completed year of service. The Company makes annual contributions to gratuity fund with an insurance company. The Company accounts for the liability for gratuity payable in the future based on a year end actuarial valuation.

b. Unfunded

(i) Compensatory absences

The compensatory absences cover the company's liability for earned leaves.

(ii) Post-retirement medical benefits

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade at the retirement. Employees separated from the Company under an early separation scheme, on medical grounds or due permanent disablement are also covered under the scheme. The Company accounts for the liability for Post-retirement medical scheme based on an year end actuarial valuation.

(iii) Pension to Ex-directors

Other benefits provided under unfunded schemes includes pension payable to Ex- Managing Directors of the company on their retirement.

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of defined benefit plan liability (denominated in Indian Rupee) is calculated using discount rate which is determined by reference to the market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in government bonds interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees of the Company.

In respect of post retirement benefit, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 March, 2020 by Mr. Ritobrata Sarkar, Fellow of the Institute of Actuaries of India (Empanelled Actuary of Wills Towers Watson). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at	
	31.03.2020	**31.03.2019**
Financial assumptions		
Discount rate (s)	6.75%	7.50%
Expected rate (s) of salary increase		
- Regular	9.00%	9.00%
- Managing Director	12.00%	12.00%
Demogaphic assumptions		
Retirement age (in years)		
- Regular	60	60
- Managing Director	65	65

	As at	
	31.03.2020	**31.03.2019**
Mortality table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Mortality table (Post retirement)	LIC Annuitants (1996-98) ultimate	LIC Annuitants (1996-98) ultimate
Withdrawal rate		
Ages from 20-25	5.00%	5.00%
Ages from 25-30	5.00%	5.00%
Ages from 30-35	5.00%	5.00%
Ages from 35-50	2.00%	2.00%
Ages from 50-55	2.00%	2.00%
Ages from 55-58	2.00%	2.00%

Notes

i. The discount rate is based on the prevailing market yields of India Government securities as at the balance sheet date for the estimated term of obligations.

ii. The gratuity plan is funded.

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

C. Details of the Gratuity and Compensated absences are as follows

Description	Year ended 31.03.2020 Amount (Rs. in lakhs)		Year ended 31.03.2019 Amount (Rs. in lakhs)	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)
1. Movements in the present value of the defined benefit obligation are as follows.				
a. Opening defined benefit obligation	**1,654.45**	**838.64**	1,496.50	792.03
b. Current service cost	**152.89**	**87.41**	237.01	72.58
c. Interest cost	**121.18**	**61.00**	108.67	56.54
d. Settlement cost/(credit)	**-**	**-**	-	-
e. Acquisition cost/(credit)	**-**	**1.83**	-	-
f. Actuarial (gain)/loss from changes in financial assumptions	**184.28**	**100.75**	-	-
g. Actuarial (gain)/loss from changes in demographic assumptions	**-**	**-**	-	-
h. Actuarial (gain)/loss from experience adjustments	**258.06**	**133.46**	(92.61)	(6.17)
i. Benefits paid	**(77.56)**	**(50.61)**	(95.12)	(76.34)
Closing defined benefit obligation	**2,293.30**	**1,172.49**	1,654.45	838.64
2. Movements in the fair value of plan assets are as follows.				
a. Opening fair value of plan assets	**1,700.71**	**-**	1,675.92	-
b. Interest income	**124.65**	**-**	122.11	-
c. Acquistion Adjustment	**-**	**-**	-	-
d. Contributions from the employer	**-**	**-**	-	-
e. Return on plan assets greater/(lesser) than discount rate	**9.63**	**-**	(2.19)	-
f. Benefits paid	**(77.56)**	**-**	(95.12)	-
Closing fair value of plan assets	**1,757.43**	**-**	1,700.71	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets	**1,757.43**	**-**	1,700.71	-
b. Present value of defined benefit obligation	**(2,293.30)**	**(1,172.49)**	(1,654.45)	(838.64)
Net Assets/(liability) arising from defined benefit obligation	**(535.87)**	**(1,172.49)**	46.26	(838.64)
4. Expenses recognised during the year				
A. Statement of profit and loss in respect of defined benefit plans.				
a. Current service cost	**152.89**	**87.41**	237.01	72.58
b. Net interest (income)/expense	**(3.47)**	**61.00**	(13.44)	56.54
c. Actuarial (gain)/loss from changes in financial assumptions	**-**	**100.75**	-	-
d. Actuarial (gain)/loss from changes in demographic assumptions	**-**	**-**	-	-
e. Actuarial (gain)/loss from experience adjustments	**-**	**133.46**	-	(6.17)
f. Settlement Cost/(Credit)	**-**	**-**	-	-
Cost recognised in Statement of Profit and Loss	**149.42**	**382.62**	223.57	122.95
B. Remeasurement on the net defined benefit liability:				
a. Actuarial (gain)/loss from changes in financial assumptions	**184.28**	**-**	-	-
b. Actuarial (gain)/loss from changes in demographic assumptions	**-**	**-**	-	-
c. Actuarial (gain)/loss from experience adjustments	**258.06**	**-**	(92.61)	-
d. Return on plan assets (greater)/less than discount rate	**(9.63)**	**-**	2.19	-
Components of defined benefit costs recognised in other comprehensive income	**432.71**	**-**	(90.42)	-
5. Investment details				
a. Others (Funds with Life Insurance Corporation of India)	**1,757.43**	-	1,700.71	-

Description	Year ended 31.03.2020 Gratuity	Year ended 31.03.2020 Compensated absences	Year ended 31.03.2019 Gratuity	Year ended 31.03.2019 Compensated absences
6. Assumptions				
a. Discount rate (per annum)	**6.75%**	**6.75%**	7.50%	7.50%
b. Estimated rate of return on plan assets (per annum)	**7.50%**		9.25%	
c. Rate of escalation in salary	**9.00%**	**9.00%**	9.00%	9.00%
d. Average duration of the benefit obligation (in years)				
- Active members	**12.00**		12.00	
The Sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.				
i) Effect on defined benefit obligation of % change in discounting rate				
- Effect of 1% increase in discounting rate	**(241.06)**	**(131.63)**	(167.94)	(92.77)
- Effect of 1% decrease in discounting rate	**282.76**	**156.09**	196.63	109.81
ii) Effect on defined benefit obligation of 1% change in salary escalation rate				
- Effect of 1% increase in salary escalation rate	**273.70**	**151.10**	191.74	107.11
- Effect of 1% decrease in salary escalation rate	**(238.44)**	**(130.24)**	(167.16)	(92.38)

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected return on plan assets is based on the return received on the Fund maintained with Life Insurance Corporation of India against liability.

Non-current provisions (Refer note 15)	**-**	**1,143.52**	-	806.83
Current provisions (Refer note 15)	**535.87**	**28.96**	-	31.81

The plan assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to the gratuity plan. Information on category of plan assets has not been provided by Life Insurance Corporation of India.

The company expects to contribute Rs 535.86 Lakhs (31st March 2019 - NIL) to the funded grauity plan during the next financial year.

D. Details of the Post Retirement Medical Benefit (PRMB) and Defined Pension are as follows:

Description	Year ended 31.03.2020 Amount (Rs. in lakhs) Medical	Year ended 31.03.2020 Amount (Rs. in lakhs) Pension	Year ended 31.03.2019 Amount (Rs. in lakhs) Medical	Year ended 31.03.2019 Amount (Rs. in lakhs) Pension
	Amount (Rs. in lakhs)	**Amount (Rs. in lakhs)**	**Amount (Rs. in lakhs)**	**Amount (Rs. in lakhs)**
1. Movements in the present value of the defined benefit obligation are as follows.				
a. Opening defined benefit obligation	**484.87**	**668.19**	546.93	696.94
b. Current service cost	**48.69**	**-**	127.37	-
c. Interest cost	**36.16**	48.43	40.85	50.62
d. Actuarial (gain)/loss from changes in financial assumptions	**122.65**	47.71	-	-
e. Actuarial (gain)/loss from changes in demographic assumptions	**-**	-	-	-
e. Actuarial (gain)/loss from experience adjustments	**32.76**	(21.59)	(225.84)	(35.31)
f. Benefits paid	**(5.05)**	(45.14)	(4.44)	(44.06)
Closing defined benefit obligation	**720.08**	**697.61**	484.87	668.19
2. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets	**-**	**-**	-	-
b. Present value of defined benefit obligation	**(720.08)**	**(697.61)**	(484.87)	(668.19)
Net Assets/(liability) arising from defined benefit obligation	**(720.08)**	**(697.61)**	(484.87)	(668.19)
Non-current provisions (Refer Note 15)	**(714.19)**	**(654.70)**	(479.92)	(626.19)
Current provisions (Refer Note 15)	**(5.89)**	**(42.91)**	(4.95)	(42.00)
	(720.08)	**(697.61)**		
3. Expenses recognised during the year				
A. Statement of profit and loss in respect of defined benefit plans.				
a. Current service cost	**48.69**	**-**	127.37	-
b. Net interest (income)/expense	**36.16**	**48.43**	40.85	50.62
c. Actuarial (gain)/loss from changes in financial assumptions	**-**	**-**	-	-
d. Actuarial (gain)/loss from changes in demographic assumptions	**-**	**-**	-	-
e. Actuarial (gain)/loss from experience adjustments	**-**	**-**	-	-
Cost recognised in Statement of Profit and Loss	**84.85**	**48.43**	168.22	50.62

B.	**Remeasurement on the net defined benefit liability:**				
a.	Actuarial (gain)/loss from changes in financial assumptions	**122.65**	**47.71**	-	-
b.	Actuarial (gain)/loss from changes in demographic assumptions	**-**	**-**	-	-
c.	Actuarial (gain)/loss from experience adjustments	**32.76**	**(21.59)**	(225.84)	(35.31)
	Components of defined benefit costs recognised in other comprehensive income	**155.41**	**26.12**	(225.84)	(35.31)

4. Assumptions

		Year ended 31.03.2020 Amount (Rs. in lakhs)		Year ended 31.03.2019 Amount (Rs. in lakhs)	
		Medical	**Pension**	**Medical**	**Pension**
a.	Discount rate (per annum)	**6.75%**	**6.75%**	7.50%	7.50%
b.	Estimated rate of return on plan assets (per annum)	**0.00%**	**0.00%**	0.00%	0.00%
c.	Rate of escalation in pension	**-**	**6.00%**	-	6.00%
d.	Medical cost - % of annual entitlement utilised	**8.00%**	**-**	8.00%	-
e.	Average duration of the benefit obligation (in years) - Active members	**-**	**9.00**	-	9.00
f.	Expected contribution to the defined benefit plans during the next financial year (Rs. in lakhs)	**Not applicable**	**Not applicable**	Not applicable	Not applicable

The Sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

g.	Effect of 1% change (increase) in health care cost, current service and interest cost	**183.46**	118.12
h.	Medical inflation rate	**9.00%**	9.00%
i.	Closing balance of obligation - Sensitivity result Effect of 1% change (decrease) in health care cost, current service and interest cost	**(136.44)**	(88.16)
j.	Medical inflation rate	**7.00%**	7.00%

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

E. Other disclosures

Net Asset/(Liability) recognised in the Balance Sheet (including experience adjustment impact)	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
	Amount (Rs. in lakhs)	**Amount (Rs. in lakhs)**	**Amount (Rs. in lakhs)**	**Amount (Rs. in lakhs)**	**Amount (Rs. in lakhs)**	**Amount (Rs. In lacs)**
I. Gratuity						
a) Present value of defined benefit obligation	**2,293.30**	1,654.45	1,496.50	1,478.20	1,154.12	1,002.24
b) Fair value of plan assets	**1,757.43**	1,700.71	1,675.91	1,129.14	1,085.04	945.56
c) Surplus / (deficit) in plan assets	**(535.87)**	46.26	179.41	(349.06)	(69.08)	(56.68)
II. Compensated absences						
a) Present value of defined benefit obligation	**1,172.49**	838.64	792.03	1,096.41	875.60	750.59
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(1,172.49)**	(838.64)	(792.03)	(1,096.41)	(875.60)	(750.59)
III. Medical						
a) Present value of defined benefit obligation	**720.08**	484.87	546.93	606.75	437.35	366.98
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(720.08)**	(484.87)	(546.93)	(606.75)	(437.35)	(366.98)
IV. Pension						
a) Present value of defined benefit obligation	**697.61**	668.19	696.94	679.97	638.29	659.07
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(697.61)**	(668.19)	(696.94)	(679.97)	(638.29)	659.07

Note 36: Deferred tax liability (net)

(Rs. in lakhs)

	As at 31.03.2020	As at 31.03.2019
Deferred tax assets	2,525.87	1,951.81
Deferred tax liabilities	(6,475.18)	(5,325.32)
	(3,949.31)	**(3,373.51)**

Deferred tax assets/ liability recognised in books	**(3,949.31)**	**(3,373.51)**

Deferred tax liability reconciliation (Rs. in lakhs)

As at and for the year ended March 31, 2020	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(5,309.43)	(1,153.94)	-	(6,463.37)
Fair value of investments	(3.84)	-	-	(3.84)
Share issue expenses	-	53.80	-	53.80
Allowance for doubtful debts and doubtful advances	840.48	41.22	-	881.70
Defined benefit obligation	618.61	289.69	214.64	1,122.94
Others financial liabilities	492.72	(25.28)	-	467.44
Others (net)	(12.05)	4.07	-	(7.98)
	(3,373.51)	**(790.44)**	**214.64**	**(3,949.31)**

(Rs. in lakhs)

As at and for the year ended March 31, 2019	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(4,350.81)	(958.62)	-	(5,309.43)
Fair value of investments	(32.23)	28.39	-	(3.84)
Allowance for doubtful debts and doubtful advances	737.95	102.53	-	840.48
Defined benefit obligation	603.82	137.64	(122.85)	618.61
Others financial liabilities	487.47	5.25	-	492.72
Others (net)	(19.88)	7.83	-	(12.05)
MAT Credit	173	(173)	-	-
	(2,400.68)	**(849.97)**	**(122.85)**	**(3,373.51)**

Income tax expense for the year can be reconciled to the accounting profits as follows: (Rs. in lakhs)

Details	**As at 31.03.2020**	**As at 31.03.2019**
Profit before tax	**9,533.04**	**11,777.65**
Income tax expense calculated at 34.944% (2018-19: 34.944%)	3,331.23	4,115.58
Effect of income that is exempt from taxation	(14.83)	(16.59)
Effect of expenses not deductible in determining taxable profit	102.04	68.98
	3,418.44	**4,167.97**
Adjustment recognised in current year in relation to current tax of prior years	-	-
Income tax expense recognised in Statement of Profit and Loss	**3,418.44**	**4,167.97**

Income tax recognised in other comprehensive income (Rs. in lakhs)

Details	**As at 31.03.2020**	**As at 31.03.2019**
Deferred tax Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	214.64	(122.85)
Total income tax recognised in other comprehensive income	**214.64**	**(122.85)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be classified to profit or loss	214.64	(122.85)
Income tax expenses recognised in other comprehensive income	**214.64**	**(122.85)**

Note : Pursuant to the introduction of section 115BAA vide The Taxation Laws (Amendment) Act, 2019, domestic companies have been provided an option to pay tax at a concessional base rate of 22% subject to adherence of certain conditions. The company has opted not to avail the concessionary tax on the basis of current estimates and projections based on its impact assessment. Thus, the current and deferred tax accruals and balances continue to be measured at the pre-amendment rates.

Note 37: Segment information

The Company is engaged in the processing and distribution of steel products. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

Geographical segment
The Company sells its products within India. The market conditions in India being uniform, no separate geographical segment disclosure is considered necessary.

Entity wide Segment disclosure
Revenue from major customer Tata Steel Limited is Rs. 23,409.84 lakhs (Refer Note 34) which is less than 10% of total revenue of the company, hence no seperate disclosure is required.

Note 38: Leases

As indicated in Note 1(B)(8), the company has adopted Ind AS 116 retrospectively from April 01, 2019, but has not restated comparitives for the year ended March 31, 2019, as permitted under the specific transition provisions. The reclassification and the adjustements arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April, 2019. The new accounting policies are disclosed in note 1(B)(8).
On adoption of Ind AS 116, the company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowng rate as of April 01, 2019. The incremental borrowing rate applied to lease liabilities on April 01, 2019 was ranging from 8.70% to 9.74%.
The entity had no lease classified as finance lease previously, so there was no remeasurement adjustment/impact regarding the same.

(i) **Practical expedients applied :**

In applying ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard :
- accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases
- excluding initial direct costs for the remeasurment of right-of-use asset at the date of initial application
- using hindisght in determining the lease term where the contract contains options to extend or terminate the lease.

(ii) **Measurement of lease liabilities :**	**INR (in lakhs)**
Operating lease commitments disclosed as at March 31,2019	-
Discounted using lessee's incremental borrowing rate at the date of initial application	1,182.80
Add : Finance lease liabilities recognized as at March 31,2019	-
Less : Short-term leases not recognised as liability	-
Less : Low value leases not recognised as liability	-
Lease liability recognized as at April 01, 2019	**1,182.80**
of which are :	
Current lease liabilities	77.48
Non-current lease liabilities	1,105.32

(iii) **Measurement of right-of-use asset :**
The simplified transition approach has been followed , so the right-of-use asset as at April 01, 2019 is equal to the prepayments and lease liabilities.

(iv) **Adjustments recognised in balance sheet on April 01, 2019**
The change in accounting policy affected the following items in the balance sheet on April 01, 2019 :
- right-of-use assets - increase by INR 3,393.53 lakhs
- prepayments- decrease by INR 2,210.73 lakhs
- lease liabilities - increase by INR 1,182.80 lakhs

(v) **Maturity analysis of undiscounted Lease Liability :**

	Less than 1 year (Rs. in lakhs)	**1-5 years (Rs. in lakhs)**	**More than 5 years (Rs. in lakhs)**	**Total**
Lease Liability	97.26	269.23	1,841.24	**2,207.73**

Note 39: Expenditure on Corporate social responsibility

a) Gross amount required to be spent by the Company during the year ended 31.03.2020 : Rs. 183.28 lakhs (Previous year Rs. 150.62 lakhs)

b) Amount spent during the year ended 31.03.2020 (refer note 29)

Particulars	**2019-20**			**2018-19**		
	Paid (A) (Rs. in lakhs)	**Yet to be Paid (B) (Rs. in lakhs)**	**Total (A) + (B) (Rs. in lakhs)**	**Paid (A) (Rs. in lakhs)**	**Yet to be Paid (B) (Rs. in lakhs)**	**Total (A) + (B) (Rs. in lakhs)**
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	184.63	-	184.63	150.62	-	150.62
Total	**184.63**	**-**	**184.63**	**150.62**	**-**	**150.62**

Note 40: Derivative instruments

[i] The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide guidelines on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding Cross Currency Interest Rate Swaps contracts entered into by the Company on account of foreign currency loan:

As at	**No. of contracts**	**USD equivalent (in lakhs)**	**INR equivalent (Rs. in lakhs)**
31.03.2020	2	11.25	839.87
31.03.2019	2	18.75	1,305.56

[iii] The details of Company's foreign currency exposure as on 31 Mar, 2020 is as follows:

Currency	31-Mar-20		31-Mar-19	
	Receivables/ (Payables) (FC)	Rupee equivalent (Rs. in lakhs)	Receivables/ (Payables) (FC)	Rupee equivalent (Rs. in lakhs)
Gross foreign exchange exposure:				
USD	(11.25)	(839.87)	(18.75)	(1305.56)
EURO	(1.83)	(151.38)	(2.33)	(183.46)
Foreign currency hedged				
USD	(11.25)	(839.87)	(18.75)	(1305.56)
EURO	-	-	-	-
Foreign currency unhedged				
USD	-	-	-	-
EURO	(1.83)	(151.38)	(2.33)	(183.46)

Note 41. Details of dues to micro and small enterprises

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Description	Year ended 31.03.2020 (Rs. in lakhs)	Year ended 31.03.2019 (Rs. in lakhs)
a. total amount remaining unpaid to any supplier as at the end of accounting year		
- Principal	**127.98**	45.54
- Interest due thereon	**1.43**	2.30
b. Total interest paid on all delayed payments during the year under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	**0.00**	0.00
c. Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	**6.18**	1.91
d. Interest accrued and remaining unpaid	**7.61**	4.21
e. Further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**34.18**	26.57

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note 42: Provision for contingencies

Disclosure as required under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

Provisions for Contingencies have been recognised in the financial statements considering the following:

Provision for contingencies in respect of Sales tax represents estimates made for probable liabilities arising out of pending disputes/ litigation with respective authority. The timing of the outflow with regard to the said matter depends on the demand received by the Company under the law.

i). The company has a present obligation as a result of past event

ii). It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii). A reliable estimate can be made of the amount of the obligation

Particulars	Provision for contingencies 31.03.2020 (Rs. in lakhs)	Provision for contingencies 31.03.2019 (Rs. in lakhs)
Balance at the beginning of the year	-	22.61
Additional provision recognised	0.12	-
Amount used/adjusted during the year	-	22.61
Balance at the end of the year	0.12	-

Note 43: Financial Instruments

A. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 13, 14 and 18 offset by cash and cash equivalents) and total equity of the Company.

The Company's management reviews the capital structure periodically. As part of the review, the management considers the cost of capital and the associated risks. The Company has a target gearing ratio of 20% - 75% determined as the proportion of net debt to total equity. The gearing ratio at 31 March, 2020 is 50%, which is within the target range of gearing ratio.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

		(Rs. in lakhs)
	As at 31.03.2020	**As at 31.03.2019**
Debt (i)	43,754.70	48,993.33
Cash and cash equivalents (Refer note 8)	5,555.36	842.40
Net debt	38,199.34	48,150.93
Total equity	73,858.30	68,143.30
Net debt to equity ratio	51.72%	70.66%

(i) Debt is defined as long term, short term borrowings and short term maturities of long term debt (excluding derivatives, other financial liabilities), as described in notes 13, 14 and 18.

B. Categories of financial instruments

		(Rs. in lakhs)
	As at 31.03.2020	**As at 31.03.2019**
Financial assets		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL (refer note 6)	-	-
Mandatorily measured at amortised cost		
(a) Cash and cash equivalents (refer note 8)	5,555.36	842.40
(b) Other financial assets at amortised cost (including trade receivables)	31,292.34	35,634.04
(c) Financial Derivative asset [Refer note 9]	78.70	6.38
Mandatorily measured at FVTOCI		
(a) Investments in equity instruments designated upon initial recognition	-	-
Financial liabilities		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Designated as at FVTPL upon initial recognition	-	-
Measured at amortised cost		
(a) Borrowings	43,754.70	48,993.33
(b) Other financial liabilities	16,945.02	25,428.35

C. Financial risk management objectives

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Company's risk management framework is to manage the above risks and aims to :
- identify and manage the Company's debt and related interest rate risk
- reduce overall interest cost to the Company
- identifying the tools to be used for insuring the risks such as interest rate swap
- management of foreign currency positions, derivative transactions and related risks
- ensure suitability of the derivative transaction to the Company

D. Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:
(i) forward foreign exchange contract to hedge the exchange rate risk arising on the foreign currency outstanding;
(ii) interest rate swaps to mitigate the risk of rising interest rates; and
(iii) cross currency interest rate swaps to mitigate the risk of rising currency and interest rates.

E. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows :

	Liabilities as at (Rs. in lakhs)		Assets as at (Rs. in lakhs)	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
USD	839.87	1,305.56	-	-
EURO	151.38	183.46	-	-

(i) Foreign currency sensitivity analysis

The Company is mainly exposed to the fluctuations in the rates of foreign currency i.e. USD and Euro.
The following table details the Company's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis comprises outstanding foreign currency denominated monetary items. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	USD impact	
	2019-20	2018-19
Impact on profit or loss for the year (i) (Rs. in lakhs)	83.99	130.56
Impact on total equity as the end of reporting period (Rs. in lakhs)	83.99	130.56

	EURO impact	
	2019-20	2018-19
Impact on profit or loss for the year (i) (Rs. in lakhs)	15.14	18.35
Impact on total equity as the end of reporting period (Rs. in lakhs)	15.14	18.35

(i) This is mainly attributable to the exposure outstanding in USD and EURO for foreign currency loans and foreign currency payables of the company at the end of the reporting period.

(ii) Forward foreign exchange contracts

The Company has availed loans like External Commercial Borrowings (ECB) and Buyer's Credit to finance its capital projects. It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency repayments. The exposure is hedged based on the maturity profile of the exposure. The risk is capped for any subsequent adverse exchange rate movement but there is also opportunity loss in the event of subsequent favorable exchange rate movement.

The Company has entered into forward contracts to hedge its foreign currency borrowings repayments. The Company utilises a rollover hedging strategy, using contracts with terms of up to 6 months. Upon the maturity of a forward contract, the Company enters into a new contract designated as a separate hedging relationship.

F. Interest rate risk management

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

The foreign currency floating rate borrowings are immediately hedged by entering into interest rate swap or cross currency interest rate swap to safeguards against any negative interest rate movements.

(i) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March, 2020 would decrease/increase by Rs. 225.96 lakhs (for the year ended 31 March, 2019: decrease/increase by Rs. 216.70 lakhs). This is mainly attributable to the Company's exposure to interest rates in its variable borrowings.

(ii) Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt.

The interest rate swaps are settled on a quarterly basis. The Company settles the difference between fixed and floating interest rate on a net basis. Mark to Market (MTM) loss/gain at the each reporting date is accounted for in the Statement of Profit and Loss.

G. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means to mitigate the risk of financial loss from defaults.

Apart from Tata Steel Limited, the largest customer of the Company (refer note 7), the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Tata Steel Limited did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year.

H. Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the management of the Company, which has established an appropriate risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturing profiles of financial assets and liabilities.

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The Contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 year (Rs. in lakhs)	1-5 years (Rs. in lakhs)	More than 5 years (Rs. in lakhs)	Total (Rs. in lakhs)	Carrying amount (Rs. in lakhs)
31.03.2020					
Non-interest bearing	15,936.94	-	670.51	**16,607.45**	16,607.45
Variable interest rate instruments	4,567.47	14,892.48	7,984.16	**27,444.11**	20,770.00
Fixed interest rate instruments	20,832.06	288.89	-	**21,120.95**	21,058.39
	41,336.47	**15,181.37**	**8,654.67**	**65,172.51**	**58,435.84**
31.03.2019					
Non-interest bearing	25,428.35	-	639.57	**26,067.92**	26,067.92
Variable interest rate instruments	3,517.54	12,715.97	9,647.61	**25,881.12**	18,597.11
Fixed interest rate instruments	29,086.71	841.69	-	**29,928.40**	29,756.65
	58,032.60	**13,557.66**	**10,287.18**	**81,877.44**	**74,421.68**

Financing Facilities	As at 31.03.2020 (Rs. in lakhs)	As at 31.03.2019 (Rs. in lakhs)
Secured bank cash credit facility:		
-amount used	818.52	1,273.25
-amount unused	2,781.48	2,226.75
	3,600.00	**3,500.00**
Secured bank loan facilities with various maturity dates :		
-amount used	21,609.86	19,930.56
-amount unused	-	-
	21,609.86	**19,930.56**
Unsecured bank loan facilities :		
-amount used	17,000.00	27,196.76
-amount unused	-	-
	17,000.00	**27,196.76**

I. Fair value measurement

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and input used)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.03.2020	31.03.2019		
1) Foreign currency forward contract	-	-	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
2) Interest rate swap contract	-	-	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
3) Cross currency interest rate swap contract	Assets - Rs. 78.70 lakhs	Assets - Rs. 6.38 lakhs	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
4) Investments in mutual fund at FVTPL	-	-	Level 2	Unquoted net asset value (NAV) received from mutual fund.
5) Investment in equity investment (unquoted)	-	-	Refer note (i) below	Refer note (i) below

Note
(i) Includes investments whose fair value is Nil.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Note 44: Assets pledged as security
The carrying amounts of assets pledged as security for current and non-current borrowings are as under:

Particulars	Notes	As at 31.03.2020 (Rs. in lakhs)	As at 31.03.2019 (Rs. in lakhs)
Current			
First Charge			
Financial assets			
Trade Receivables	7	31,105.17	35,415.54
Non Financial assets			
Inventories	5	39,871.11	50,781.43
Total Current assets pledged as security		**70,976.28**	**86,196.97**
Non-Current			
First Charge			
Freehold Land & Buildings		-	9,631.58
Plant & Machinery and Electric Installations		34,473.75	30,460.24
Furnitures and other office equipments		367.40	449.66
Total Non-Current assets pledged as security		**34,841.15**	**40,541.48**
Total assets pledged as security		**1,05,817.43**	**1,26,738.45**

Note 45: Impact due to COVID 19
The impact of the government imposed nation-wide lock down due to the Covid-19 pandemic was partial and temporary as requisite approvals have been obtained by the Company during the end of April to mid of May 2020 to resume its manufacturing operations across its plants. As a result of this lock down / restrictions, production in the Company's plants could not be carried out from March 23, 2020 till these approvals were obtained and consequently impacted sales and other operations. The current economic environment could temporarily result in a lower demand vis-a-vis FY 20. The Company has gradually ramped up its production from May / June 2020 and in view of the management, a steady increase in operational levels is expected. In light of the above, inter alia, considering the internal and external factors, the Company has assessed the carrying amount of property, plant and equipment, receivables, inventories and other assets as at the balance sheet date, the current liquidity position including its cash flows, the business outlook and has concluded that no material adjustments are required in these financial statements.

Note 46:
There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of the Board

Pinaki Chowdhury
Partner
Membership No. 057572

Rajeev Singhal
Chairman
DIN: 02719570

Date: June 22, 2020
Kolkata

Asis Mitra
Company Secretary

Swapna Nair
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882