

**TATA STEEL DOWNSTREAM PRODUCTS LIMITED**  
(Formerly known as Tata Steel Processing And Distribution Limited)  
**Balance Sheet as at March 31, 2021**



<b>I. ASSETS</b>	<b>Notes</b>	<b>As at March 31, 2021 Rs. In lakhs</b>	<b>As at March 31, 2020 Rs. In lakhs</b>
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2A	48,966.45	49,349.50
(b) Capital work-in-progress	2A	2,725.49	4,262.51
(c) Right-of-use assets	2B	4,341.00	3,393.58
(d) Other intangible assets	2A	96.93	77.38
(e) Investments in joint ventures	6	224,560.54	-
(f) Financial assets			
(i) Investments	7	-	-
(ii) Other financial assets	3	225.05	187.17
(g) Non current tax assets (net)	22	936.85	283.55
(h) Other non-current assets	4	2,747.54	3,888.45
<b>Total non-current assets</b>		<b>284,599.85</b>	<b>61,442.14</b>
<b>(2) Current assets</b>			
(a) Inventories	5	51,849.51	39,871.11
(b) Financial assets			
(i) Trade receivables	8	51,481.30	31,105.17
(ii) Cash and cash equivalents	9A	4,257.88	5,555.36
(iii) Other bank balances	9B	2,000.00	-
(iv) Other financial assets	10	1.78	78.70
(c) Other current assets	11	6,798.82	5,527.53
<b>Total current assets</b>		<b>116,389.29</b>	<b>82,137.87</b>
<b>Total assets</b>		<b>400,989.14</b>	<b>143,580.01</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	12	24,232.79	6,825.00
(b) Other equity	13	282,233.53	67,033.30
<b>Total equity</b>		<b>306,466.32</b>	<b>73,858.30</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	15,601.35	18,772.44
(ii) Lease liabilities	17A	2,065.95	1,193.70
(b) Provisions	16	2,859.23	2,512.41
(c) Deferred tax liabilities (net)	36	3,718.28	3,949.31
(d) Other non-current liabilities	17	281.32	323.77
<b>Total non-current liabilities</b>		<b>24,526.13</b>	<b>26,751.63</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	28,000.00	20,218.52
(ii) Lease liabilities	17A	104.41	97.26
(iii) Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		382.74	127.98
(b) Total outstanding dues to other than (iii)(a) above		33,496.05	13,380.97
(iv) Other financial liabilities	19	3,782.33	5,715.15
(b) Provisions	16	174.34	613.75
(c) Current tax liabilities (Net)	21	1,519.74	1,519.74
(d) Other current liabilities	20	2,537.08	1,296.71
<b>Total current liabilities</b>		<b>69,996.69</b>	<b>42,970.08</b>
<b>Total liabilities</b>		<b>94,522.82</b>	<b>69,721.71</b>
<b>Total equity and liabilities</b>		<b>400,989.14</b>	<b>143,580.01</b>

The above Balance Sheet should be read in conjunction with the accompanying notes 1-47

**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**

**Sd/-**  
**Pinaki Chowdhury**  
Partner  
Membership No. : 057572

**Sd/-**  
**Rajeev Singhal**  
Chairman  
DIN: 02719570

**Sd/-**  
**Asis Mitra**  
Company Secretary

**Sd/-**  
**Swapna Nair**  
Chief Financial Officer

**Sd/-**  
**Abraham G Stephanos**  
Managing Director  
DIN: 06618882  
Date: April 16, 2021  
Place: Kolkata

Date: April 16, 2021  
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 March 31, 2021**



	Notes	Year ended March 31, 2021	Year ended March 31, 2020
		Rs. In lakhs	Rs. In lakhs
I. Revenue from operations	23	362,037.97	310,808.99
II. Other income	24	316.53	242.00
<b>III. Total Income (I + II)</b>		<b>362,354.50</b>	<b>311,050.99</b>
<b>IV. Expenses</b>			
(a) Cost of materials consumed	25	303,433.60	243,822.13
(b) Purchase of stock-in-trade	26	17,655.20	20,005.85
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(2,447.65)	1,195.18
(d) Employee benefits expense	28	8,659.58	9,615.64
(e) Finance costs	29	2,206.96	2,988.00
(f) Depreciation and amortisation expense	2A & 2B	3,770.92	3,376.91
(g) Other expenses	30	19,451.47	20,581.03
		<b>352,730.08</b>	<b>301,584.74</b>
Less : Expenditure (other than interest) transferred to capital and other accounts		30.91	66.79
		<b>352,699.17</b>	<b>301,517.95</b>
<b>V. Profit before tax (III - IV)</b>		<b>9,655.33</b>	<b>9,533.04</b>
<b>VI. Tax expense</b>			
(a) Current tax	36	1,853.00	2,628.00
(b) Deferred tax	36	(287.53)	790.44
		<b>1,565.47</b>	<b>3,418.44</b>
<b>VII. Profit for the year (V-VI)</b>		<b>8,089.86</b>	<b>6,114.60</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plan		14.12	(614.24)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36	56.50	(214.64)
<b>VIII. Total other comprehensive income/(loss)</b>		<b>(42.38)</b>	<b>(399.60)</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>8,047.48</b>	<b>5,715.00</b>
Profit for the year attributable to:			
Owners of the Company		8,089.86	6,114.60
Other comprehensive loss for the year attributable to:			
Owners of the Company		(42.38)	(399.60)
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>8,047.48</b>	<b>5,715.00</b>
<b>X. Earnings Per share of Rs. 10 each Basic &amp; Diluted (Rs.)</b>	32	7.24	8.96

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

1-47

**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**

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



**Statement of Changes in equity for the year ended March 31, 2021**

(A) <b>Equity Share Capital</b>	As at March 31, 2021	As at March 31, 2020
	Rs. In lakhs	Rs. In lakhs
(i) <b>Authorised.</b> 5,000,000,000 equity shares of Rs.10 each (March 31, 2020 : 50,00,000,000 shares of Rs.10 each)	500,000.00	500,000.00
(ii) <b>Issued , Subscribed and paid up.</b> 24,23,27,940 equity shares of Rs. 10 each fully paid (March 31, 2020 : 68,250,000 shares of Rs.10 each fully paid)  [100% share capital of the company is held by Tata Steel Limited, The Holding Company and its nominees]	24,232.79	6,825.00
<b>Total issued, subscribed and fully paid up share capital</b>	<b>24,232.79</b>	<b>6,825.00</b>

(B) <b>Reconciliation of number of shares</b>	As at March 31, 2021	As at March 31, 2020
	Number of shares	Number of shares
Opening balance	68,250,000	68,250,000
Changes during the year	174,077,940	-
Closing balance	<b>242,327,940</b>	<b>68,250,000</b>

(C) <b>Other equity</b>	Reserves and Surplus			Total
	General Reserve	Securities premium	Retained Earnings	
	Rs. In lakhs	Rs. In lakhs		Rs. In lakhs
<b>Balance as on 01.04.2019</b>	373.77	-	60,944.53	<b>61,318.30</b>
Profit for the year	-	-	6,114.60	<b>6,114.60</b>
Other Comprehensive loss for the year, net of income tax	-	-	(399.60)	<b>(399.60)</b>
Total comprehensive Income for the year, net of income tax	-	-	5,715.00	<b>5,715.00</b>
<b>Balance as on 31.03.2020</b>	<b>373.77</b>	-	<b>66,659.53</b>	<b>67,033.30</b>
<b>Balance as on 01.04.2020</b>	<b>373.77</b>	-	<b>66,659.53</b>	<b>67,033.30</b>
Issue of shares during the year	-	<b>207,152.75</b>	-	<b>207,152.75</b>
Profit for the year	-	-	<b>8,089.86</b>	<b>8,089.86</b>
Other Comprehensive loss for the year, net of income tax	-	-	<b>(42.38)</b>	<b>(42.38)</b>
Total comprehensive Income for the year, net of income tax	-	-	<b>8,047.48</b>	<b>8,047.48</b>
<b>Balance as on 31.03.2021</b>	<b>373.77</b>	<b>207,152.75</b>	<b>74,707.01</b>	<b>282,233.53</b>

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

1-47

**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**

**Sd/-**  
**Pinaki Chowdhury**  
Partner  
Membership No. : 057572

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DIN: 06618882  
Date: April 16, 2021

Date: April 16, 2021  
Place: Kolkata

**TATA STEEL DOWNSTREAM PRODUCTS LIMITED**  
**(Formerly known as Tata Steel Processing And Distribution Limited)**  
**Statement of Cash Flow for the year ended March 31, 2021**

	Notes	Year ended March 31, 2021		Year ended March 31, 2020	
		Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>					
PROFIT BEFORE TAX			9,655.33		9,533.04
<i>Adjustments for :</i>					
Depreciation and amortisation expense	2A & 2B	3,770.92		3,376.90	
Interest income recognised in profit or loss	24	(124.09)		(100.53)	
Deferred income-government subsidy	24	(42.44)		(42.44)	
Finance costs	29	2,206.96		2,988.00	
Unrealised Loss on foreign exchange	30	20.35		8.86	
Difference in derivatives (MTM) loss / (gain)	30	52.71		(72.33)	
Loss on disposal of property, plant and equipment	30	5.43		163.44	
			5,889.84		6,321.90
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			15,545.17		15,854.94
<i>Adjustments for :</i>					
(Increase)/Decrease in trade and other receivables		(20,376.13)		4,310.74	
(Increase)/Decrease in inventories		(11,648.06)		11,251.74	
Increase/(Decrease) in trade and other payables		21,551.07		(9,297.59)	
(Increase)/Decrease in other assets		(567.15)	(11,040.27)	1,314.47	7,579.36
CASH GENERATED FROM OPERATIONS			4,504.90		23,434.30
Income taxes paid (net)			(2,506.29)		(2,665.87)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>			1,998.61		20,768.43
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of capital assets		(2,035.76)		(6,070.99)	
Sale of capital assets		108.68		56.73	
Fixed deposits placed with banks		(2,000.00)		-	
Interest received		122.31		100.53	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>			(3,804.77)		(5,913.73)
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES</b>					
Proceeds from Long Term Borrowings		-		4,500.00	
Repayment of long term borrowings		(4,889.87)		(2,890.48)	
Proceeds from short term borrowings		28,000.00		158.57	
Repayment of short term borrowings		(20,218.52)		(8,410.07)	
Finance costs paid		(2,302.96)		(3,422.99)	
Payment of lease obligation		(79.97)		(76.77)	
<b>NET CASH GENERATED BY/(USED) IN FINANCING ACTIVITIES</b>			508.68		(10,141.74)
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>			(1,297.48)		4,712.96
Cash and cash equivalents at the beginning of the year	9A		5,555.36		842.40
Cash and cash equivalents at the end of the year	9A		4,257.88		5,555.36

**Note:-**

Significant non-cash movements during the year include investments made in Joint Ventures of ₹2,24,560.54 lakhs (March 31,2020: Nil) through issue of shares. (Refer note 6)

The above Statement of Cash Flow should be read in conjunction with the accompanying notes  
**This is the Statement of Cash Flow referred to in our report of even date**

1-47

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

**For and on behalf of the Board of Directors**

**Sd/-**  
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## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing and Distribution Limited)

Notes to the financial statements for the year ended 31 March 2021

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### 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 equipment 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 financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on April 16, 2021.

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 policy on accounting for joint ventures which has been applied upon acquisition of interest in joint ventures as stated in Note 1 (B) (20) to these financial statements.

##### (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 & amended standards adopted by the Company**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107
- Definition of Business and Introduction of Optional Concentration test - amendments to Ind AS 103

The amendments listed above did not have any impact on the amounts recognised 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, investments, 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
- Carrying amount of investments in joint ventures: Refer note 1B (20) and 6
- Provision for employee benefits and other provisions: Refer note 1B (10), 16 and 37
- Contingent liabilities: Refer notes 1B (14) and 31
- 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

## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing and Distribution Limited)



### Notes to the financial statements for the year ended 31 March 2021

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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:

Sl. 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

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

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**

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 lessee'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 the Company, 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 the Statement of profit and 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.

## **(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

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### Notes to the financial statements for the year ended 31 March 2021

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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 (other than investments in joint ventures) 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

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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.

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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.

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### Notes to the financial statements for the year ended 31 March 2021

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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

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### Notes to the financial statements for the year ended 31 March 2021

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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.



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### **Notes to the financial statements for the year ended 31 March 2021**

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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.

Scrap Items are valued at net realisable 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 equipment 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.

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### **Notes to the financial statements for the year ended 31 March 2021**

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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

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**Notes to the financial statements for the year ended 31 March 2021**

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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.

**(20) Investments in joint ventures**

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount.

On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

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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**

Particulars	Rs. in lakhs											
	Freehold land	Building	Plant and machinery	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Computers	Total tangible assets	Computer software	Total intangible assets	Total assets
<b>Gross Block as at 01.04.2019</b>	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 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 during the year	-	102.41	92.68	50.64	60.51	50.04	0.58	18.62	375.48	-	-	375.48
<b>Gross Block as at 31.03.2020</b>	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
Additions during the year	-	356.69	2,779.19	51.19	37.73	11.13	-	49.11	3,285.04	72.03	72.03	3,357.07
Adjustment for Foreign Exchange fluctuation (gain)/loss	-	-	(5.99)	-	-	-	-	-	(5.99)	-	-	(5.99)
Deletions during the year	-	7.32	145.09	3.00	14.36	8.71	19.84	1.77	200.09	-	-	200.09
<b>Gross block as at 31.03.2021</b>	164.83	14,079.25	46,714.52	2,265.79	390.71	268.80	189.98	583.61	64,657.49	459.51	459.51	65,117.00
<b>Impairment as at 01.04.2019</b>	-	-	274.39	0.61	-	0.03	-	-	275.03	-	-	275.03
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Impairment as at 31.03.2020</b>	-	-	274.39	0.61	-	0.03	-	-	275.03	-	-	275.03
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Impairment as at 31.03.2021</b>	-	-	274.39	0.61	-	0.03	-	-	275.03	-	-	275.03
<b>Accumulated Depreciation as at 01.04.2019</b>	-	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 during the year	-	3.83	36.39	21.83	39.53	35.44	-	18.30	155.32	-	-	155.32
<b>Accumulated Depreciation as at 31.03.2020</b>	-	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
Depreciation during the year	-	597.62	2,613.49	131.70	38.16	36.87	19.04	67.11	3,503.99	52.48	52.48	3,556.47
Deductions during the year	-	1.44	18.62	1.22	7.94	5.41	6.29	1.06	41.98	-	-	41.98
<b>Accumulated Depreciation as at 31.03.2021</b>	-	3,190.32	10,659.37	698.85	154.38	151.99	160.49	400.61	15,416.01	362.58	362.58	15,778.59
<b>Net Block as at 31.03.2019</b>	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
<b>Net Block as at 31.03.2020</b>	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
<b>Net Block as at 31.03.2021</b>	164.83	10,888.93	35,780.76	1,566.33	236.33	116.78	29.49	183.00	48,966.45	96.93	96.93	49,063.38
<b>Capital Work in Progress as at 01.04.2019</b>												10,166.00
Additions during the year												5,825.71
Transfers during the year												(11,729.20)
<b>Capital Work in Progress as at 31.03.2020</b>												4,262.51
Additions during the year												2,118.95
Transfers during the year												(3,655.97)
<b>Capital Work in Progress as at 31.03.2021</b>												2,725.49

**Note:**  
i) Refer Note 32 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.

**TATA STEEL DOWNSTREAM PRODUCTS LIMITED**  
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**NOTE 2B : RIGHT-OF-USE ASSET**

	Rs. in lakhs			
	Right-of-Use Land	Right-of-Use Building	Right-of-Use Plant & Machinery	Total Right-of-Use Assets
<b>Gross Carrying Amount as at 01.04.2019</b>	-	-	-	-
Additions during the year	1,893.08	1,405.19	280.17	3,578.44
<b>Gross Carrying Amount as at 31.03.2020</b>	<b>1,893.08</b>	<b>1,405.19</b>	<b>280.17</b>	<b>3,578.44</b>
Additions during the year	292.43	260.27	648.30	1,201.00
Deletions/ transfers during the year	-	-	-	-
Other Reclassifications	64.36	39.22	-	103.58
<b>Gross Carrying Amount as at 31.03.2021</b>	<b>2,121.15</b>	<b>1,626.24</b>	<b>928.47</b>	<b>4,675.86</b>
<b>Accumulated Depreciation as at 01.04.2019</b>	-	-	-	-
Depreciation during the year	119.67	55.83	9.36	184.86
<b>Accumulated Depreciation as at 31.03.2020</b>	<b>119.67</b>	<b>55.83</b>	<b>9.36</b>	<b>184.86</b>
Depreciation during the year	138.55	59.15	16.75	214.45
Disposal during the year	-	-	-	-
Other Reclassifications	40.89	23.56	-	64.45
<b>Accumulated Depreciation as at 31.03.2021</b>	<b>217.33</b>	<b>91.42</b>	<b>26.11</b>	<b>334.86</b>
<b>Net Carrying Amount as at 31.03.2019</b>	-	-	-	-
<b>Net Carrying Amount as at 31.03.2020</b>	<b>1,773.41</b>	<b>1,349.36</b>	<b>270.81</b>	<b>3,393.58</b>
<b>Net Carrying Amount as at 31.03.2021</b>	<b>1,903.82</b>	<b>1,534.82</b>	<b>902.36</b>	<b>4,341.00</b>

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Notes annexed to and forming part of the financial statements

**NOTE 3 : OTHER FINANCIAL ASSETS**

**Non-current**

Security deposits

	<b>As at March 31, 2021 Rs. In lakhs</b>	<b>As at March 31, 2020 Rs. In lakhs</b>
	225.05	187.17
	<b>225.05</b>	<b>187.17</b>

**Note:-**

(i) Security deposits to related party as on March 31, 2021 amounts to Rs. 65.23 lakhs (March 31, 2020 Rs. 65.23 lakhs)  
(Refer Note 35)

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Notes annexed to and forming part of the financial statements

## NOTE 4 : OTHER NON-CURRENT ASSETS

### Unsecured, considered good

- (i) Capital advances
- (ii) Prepaid expenses
- (iii) Advance sales tax
- (iv) Balance with GST authorities
- (v) Balance with other Indirect tax authorities

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
	44.96	443.85
	18.96	18.49
	222.32	225.30
	798.69	1,529.70
	1,662.61	1,671.11
	<b>2,747.54</b>	<b>3,888.45</b>

**TATA STEEL DOWNSTREAM PRODUCTS LIMITED**  
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Notes annexed to and forming part of the financial statements

**NOTE 5: INVENTORIES**

(valued at lower of cost or net realisable value)

- (a) Raw materials (Refer Note (ii))
- (b) Work-in-Progress
- (c) Finished goods (including scrap) (Refer Note (iii))
- (d) Stock-in-trade
- (e) Stores and spares

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
	41,183.48	31,988.32
	346.93	286.03
	7,211.06	5,288.47
	1,690.20	1,226.04
	1,417.84	1,082.25
	<b>51,849.51</b>	<b>39,871.11</b>

Notes:

- (i) The cost of inventories recognised as an expense during the year was Rs. 3,18,641.15 lakhs, (previous year 31.03.2020 Rs. 2,65,023.16 lakhs).
- (ii) Raw materials include Goods in transit Rs. 11,537.77 lakhs, (31.03.2020 Rs. 5,047.73 lakhs)
- (iii) Finished goods include Scrap of Rs. 342.55 lakhs, (31.03.2020 Rs. 321.46 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 its net realisable value for an amount of Rs. Nil (31.03.2020 Rs. 541.40 lakhs).



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Notes annexed to and forming part of the financial statements

**NOTE 6: INVESTMENTS IN JOINT VENTURES**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Rs. In lakhs	No. of Shares	Rs. In lakhs
<b>Investments carried at cost</b>				
<b>Equity investment in joint ventures</b>				
Unquoted investments (fully paid)				
(a) Jamshedpur Continuous Annealing & Processing Company Private Limited (Refer Note 35)	730,320,000	83,402.54	-	-
(b) Tata BlueScope Steel Private Limited (Refer Note 35)	433,000,000	141,158.00	-	-
<b>Total aggregate unquoted investments</b>	<b>1,163,320,000</b>	<b>224,560.54</b>	-	-
<b>Total investments in joint ventures</b>		<b>224,560.54</b>		-

**Note:**

The Board of the company on its meeting held on 22nd July 2020 and the Shareholders on its Extraordinary General Meeting held on 31st July 2020 had approved the acquisition of following shares from Tata Steel Limited (TSL):

- i. 73,03,20,000 equity shares of face value ₹10 each (representing 51% stake) of Jamshedpur Continuous Annealing & Processing Company Private Limited (JCAPCPL)
- ii. 43,30,00,000 equity shares of face value ₹10 each (representing 50% stake) of Tata BlueScope Steel Private Limited (TBSPL)

The said transfer was approved to be settled through issue of equity shares of the company to TSL on a preferential basis, through the private placement route.

In line with its decision above, the Board in its meeting held on 22nd December 2020 and the Shareholders in its meeting held on 22nd December 2020, further approved the exchange of aforementioned shares at fair values. Accordingly a registered valuer was appointed to ascertain the fair values of the respective shares to facilitate the transfer. The fair values of each equity share of the Company, JCAPCPL and TBSPL (having a nominal/ face value of Rs 10/share each) was ascertained at Rs. 129.00/share, Rs. 11.42/share and Rs. 32.60/share respectively.

In accordance with the decision of the Board and the Shareholders in its meetings as stated above, the company allotted 17,40,77,940 equity shares having a face value of Rs 10 each to TSL on January 1, 2021 ("Transfer date") at a premium of Rs 119 per share at an aggregate value of Rs. 224,560.54 lakhs. Correspondingly, TSL transferred the aforesaid stake in joint ventures to the company on the transfer date.

Further the company holds more than 50% of the equity share capital in Jamshedpur Continuous Annealing & Processing Company Private Limited. However, decisions in respect of activities which significantly affect the risks and rewards of its business, require unanimous consent of all the shareholders. Hence, it has been considered as a joint venture.

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

Notes annexed to and forming part of the financial statements

**NOTE 7: INVESTMENTS**

	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Rs. In lakhs	No. of Units	Rs. In lakhs
<b>NON - CURRENT INVESTMENTS</b>				
Unquoted investments (fully paid)				
Investment in Equity Instruments at FVTOCI - - Nicco Jubilee Park Limited ( Face Value: Re 1)	10,000	1.00	10,000.00	1.00
Less: Provision for impairment in value		(1.00)		(1.00)
<b>Total aggregate unquoted investments</b>	<b>10,000</b>	<b>-</b>	<b>10,000.00</b>	<b>-</b>
<b>Aggregate amount of impairment in value of investments</b>		<b>1.00</b>		<b>1.00</b>

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Notes annexed to and forming part of the financial statements

### NOTE 8 : TRADE RECEIVABLES

	As at March 31, 2021	As at March 31, 2020
	Rs. In lakhs	Rs. In lakhs
<b>Current</b>		
(a) Considered good - Unsecured	51,481.30	31,105.17
(b) Credit impaired	2,491.54	2,516.39
	<b>53,972.84</b>	<b>33,621.56</b>
Less : Allowance for credit impaired	2,491.54	2,516.39
	<b>51,481.30</b>	<b>31,105.17</b>

#### 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 March 31, 2021 Rs. 4,964.60 lakhs (as at March 31, 2020 of Rs. 475.13 lakhs) is due from Ashok Leyland Limited and Rs. 3,307.40 lakhs (as at March 31, 2020 of Rs. 5,765.65 lakhs) is due from Tata Steel Limited (Refer note 35). 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 31.03.2021	
Ageing	Gross Receivables (Rs. in lakhs)	Expected credit loss (Rs. in lakhs)
0-90 days due	51,043.92	215.65
91-180 days due	716.88	221.12
181-365 days due	179.44	22.17
More than 365 days due	2,032.60	2,032.60
	<b>53,972.84</b>	<b>2,491.54</b>

	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
<b>Total</b>	<b>33,621.56</b>	<b>2,516.39</b>

Movement in the expected credit loss allowance	Year ended 31.03.2021 (Rs. in lakhs)	Year ended 31.03.2020 (Rs. in lakhs)
Balance at the beginning of the year	2,516.39	2,398.11
Bad debts written off	(0.26)	(0.02)
Allowance for doubtful trade receivables	(24.59)	118.30
<b>Balance at end of the year</b>	<b>2,491.54</b>	<b>2,516.39</b>

#### 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, 2021 amounting to Rs. 3,564.64 lakhs (March 31, 2020 Rs. 6,013.41 lakhs) (Refer Note 35)

**TATA STEEL DOWNSTREAM PRODUCTS LIMITED**  
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Notes annexed to and forming part of the financial statements

**NOTE 9A : CASH AND CASH EQUIVALENTS**

- (a) Balances with scheduled banks :
  - In current accounts
- (b) Cheques, drafts on hand
- (c) Cash in hand

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
	4,223.24	5,356.54
	33.65	197.79
	0.99	1.03
	<b>4,257.88</b>	<b>5,555.36</b>

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Notes annexed to and forming part of the financial statements

**NOTE 9B: OTHER BANK BALANCES**

Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date

	<b>As at March 31, 2021 Rs. In lakhs</b>	<b>As at March 31, 2020 Rs. In lakhs</b>
	2,000.00	-
	<b>2,000.00</b>	-

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Notes annexed to and forming part of financial statements

## NOTE 10 : OTHER FINANCIAL ASSETS

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
(a) Financial Derivative Asset	-	78.70
(b) Interest accrued on fixed deposit	1.78	-
	<b>1.78</b>	<b>78.70</b>

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Notes annexed to and forming part of the financial statements

**NOTE 11 : OTHER CURRENT ASSETS**

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
(a) <b>Unsecured, considered good</b>		
- Other advances (Refer note (i) & (ii) below)	3,234.76	2,383.02
(b) Advance with Government authorities		
- Balance with GST authorities	3,022.45	2,519.83
(c) Prepaid expenses	342.94	287.27
(d) Unbilled conversion revenue	198.67	337.41
(e) <b>Unsecured, considered doubtful</b>		
Other advances	26.89	26.37
	<b>6,825.71</b>	<b>5,553.90</b>
Less: Provision for doubtful advances	26.89	26.37
	<b>6,798.82</b>	<b>5,527.53</b>

Notes:

(i) Other advances includes unclaimed input credits of goods in transit and vendor advances.

(ii) Other advances includes advance to related parties Rs. 531.24 lakhs (31.03.2020 - Rs. 726.33 lakhs) (Refer Note 35)

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Notes annexed to and forming part of the financial statements

**NOTE 12 : EQUITY SHARE CAPITAL**

(a) **Authorised Share Capital**

5,000,000,000 equity shares of Rs.10 each (March 31, 2020 : 5,000,000,000 equity shares of Rs.10 each)

(b) **Issued , Subscribed and fully paid up**

24,23,27,940 equity shares of Rs. 10 each fully paid (March 31, 2020 : 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.]

**Total issued, subscribed and fully paid up share capital**

	<b>As at March 31, 2021 Rs. In lakhs</b>	<b>As at March 31, 2020 Rs. In lakhs</b>
	<b>500,000.00</b>	<b>500,000.00</b>
	24,232.79	6,825.00
	<b>24,232.79</b>	<b>6,825.00</b>

Notes:

1) **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.

2) Details of movement in subscribed and paid up share capital is as below:-

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Opening balance	6,825.00	6,825.00
Changes during the year	17,407.79	-
<b>Closing balance</b>	<b>24,232.79</b>	<b>6,825.00</b>

3) During the year, the Company has issued 17,40,77,940 fully paid equity shares as consideration for acquisition of Joint Ventures. (Refer Note 6 & 35)



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<b>NOTE 13 : OTHER EQUITY</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2021</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2020</b>
	<b>Rs. In lakhs</b>	<b>Rs. In lakhs</b>	<b>Rs. In lakhs</b>	<b>Rs. In lakhs</b>
<b>(A) General reserve</b>				
At the commencement of the year	373.77		373.77	
At the end of the year		<b>373.77</b>		<b>373.77</b>
<b>(B) Securities Premium</b>				
At the commencement of the year	-		-	
Add: Issue of Shares during the year (Refer note 6 & 35)	<u>207,152.75</u>	<b>207,152.75</b>	<u>-</u>	<b>-</b>
<b>(C) Surplus in Profit and Loss</b>				
At the commencement of the year	66,659.53		60,944.53	
Add: Profit for the year	8,089.86		6,114.60	
Add: Other comprehensive loss	<u>(42.38)</u>		<u>(399.60)</u>	
At the end of the year		<b>74,707.01</b>		<b>66,659.53</b>
		<u><b>282,233.53</b></u>		<u><b>67,033.30</b></u>

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 both the financial year 31 March, 2021 and 31 March, 2020, the Directors in their Board meeting dated 16 April, 2021 and 22 June, 2020 respectively have not proposed any dividend.

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.

(ii) Securities Premium

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

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**NOTE 14 : NON-CURRENT BORROWINGS**

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
(a) <b>Secured borrowings</b>		
Term loans from bank	14,899.89	18,101.93
(b) <b>Unsecured borrowings</b>		
Deferred payment liabilities		
-Sales tax deferment loans	701.46	670.51
<b>Total non current borrowings</b>	<b>15,601.35</b>	<b>18,772.44</b>

Notes: **Additional information on borrowings**

	Particulars of Loan	Amount outstanding as at March 31, 2021 (Rs. in lakhs)	Amount outstanding as at March 31, 2020 (Rs. in lakhs)	Terms of Repayment	Security
[A]	<b>Term loan from Banks</b>				
i.	Rupee Loan	-	2,625.00	The company has prepaid the entire loan amount.	Primary charge - Fixed assets of Chennai Service Centre, Thiruninravur
ii.	ECB loan- Nil (31.03.2020 - USD 1.31 Million)	-	839.86	The company has prepaid the entire loan amount. (Refer Note (i) & (iii) below)	Fixed assets at CR Works (Jamshedpur Continuous Annealing & Processing Company Private Limited's Slitting Facility), Jamshedpur
iii.	Rupee Loan	16,720.00	18,145.00	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
	<b>Total</b>	<b>16,720.00</b>	<b>21,609.86</b>		
	Less: Current maturities of long term debt (Refer Note 19)	1,797.08	3,472.78		
	Less: Borrowing cost adjusted	23.03	35.15		
	<b>Non-current borrowings- Secured</b>	<b>14,899.89</b>	<b>18,101.93</b>		
[B]	<b>Sales tax deferment loan</b>	<b>701.46</b>	<b>670.51</b>	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) The interest rate of External Commercial Borrowings are based on 3 Months USD LIBOR for the relevant year which is hedged through Cross Currency Interest Rate Swaps.
- ii) The interest rates for loans for the year ended 31.03.2021 as mentioned in [A] above are linked to LIBOR/MCLR and range between 1.81% to 9.05% p.a. (31.03.2020 - 3.40% to 9.05% p.a.).

During the quarter ended June 30,2020 there had been a breach of a debt covenant with State Bank of India amounting to Rs. 708.75 lakhs. The company had requested the State Bank of India to waive the breach, the approval of which had been received on August 27, 2020. The company had repaid the loan outstanding on September 30, 2020. There is no breach of loan agreements during the current year and previous year in respect of any other outstanding loans.

- iv) Loan guaranteed by the directors as on 31 March, 2021 - Rs. Nil (31 March, 2020 -Rs. Nil).

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<b>Debt Reconciliation</b>	<b>As at March 31, 2021 Rs. In lakhs</b>	<b>As at March 31, 2020 Rs. In lakhs</b>
(i) Non current borrowings (including current maturities of long term borrowings)	(17,398.43)	(22,245.22)
(ii) Current borrowings	(28,000.00)	(20,218.52)
(iii) Lease Liabilities	(2,170.36)	(1,290.96)
(iv) Cash and cash equivalents	4,257.88	5,555.36
(v) Other bank balances	2,000.00	-
	<b>(41,310.91)</b>	<b>(38,199.34)</b>

**Movements in Borrowings**

	<b>Current Borrowings Rs. In lakhs</b>	<b>Non current borrowings (including current maturities of long term borrowings) Rs. In lakhs</b>
<b>As at 01.04.2019</b>	28,470.01	20,523.32
New loans / Drawals	158.57	4,500.00
Repayments	(8,410.06)	(2,890.48)
Exchange differences taken to Statement of Profit and	-	-
Exchange differences taken to Property, Plant and	-	69.79
Other adjustments	-	42.59
<b>As at 31.03.2020</b>	<b>20,218.52</b>	<b>22,245.22</b>
<b>As at 01.04.2020</b>	20,218.52	22,245.22
New loans / Drawals	28,000.00	-
Repayments	(20,218.52)	(4,889.87)
Exchange differences taken to Property, Plant and	-	(5.99)
Equipment	-	-
Other adjustments	-	49.07
<b>As at 31.03.2021</b>	<b>28,000.00</b>	<b>17,398.43</b>

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## NOTE 15 : CURRENT BORROWINGS

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
<b>Secured</b>		
<b>Loan repayable on demand</b>		
(i) Loan repayable on demand [Refer Note -(ii)]	5,000.00	-
(ii) Short term loan against customer bills	-	818.52
<b>Unsecured</b>		
(i) Loan repayable on demand [Refer Note -(iii)]	4,000.00	19,400.00
(ii) Loans from related parties [Refer Note -(iv)]	19,000.00	-
<b>Total current borrowings</b>	<b>28,000.00</b>	<b>20,218.52</b>

Notes:

- There is no default in repayment of borrowings and interest for the year ended 31 March, 2021 and 31 March, 2020.
- The Loan is repayable in 90 days from the draw-down date and carries interest rate ranging from 4.50% p.a to 5.00% p.a. It is repayable on demand and is secured against First Pari-Pasu charge on the entire current assets, both present and future, of the company (31 March, 2020 - Nil).
- The loan was repayable on demand and carried MCLR linked interest rate ranging from 6.00% to 8.00% p.a as on 31 March, 2021 (31 March, 2020 - 7% p.a. to 8.40% p.a.).
- The loans are repayable in 90/120/180 days from the respective drawdown date and carry interest rate ranging from 5% p.a. to 5.5% p.a. (31 March, 2020 - Nil)

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

Notes annexed to and forming part of the financial statements

**NOTE 16 : PROVISIONS****Non-current provisions****Provision for employee benefits**

- (i) Compensated absences
- (ii) Post retirement medical benefits
- (iii) Other post retirement benefits

**Total non-current provisions (A)****Current provisions**

- (i) Provision for employee benefits
  - (a) Gratuity
  - (b) Compensated absences
  - (c) Other post retirement benefits
- (ii) Provision for contingencies-sales tax

**Total current provisions (B)****Total provisions (A+B)**

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
	1,249.59	1,143.52
	890.46	714.19
	719.18	654.70
	<b>2,859.23</b>	<b>2,512.41</b>
	88.12	535.87
	34.40	28.96
	51.70	48.80
	0.12	0.12
	<b>174.34</b>	<b>613.75</b>
	<b>3,033.57</b>	<b>3,126.16</b>

## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)



Notes annexed to and forming part of the financial statements

### NOTE 17 : OTHER NON-CURRENT LIABILITIES

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
Unamortised deferred income	281.32	323.77
	<b>281.32</b>	<b>323.77</b>

#### Notes:

(i) Includes Rs. 7.50 lakhs (31.03.2020 - Rs. 9 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 273.82 lakhs (31.03.2020 - Rs. 314.77 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.

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



Notes annexed to and forming part of the financial statements

**NOTE 17A : LEASE LIABILITIES**

**NON-CURRENT LEASE LIABILITY**

Lease Liability

**CURRENT LEASE LIABILITY**

Lease Liability

	<b>As at March 31, 2021 Rs. In lakhs</b>	<b>As at March 31, 2020 Rs. In lakhs</b>
	2,065.95	1,193.70
	<b>2,065.95</b>	<b>1,193.70</b>
	104.41	97.26
	<b>104.41</b>	<b>97.26</b>

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

Notes annexed to and forming part of the financial statements

**NOTE 18 : TRADE PAYABLES****Current****(A) Total outstanding dues of micro and small enterprises**

Total outstanding dues of micro and small enterprises

382.74

127.98

**382.74****127.98****(B) Total outstanding dues to other than micro and small enterprises**

(i) Trade payables - others

10,674.20

8,912.14

(ii) Trade payables to related parties (Refer Note 35)

22,821.85

4,468.83

**33,496.05****13,380.97****33,878.79****13,508.95**

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
	382.74	127.98
	<b>382.74</b>	<b>127.98</b>
	10,674.20	8,912.14
	22,821.85	4,468.83
	<b>33,496.05</b>	<b>13,380.97</b>
	<b>33,878.79</b>	<b>13,508.95</b>



## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)



Notes annexed to and forming part of the financial statements

### NOTE 19 : OTHER FINANCIAL LIABILITIES

- (a) Current maturity of long-term debt
  - Term loan from bank (Secured) - Refer note 14
- (b) Interest accrued but not due on borrowings
- (c) Interest accrued on trade payables
- (d) Payables for purchase for property, plant and equipment

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
	1,797.08	3,472.78
	245.82	204.76
	53.51	34.18
	1,685.92	2,003.43
	<b>3,782.33</b>	<b>5,715.15</b>

## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)



Notes annexed to and forming part of the financial statements

### NOTE 20 : OTHER CURRENT LIABILITIES

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
(a) Statutory dues (Contribution to Indirect Tax, PF, ESIC, withholding taxes, etc.)	554.96	297.28
(b) Advance from customers	1,939.68	956.99
(c) Unamortised deferred income	42.44	42.44
	<b>2,537.08</b>	<b>1,296.71</b>

## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)



Notes annexed to and forming part of the financial statements

### NOTE 21 : CURRENT TAX LIABILITIES (NET)

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
<b>Current tax liabilities</b>		
Provision for tax	19,667.00	19,667.00
Less: Advance tax	18,147.26	18,147.26
	<b>1,519.74</b>	<b>1,519.74</b>

# TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)



Notes annexed to and forming part of the financial statements

## NOTE 22 : NON-CURRENT TAX ASSETS (NET)

### Non Current tax assets

Advance tax

Less: Provision for tax

	As at March 31, 2021 Rs. In lakhs	As at March 31, 2020 Rs. In lakhs
	12,522.64	10,016.34
	11,585.79	9,732.79
	<b>936.85</b>	<b>283.55</b>

## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited) 

Notes annexed to and forming part of the financial statements

### NOTE 23 : REVENUE FROM OPERATIONS

	Year ended March 31, 2021 Rs. In lakhs	Year ended March 31, 2020 Rs. In lakhs
(a) Sales of products [Refer note (i)]	337,912.60	282,023.54
(b) Sale of services [Refer note (ii)]	20,765.80	25,387.57
(c) Other operating revenues [Refer note (iii)]	3,359.57	3,397.88
	<b>362,037.97</b>	<b>310,808.99</b>

#### Notes :

(i) Details of sale of products		
(1) Steel coils and sheets	328,040.90	273,718.02
(2) Others (Long products and components)	9,871.70	8,305.52
	<b>337,912.60</b>	<b>282,023.54</b>
(ii) Detail of sale of services		
Processing of steel coils/ sheets, longs and plates	20,765.80	25,387.57
	<b>20,765.80</b>	<b>25,387.57</b>
(iii) Includes scrap sales Rs. 3,225.93 lakhs [Previous year Rs. 3,038.61 lakhs]		

## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)



Notes annexed to and forming part of the financial statements

### NOTE 24 : OTHER INCOME

- (a) Interest income
- (b) Fair value gain on derivatives
- (c) Deferred income-government subsidy
- (d) Other non - operating income

	Year ended March 31, 2021 Rs. In lakhs	Year ended March 31, 2020 Rs. In lakhs
(a) Interest income	124.09	100.53
(b) Fair value gain on derivatives	-	99.03
(c) Deferred income-government subsidy	42.44	42.44
(d) Other non - operating income	150.00	-
	<b>316.53</b>	<b>242.00</b>

**TATA STEEL DOWNSTREAM PRODUCTS LIMITED**  
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Notes annexed to and forming part of the financial statements

	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. In lakhs	Rs. In lakhs
<b>NOTE 25: COST OF RAW MATERIALS CONSUMED</b>		
a] Opening Stock	31,988.32	42,210.86
b] Add : Purchases	312,628.76	233,599.59
	<b>344,617.08</b>	<b>275,810.45</b>
c] Less : Closing stock	41,183.48	31,988.32
	<b>303,433.60</b>	<b>243,822.13</b>
Details of raw materials consumed		
(i) Steel coils and sheets	<b>296,038.43</b>	<b>238,300.26</b>
(ii) Others	<b>7,395.17</b>	<b>5,521.87</b>
	<b>303,433.60</b>	<b>243,822.13</b>
<b>NOTE: 26 PURCHASE OF STOCK-IN-TRADE</b>		
(i) Steel coils and sheets	<b>16,473.52</b>	<b>18,883.96</b>
(ii) Others	<b>1,181.68</b>	<b>1,121.89</b>
	<b>17,655.20</b>	<b>20,005.85</b>
<b>NOTE 27: CHANGES IN INVENTORIES</b>		
<b>WORK-IN-PROGRESS</b>		
Opening stock	286.03	418.14
Less: Closing stock	346.93	286.03
	(60.90)	132.11
<b>FINISHED GOODS</b>		
Opening stock	5,288.47	5,619.88
Less: Closing stock	7,211.06	5,288.47
	(1,922.59)	331.41
<b>STOCK-IN-TRADE</b>		
Opening stock	1,226.04	1,957.70
Less: Closing stock	1,690.20	1,226.04
	(464.16)	731.66
	<b>(2,447.65)</b>	<b>1,195.18</b>

## TATA STEEL DOWNSTREAM PRODUCTS LIMITED

(Formerly known as Tata Steel Processing And Distribution Limited)



Notes annexed to and forming part of the financial statements

### NOTE: 28 EMPLOYEE BENEFITS EXPENSE

- (i) Salaries and wages
- (ii) Company's contribution to provident and other funds
- (iii) Staff welfare expenses

	Year ended March 31, 2021 Rs. In lakhs	Year ended March 31, 2020 Rs. In lakhs
(i) Salaries and wages	7,446.49	8,277.75
(ii) Company's contribution to provident and other funds	800.63	767.34
(iii) Staff welfare expenses	412.46	570.55
	<b>8,659.58</b>	<b>9,615.64</b>

Note: During the year, the company recognised an amount of Rs. 217.90 lakhs (2019-20 Rs. 281.51 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below:

### Particulars

- (a) Short term employee benefits
- (b) Post employment benefits
- (c) Other long term employment benefits

	Year ended March 31, 2021 Rs. In lakhs	Year ended March 31, 2020 Rs. In lakhs
(a) Short term employee benefits	216.42	260.35
(b) Post employment benefits	2.63	17.59
(c) Other long term employment benefits	(1.15)	3.57
	<b>217.90</b>	<b>281.51</b>



## TATA STEEL DOWNSTREAM PRODUCTS LIMITED



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Notes annexed to and forming part of the financial statements

### NOTE 29 : FINANCE COST

	Year ended March 31, 2021 Rs. In lakhs	Year ended March 31, 2020 Rs. In lakhs
(a) Interest expense		
(i) On term loans	1,503.76	1,946.07
(ii) Trade payables	19.34	7.60
(iii) Others [Refer note (ii)]	851.87	1,441.69
(b) Other borrowing costs	12.13	11.65
	<b>2,387.10</b>	<b>3,407.01</b>
Less: Interest capitalised [Refer Note (i)]	180.14	419.01
	<b>2,206.96</b>	<b>2,988.00</b>

#### 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 respect of the qualifying assets, in this case it is in the range of 7.10% p.a. to 8.25% p.a. (March 31, 2020: 8.15% p.a. to 8.75% p.a.)

(ii) Interest expense amounting to Rs. 139.56 Lakhs has been recognised in the current year on account of lease liabilities (Previous year - Rs 94.74 Lakhs).

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

Notes annexed to and forming part of the financial statements

**NOTE 30: OTHER EXPENSES**

	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. In lakhs	Rs. In lakhs
Consumption of stores and spares	5,083.13	5,594.17
Packing expenses	589.25	536.13
Power and fuel	1,036.94	1,267.83
Conversion charges	2,582.94	2,138.20
Rent [Refer note (i)]	37.43	253.32
Repairs and maintenance		
- Buildings	10.72	17.37
- Machinery	770.27	922.45
- Others	1,223.09	1,242.62
Insurance	292.64	234.23
Rates and taxes	405.15	312.19
Postage, telegram and telephone	32.56	35.45
Travelling and conference	168.90	481.37
Vehicle running	33.83	78.35
Printing and stationary	66.01	84.09
Freight and handling charges	2,607.40	2,599.63
Legal and professional charges	276.38	255.39
Expenses on corporate social responsibility (Refer note 39)	220.91	184.63
Directors fees and commission	7.58	17.52
Provision for doubtful trade receivables and advances	(24.59)	118.30
Loss on sale /discard of property, plant and equipment (net)	5.43	163.44
Net loss on foreign currency transactions	20.35	3.00
Fair value loss on derivatives	52.71	-
Contract labour charges	2,273.95	2,258.93
Miscellaneous expenses	1,678.49	1,782.42
	<b>19,451.47</b>	<b>20,581.03</b>

**Note:**

(i) Expense relating to short-term leases Rs. 37.43 Lakhs has been recognised in the current year (Previous year - Rs. 242.82 Lakhs).

**Note 31: Contingent liabilities**

	As at March 31, 2021 Rs. in lakhs	As at March 31, 2020 Rs. in lakhs
Claims against the company not acknowledged as debt		
a) Sales tax/ VAT	744.89	651.11
b) Income tax	61.91	61.91
c) Land related matters	243.46	-

**Note:**

The Company has assessed the impact 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 Vidy 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 32: Capital commitments**

Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances) :  
Rs. 435.47 lakhs, (As at 31.03.2020 Rs. 1726.03 lakhs).

**Note 33: Audit Fees paid/ payable comprises:**

	Year ended March 31, 2021 Rs. in lakhs	Year ended March 31, 2020 Rs. in lakhs
(a) To Statutory Auditors		
i) Audit fees	29.82	15.82
ii) Tax audit fees	4.50	2.50
iii) Other services	22.70	13.75
iv) Out-of-pocket expenses	1.12	2.73
	<b>58.14</b>	<b>34.80</b>
(b) To Cost Auditors		
i). Cost audit	2.25	2.25
ii). Other services	0.18	0.18
	<b>2.43</b>	<b>2.43</b>

The above figures are exclusive of Goods and Services Tax.

**Note 34: Earnings per share**

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (Rs. in lakhs)	8,089.86	6,114.60
Weighted average number of equity shares (Refer Note 6)	111,769,485	68,250,000
Nominal value per equity share-Rs.	10	10
Basic and diluted earnings per share (Rs.)	7.24	8.96

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

**Note 35: 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 Private 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) Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities & Services Company Limited)	Fellow Subsidiary Company
vi) Tata Steel Mining Limited (formerly T S Alloys Limited)	Fellow Subsidiary Company
vii) Tata Steel BSL Limited	Fellow Subsidiary Company
viii) Bannipal Steel Limited	Fellow Subsidiary Company
ix) Rujuvalika Investments Limited	Fellow Subsidiary Company
x) TM International Logistics Limited	Joint Venture of Parent Company
xi) Jamshedpur Continuous Annealing & Processing Company Private Limited (upto December 31,2020)	Joint Venture of Parent Company
xii) Jamshedpur Continuous Annealing & Processing Company Private Limited (from January 01,2021)	Joint Venture
xiii) TKM Global Logistics Limited	Joint Venture of Parent Company
xiv) Tata Bluescope Steel Private Limited (upto December 31,2020)	Joint Venture of Parent Company
xv) Tata Bluescope Steel Private Limited (from January 01,2021)	Joint Venture
xvi) Mjunction Services Limited	Joint Venture of Parent Company
xvii) TRF Limited	Associate of Parent Company
xviii) Tata Ryerson Limited Officer's Superannuation Fund	Employee Benefit Fund
xix) Tata Ryerson Limited Gratuity Fund	Employee Benefit Fund
xx) Abraham G Stephanos (Managing Director)	Key Management Personnel
xxi) Mr. Anand Sen (Chairman, upto October 16,2019)	Key Management Personnel
xxii) Mr. Chacko Joseph (Non-Executive Director)	Key Management Personnel
xxiii) Mr. Srikumar Menon (Independent Director, upto March 27,2020)	Key Management Personnel
xxiv) Dr. Rupali Basu (Independent Director, upto March 27,2020)	Key Management Personnel

The related parties principally comprise of joint ventures of the company and 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 following table summarises related party transactions and balances included in the financial statements for the year ended and as at 31.03.2021

(Rs. in lakhs)									
Transaction	Year	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Sale of products</b>									
Tata Metaliks Limited	Year ended 31.03.2021	-	-	-	42.22	-	-	-	-
	Year ended 31.03.2020	-	-	-	-	-	-	-	-
Tata Steel Mining Limited	Year ended 31.03.2021	-	-	-	-	-	-	-	-
	Year ended 31.03.2020	-	-	-	28.03	-	-	-	-
TRF Limited	Year ended 31.03.2021	-	-	-	-	-	-	-	-
	Year ended 31.03.2020	-	-	-	-	-	26.77	-	-
<b>Total</b>	<b>Year ended 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Year ended 31.03.2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.03</b>	<b>-</b>	<b>26.77</b>	<b>-</b>	<b>-</b>

(Rs. in lakhs)									
Transaction	Year	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Sale of services</b>									
Tata Steel Limited	Year ended 31.03.2021	-	19,589.56	-	-	-	-	-	-
	Year ended 31.03.2020	-	23,409.84	-	-	-	-	-	-
Jamshedpur Continuous Annealing & Processing Company Private Limited	Year ended 31.03.2021	-	-	549.82	-	1,062.58	-	-	-
	Year ended 31.03.2020	-	-	-	-	1,718.84	-	-	-
<b>Total</b>	<b>Year ended 31.03.2021</b>	<b>-</b>	<b>19,589.56</b>	<b>549.82</b>	<b>-</b>	<b>1,062.58</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Year ended 31.03.2020</b>	<b>-</b>	<b>23,409.84</b>	<b>-</b>	<b>-</b>	<b>1,718.84</b>	<b>-</b>	<b>-</b>	<b>-</b>





**TATA STEEL DOWNSTREAM PRODUCTS LIMITED**  
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Dr. Rupali Basu	Year ended 31.03.2021	-	-	-	-	-	-	-	-
	Year ended 31.03.2020	-	-	-	-	-	-	-	8.28
Mr. Chacko Joseph	Year ended 31.03.2021	-	-	-	-	-	-	-	7.58
	Year ended 31.03.2020	-	-	-	-	-	-	-	1.20
Mr. Srikumar Menon	Year ended 31.03.2021	-	-	-	-	-	-	-	-
	Year ended 31.03.2020	-	-	-	-	-	-	-	5.86
<b>Total</b>	<b>Year ended 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225.48</b>
	<b>Year ended 31.03.2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>297.10</b>

**Outstanding balances**

(Rs. in lakhs)

Transaction	Year	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Security deposits</b>									
Tata Steel Limited	As at 31.03.2021	-	65.23	-	-	-	-	-	-
	As at 31.03.2020	-	65.23	-	-	-	-	-	-

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Trade receivables</b>									
Tata Steel Limited	As at 31.03.2021	-	3,307.40	-	-	-	-	-	-
	As at 31.03.2020	-	5,765.65	-	-	-	-	-	-
Jamshedpur Continuous Annealing & Processing Company Private Limited	As at 31.03.2021	-	-	250.84	-	-	-	-	-
	As at 31.03.2020	-	-	-	-	221.00	-	-	-
TRF Limited	As at 31.03.2021	-	-	-	-	-	6.40	-	-
	As at 31.03.2020	-	-	-	-	-	26.77	-	-
<b>Total</b>	<b>As at 31.03.2021</b>	<b>-</b>	<b>3,307.40</b>	<b>250.84</b>	<b>-</b>	<b>-</b>	<b>6.40</b>	<b>-</b>	<b>-</b>
	<b>As at 31.03.2020</b>	<b>-</b>	<b>5,765.65</b>	<b>-</b>	<b>-</b>	<b>221.00</b>	<b>26.77</b>	<b>-</b>	<b>-</b>

**Outstanding balances**

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Advances to related party</b>									
Tata Steel Limited	As at 31.03.2021	-	223.49	-	-	-	-	-	-
	As at 31.03.2020	-	485.54	-	-	-	-	-	-
Tata Steel BSL Limited	As at 31.03.2021	-	-	-	307.75	-	-	-	-
	As at 31.03.2020	-	-	-	240.79	-	-	-	-
<b>Total</b>	<b>As at 31.03.2021</b>	<b>-</b>	<b>223.49</b>	<b>-</b>	<b>307.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>As at 31.03.2020</b>	<b>-</b>	<b>485.54</b>	<b>-</b>	<b>240.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Outstanding balances**

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Trade payables</b>									
Tata Steel Limited	As at 31.03.2021	-	22,610.09	-	-	-	-	-	-
	As at 31.03.2020	-	3,945.92	-	-	-	-	-	-
Jamshedpur Continuous Annealing & Processing Company Private Limited	As at 31.03.2021	-	-	197.70	-	-	-	-	-
	As at 31.03.2020	-	-	-	-	314.44	-	-	-
Tata Bluescope Steel Private Limited	As at 31.03.2021	-	-	9.41	-	-	-	-	-
	As at 31.03.2020	-	-	-	-	59.95	-	-	-

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



Tata Steel BSL Limited	As at 31.03.2021	-	-	-	-	-	-	-	-
	As at 31.03.2020	-	-	-	146.61	-	-	-	-
Mjunction Services Limited	As at 31.03.2021	-	-	-	-	4.65	-	-	-
	As at 31.03.2020	-	-	-	-	1.91	-	-	-
<b>Total</b>	<b>As at 31.03.2021</b>	-	<b>22,610.09</b>	<b>207.11</b>	-	<b>4.65</b>	-	-	-
	<b>As at 31.03.2020</b>	-	<b>3,945.92</b>	-	<b>146.61</b>	<b>376.30</b>	-	-	-

**Outstanding balances**

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Current Loan Payable</b>									
Bamnival Steel Limited	As at 31.03.2021	-	-	-	1,000.00	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-
Tata Metaliks Limited	As at 31.03.2021	-	-	-	15,000.00	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-
Rujvalika Investments Limited	As at 31.03.2021	-	-	-	3,000.00	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-
<b>Total</b>	<b>As at 31.03.2021</b>	-	-	-	<b>19,000.00</b>	-	-	-	-
	<b>As at 31.03.2020</b>	-	-	-	-	-	-	-	-

**Outstanding balances**

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Investments in Joint Ventures</b>									
Jamshedpur Continuous Annealing & Processing Company Private Limited	As at 31.03.2021	-	-	83,402.54	-	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-
Tata BlueScope Steel Private Limited	As at 31.03.2021	-	-	141,158.00	-	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-

**Outstanding balances**

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Joint Venture	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Employee Benefit Fund	Key Management Personnel (KMP)
<b>Interest Accrued but not due</b>									
Bamnival Steel Limited	As at 31.03.2021	-	-	-	13.01	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-
Tata Metaliks Limited	As at 31.03.2021	-	-	-	81.64	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-
Rujvalika Investments Limited	As at 31.03.2021	-	-	-	39.04	-	-	-	-
	As at 31.03.2020	-	-	-	-	-	-	-	-
<b>Total</b>	<b>As at 31.03.2021</b>	-	-	-	<b>133.69</b>	-	-	-	-
	<b>As at 31.03.2020</b>	-	-	-	-	-	-	-	-

**Notes:**

- The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.
- Refer Note 6 of this Financial Statements.
- Transaction with joint ventures have been disclosed at full value and not at their proportionate share.



**Note 36: Deferred tax liability (net)**

	(Rs. in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>	3,032.17	2,525.87
<b>Deferred tax liabilities</b>	(6,750.45)	(6,475.18)
	<b>(3,718.28)</b>	<b>(3,949.31)</b>

**Deferred tax assets/ liability recognised in books** (3,718.28) (3,949.31)

**Deferred tax liability reconciliation**

(Rs. in lakhs)				
As at and for the year ended March 31, 2021	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	(6,463.37)	(281.00)	-	(6,744.37)
Share issue expenses	53.80	(9.69)	-	44.11
Allowance for doubtful debts and doubtful advances	881.70	(6.12)	-	875.58
Defined benefit obligation	1,122.94	(54.92)	3.55	1,071.57
Others financial liabilities	467.44	(18.55)	-	448.89
Others (net)	(11.82)	5.74	-	(6.08)
Impact due to change in tax rate (Refer note below)	-	652.07	(60.05)	592.02
	<b>(3,949.31)</b>	<b>287.53</b>	<b>(56.50)</b>	<b>(3,718.28)</b>

(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
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	(5,309.43)	(1,153.94)	-	(6,463.37)
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)	(15.89)	4.07	-	(11.82)
	<b>(3,373.51)</b>	<b>(790.44)</b>	<b>214.64</b>	<b>(3,949.31)</b>

**Income tax expense for the year can be reconciled to the accounting profits as follows:**

(Rs. in lakhs)		
Details	As at March 31, 2021	As at March 31, 2020
<b>Profit before tax</b>	<b>9,655.33</b>	<b>9,533.04</b>
Income tax expense calculated at 25.681% (2019-20: 34.944%)	2,430.05	3,331.23
Effect of income that is exempt from taxation	(10.68)	(14.83)
Effect of expenses not deductible in determining taxable profit	103.10	102.04
Effect of change in tax rate (Refer note below)	(957.00)	-
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>1,565.47</b>	<b>3,418.44</b>

**Income tax recognised in other comprehensive income**

(Rs. in lakhs)		
Details	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	3.55	214.64
Effect of change in tax rate	(60.05)	-
<b>Total income tax recognised in other comprehensive income</b>	<b>(56.50)</b>	<b>214.64</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be classified to profit or loss	(56.50)	214.64
Items that may be classified to profit or loss	-	-
<b>Income tax expenses recognised in other comprehensive income</b>	<b>(56.50)</b>	<b>214.64</b>

Note :

Section 115BAA was introduced in the Income Tax Act, 1961 vide the The Taxation Laws (Amendment) Act, 2019. Pursuant to that , the option of choosing lower tax rate was applicable to the company w.e.f. financial year ended March 31, 2020, provided certain conditions specified in the said section was fulfilled by them. In view of this , the company carried out an impact assessment based on its estimates and projections of future taxable income. During the quarter ended December 31, 2020 and prior to the filing of return of income for the financial year ended 31 March 2020, the company decided to opt for the tax rate of 22% effective financial year ended March 31, 2020. As a result of this , the provision for current and deferred tax in the books of accounts reduced by Rs 304.93 lakhs and Rs 592.02 lakhs respectively during the year in respect of the year ended March 31, 2020

**Note 37: 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. 569.16 lakhs (31.03.2020: Rs. 617.38 lakhs) and in Capital Work in Progress Rs. 0.61 lakhs (31.03.2020 Rs. 0.54 lakhs) respectively towards expenses under defined contribution plans. As at 31 March, 2021 contributions of Rs. 33.85 lakhs (as at 31 March, 2020: Rs. 192.81 lakhs) due in respect of 2020-21 (2019-20) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

<b>Benefit (Contribution to)</b>	<b>Year ended 31.03.2021 Amount (Rs. in lakhs)</b>	<b>Year ended 31.03.2020 Amount (Rs. in lakhs)</b>
i) Provident Fund	394.20	437.97
ii) Superannuation Fund	175.21	163.82
iii) Employee State Insurance	0.36	16.13
	<b>569.77</b>	<b>617.92</b>

**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, 2021 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.

	<b>As at</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>Financial assumptions</b>		
Discount rate (s)	6.80%	6.75%
Expected rate (s) of salary increase		
- Regular	9.00%	9.00%
- Managing Director	12.00%	12.00%
<b>Demographic assumptions</b>		
Retirement age (in years)		
- Regular	60	60
- Managing Director	65	65
<b>As at</b>		
	<b>31.03.2021</b>	<b>31.03.2020</b>
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 31.03.2021		Year ended 31.03.2020	
	Amount		Amount	
	(Rs. in lakhs)		(Rs. in lakhs)	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	Amount	Amount	Amount	Amount
	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
<b>1. Movements in the present value of the defined benefit obligation are as follows.</b>				
a. Opening defined benefit obligation	2,293.30	1,172.49	1,654.45	838.64
b. Current service cost	212.77	122.66	152.89	87.41
c. Interest cost	153.90	75.96	121.18	61.00
d. Settlement cost/(credit)	-	-	-	-
e. Acquisition cost/(credit)	-	-	-	1.83
f. Actuarial (gain)/loss from changes in financial assumptions	(13.46)	(7.51)	184.28	100.75
g. Actuarial (gain)/loss from changes in demographic assumptions	-	-	-	-
h. Actuarial (gain)/loss from experience adjustments	(126.24)	14.82	258.06	133.46
i. Benefits paid	(26.72)	(94.43)	(77.56)	(50.61)
<b>Closing defined benefit obligation</b>	<b>2,493.55</b>	<b>1,283.99</b>	<b>2,293.30</b>	<b>1,172.49</b>
<b>2. Movements in the fair value of plan assets are as follows.</b>				
a. Opening fair value of plan assets	1,757.43	-	1,700.71	-
b. Interest income	135.81	-	124.65	-
c. Acquisition Adjustment	-	-	-	-
d. Contributions from the employer	535.87	-	-	-
e. Return on plan assets greater/(lesser) than discount rate	3.04	-	9.63	-
f. Benefits paid	(26.72)	-	(77.56)	-
<b>Closing fair value of plan assets</b>	<b>2,405.43</b>	<b>-</b>	<b>1,757.43</b>	<b>-</b>
<b>3. Reconciliation of fair value of plan assets and obligations</b>				
a. Fair value of plan assets	2,405.43	-	1,757.43	-
b. Present value of defined benefit obligation	(2,493.55)	(1,283.99)	(2,293.30)	(1,172.49)
<b>Net Assets/(liability) arising from defined benefit obligation</b>	<b>(88.12)</b>	<b>(1,283.99)</b>	<b>(535.87)</b>	<b>(1,172.49)</b>
<b>4. Expenses recognised during the year</b>				
<b>A. Statement of profit and loss in respect of defined benefit plans.</b>				
a. Current service cost	212.77	122.66	152.89	87.41
b. Net interest (income)/expense	18.09	75.96	(3.47)	61.00
c. Actuarial (gain)/loss from changes in financial assumptions	-	(7.51)	-	100.75
d. Actuarial (gain)/loss from changes in demographic assumptions	-	-	-	-
e. Actuarial (gain)/loss from experience adjustments	-	14.82	-	133.46
f. Settlement Cost/(Credit)	-	-	-	-
<b>Cost recognised in Statement of Profit and Loss</b>	<b>230.86</b>	<b>205.93</b>	<b>149.42</b>	<b>382.62</b>
<b>B. Remeasurement on the net defined benefit liability:</b>				
a. Actuarial (gain)/loss from changes in financial assumptions	(13.46)	-	184.28	-
b. Actuarial (gain)/loss from changes in demographic assumptions	-	-	-	-
c. Actuarial (gain)/loss from experience adjustments	(126.24)	-	258.06	-
d. Return on plan assets (greater)/less than discount rate	(3.04)	-	(9.63)	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(142.74)</b>	<b>-</b>	<b>432.71</b>	<b>-</b>
<b>5. Investment details</b>				
a. Others (Funds with Life Insurance Corporation of India)	2,405.43	-	1,757.43	-

Description	Year ended 31.03.2021		Year ended 31.03.2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
<b>6. Assumptions</b>				
a. Discount rate (per annum)	6.80%	6.80%	6.75%	6.75%
b. Estimated rate of return on plan assets (per annum)	6.75%		7.50%	
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	11.00		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	(248.38)	(137.94)	(241.06)	(131.63)
- Effect of 1% decrease in discounting rate	290.49	162.99	282.76	156.09

ii) Effect on defined benefit obligation of 1% change in salary escalation rate

- Effect of 1% increase in salary escalation rate	281.51	157.93	273.70	151.10
- Effect of 1% decrease in salary escalation rate	(245.94)	(136.59)	(238.44)	(130.24)

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 16)	-	1,249.59	-	1,143.52
Current provisions (Refer note 16)	88.12	34.40	535.87	28.96

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 88.12 Lakhs ( 31st March 2020 - 535.87 Lakhs) to the funded gratuity plan during the next financial year.

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

Description	Year ended 31.03.2021 Amount (Rs. in lakhs)		Year ended 31.03.2020 Amount (Rs. in lakhs)	
	Medical	Pension	Medical	Pension
	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)
<b>1. Movements in the present value of the defined benefit obligation are as follows.</b>				
a. Opening defined benefit obligation	720.08	697.61	484.87	668.19
b. Current service cost	73.14	-	48.69	-
c. Interest cost	48.46	45.46	36.16	48.43
d. Actuarial (gain)/loss from changes in financial assumptions	(10.93)	73.95	122.65	47.71
e. Actuarial (gain)/loss from changes in demographic assumptions	-	-	-	-
f. Actuarial (gain)/loss from experience adjustments	69.43	(3.83)	32.76	(21.59)
g. Benefits paid	(4.04)	(47.99)	(5.05)	(45.14)
<b>Closing defined benefit obligation</b>	<b>896.14</b>	<b>765.20</b>	<b>720.08</b>	<b>697.61</b>
<b>2. Reconciliation of fair value of plan assets and obligations</b>				
a. Fair value of plan assets	-	-	-	-
b. Present value of defined benefit obligation	(896.14)	(765.20)	(720.08)	(697.61)
<b>Net Assets/(liability) arising from defined benefit obligation</b>	<b>(896.14)</b>	<b>(765.20)</b>	<b>(720.08)</b>	<b>(697.61)</b>
Non-current provisions (Refer Note 16)	890.46	719.18	714.19	654.70
Current provisions (Refer Note 16)	5.68	46.02	5.89	42.91
<b>3. Expenses recognised during the year</b>				
<b>A. Statement of profit and loss in respect of defined benefit plans.</b>				
a. Current service cost	73.14	-	48.69	-
b. Net interest (income)/expense	48.46	45.46	36.16	48.43
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	<b>121.60</b>	<b>45.46</b>	<b>84.85</b>	<b>48.43</b>

<b>B. Remeasurement on the net defined benefit liability:</b>				
a. Actuarial (gain)/loss from changes in financial assumptions	<b>(10.93)</b>	<b>73.95</b>	122.65	47.71
b. Actuarial (gain)/loss from changes in demographic assumptions	-	-	-	-
c. Actuarial (gain)/loss from experience adjustments	<b>69.43</b>	<b>(3.83)</b>	32.76	(21.59)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>58.50</b>	<b>70.12</b>	155.41	26.12

**4. Assumptions**

	Year ended 31.03.2021		Year ended 31.03.2020	
	Amount (Rs. in lakhs)		Amount (Rs. in lakhs)	
	Medical	Pension	Medical	Pension
a. Discount rate (per annum)	6.80%	6.80%	6.75%	6.75%
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)	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>

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	228.51	183.46
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	(170.43)	(136.44)
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)	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lakhs)	Amount (Rs. in lacs)
<b>I. Gratuity</b>						
a) Present value of defined benefit obligation	<b>2,493.55</b>	2,293.30	1,654.45	1,496.50	1,478.20	1,154.12
b) Fair value of plan assets	<b>2,405.43</b>	1,757.43	1,700.71	1,675.91	1,129.14	1,085.04
c) Surplus / (deficit) in plan assets	<b>(88.12)</b>	(535.87)	46.26	179.41	(349.06)	(69.08)
<b>II. Compensated absences</b>						
a) Present value of defined benefit obligation	<b>1,283.99</b>	1,172.49	838.64	792.03	1,096.41	875.60
b) Fair value of plan assets	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	<b>(1,283.99)</b>	(1,172.49)	(838.64)	(792.03)	(1,096.41)	(875.60)
<b>III. Medical</b>						
a) Present value of defined benefit obligation	<b>896.14</b>	720.08	484.87	546.93	606.75	437.35
b) Fair value of plan assets	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	<b>(896.14)</b>	(720.08)	(484.87)	(546.93)	(606.75)	(437.35)
<b>IV. Pension</b>						
a) Present value of defined benefit obligation	<b>765.20</b>	697.61	668.19	696.94	679.97	638.29
b) Fair value of plan assets	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	<b>(765.20)</b>	(697.61)	(668.19)	(696.94)	(679.97)	(638.29)

**Note 38: 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. 19,589.56 lakhs (31 March, 2020 - 23,409.84 lakhs) (Refer Note 35) which is less than 10% of total revenue of the company, hence no separate disclosure is required.

**Note 39: Expenditure on Corporate social responsibility**

- a) Gross amount required to be spent by the Company during the year ended 31.03.2021 : Rs. 211.47 lakhs (Previous year Rs. 183.28 lakhs)  
b) Amount spent during the year ended 31.03.2021 (refer note 30)

Particulars	2020-21			2019-20		
	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	220.91	-	220.91	184.63	-	184.63
<b>Total</b>	<b>220.91</b>	<b>-</b>	<b>220.91</b>	<b>184.63</b>	<b>-</b>	<b>184.63</b>

c) **Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects**

Balance unspent as at 1 April 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2021
-	-	211.47	220.91	-

d) **Details of excess CSR expenditure under Section 135(5) of the Act**

Balance excess spent as at 1 April 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 March 2021
-	211.47	220.91	9.44

**Note 40: Derivative instruments**

- [i] The Company has entered into cross currency interest rate swap to hedge its future interest rate risk and exchange rate risk on its External Commercial Borrowings from State Bank of India, GIFT City Branch. The same has been carried out in accordance with the Company's Risk Management Policy, approved by the Board of Directors. The Company does not use this contract 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)
31.03.2021	-	-	-
31.03.2020	2	11.25	839.87

[iii] The details of Company's foreign currency exposure as on March 31, 2021 is as follows:

Currency	Year ended March 31, 2021		Year ended March 31, 2020	
	Receivables/ (Payables)	Rupee equivalent	Receivables/ (Payables)	Rupee equivalent
	(FC in lakhs)	(Rs. in lakhs)	(FC in lakhs)	(Rs. in lakhs)
<b>Gross foreign exchange exposure:</b>				
USD	-	-	(11.25)	(839.87)
EURO	(1.23)	(108.38)	(1.83)	(151.38)
<b>Foreign currency hedged</b>				
USD	-	-	(11.25)	(839.87)
EURO	-	-	-	-
<b>Foreign currency unhedged</b>				
USD	-	-	-	-
EURO	(1.23)	(108.38)	(1.83)	(151.38)

**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 March 31, 2021 (Rs. in lakhs)	Year ended March 31, 2020 (Rs. in lakhs)
a. total amount remaining unpaid to any supplier as at the end of accounting year		
- Principal #	<b>392.11</b>	127.98
- Interest due thereon	<b>5.97</b>	1.43
b. Principal amounts paid to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, beyond the due date during the year	<b>882.02</b>	364.15
c. Total interest paid on all delayed payments during the year under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	<b>0.00</b>	0.00
d. 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.	<b>13.37</b>	6.18
e. Interest accrued and remaining unpaid	<b>19.33</b>	7.61
f. 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.	<b>53.51</b>	34.18

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.

# Includes Capital Creditors of Rs. 9.37 lakhs (31.03.2020 - Rs. Nil)

**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.

- The company has a present obligation as a result of past event
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation

Particulars	Provision for contingencies March 31, 2021 (Rs. in lakhs)	Provision for contingencies March 31, 2020 (Rs. in lakhs)
Balance at the beginning of the year	0.12	-
Additional provision recognised	-	0.12
Amount used/adjusted during the year	-	-
Balance at the end of the year	0.12	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 14, 15 and 19 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 targets a gearing ratio of 20% - 75% determined as the proportion of net debt to total equity. During the current year, on account of issue of equity share capital at a premium against purchase of investment in joint ventures, the gearing ratio as at 31 March, 2021 is 13.48%.

**Gearing ratio**

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

	(Rs. in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Debt (i)	47,568.79	43,754.70
Cash and cash equivalents (Refer note 9A)	4,257.88	5,555.36
Other bank balances (Refer note 9B)	2,000.00	-
<b>Net debt</b>	<b>41,310.91</b>	<b>38,199.34</b>
<b>Total equity</b>	<b>306,466.27</b>	<b>73,858.30</b>
Net debt to equity ratio	13.48%	51.72%

(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 14, 15, 17A and 19.

**B. Categories of financial instruments**

	(Rs. in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL	-	-
Mandatorily measured at amortised cost		
(a) Cash and cash equivalents (refer note 9A)	4,257.88	5,555.36
(a) Other bank balances (refer note 9B)	2,000.00	-
(b) Other financial assets at amortised cost (including trade receivables)	51,708.13	31,292.34
(c) Financial Derivative asset [Refer note 10]	-	78.70
Mandatorily measured at FVTOCI (refer note 7)		
(a) Investments in equity instruments designated upon initial recognition	-	-
<b>Financial liabilities</b>		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Designated as at FVTPL upon initial recognition	-	-
Measured at amortised cost		
(a) Borrowings	45,398.43	42,463.74
(b) Lease liability	2,170.36	1,290.96
(c) Trade payables	33,878.79	13,508.95
(d) Other financial liabilities	1,985.25	2,242.37

**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)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	-	839.87	-	-
EURO	108.38	151.38	-	-

**(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	
	2020-21	2019-20
Impact on profit or loss for the year (i) (Rs. in lakhs)	-	83.99
Impact on total equity as the end of reporting period (Rs. in lakhs)	-	83.99
	EURO impact	
	2020-21	2019-20
Impact on profit or loss for the year (i) (Rs. in lakhs)	10.84	15.14
Impact on total equity as the end of reporting period (Rs. in lakhs)	10.84	15.14

(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.



**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, 2021 would decrease/increase by Rs. 167.20 lakhs (for the year ended 31 March, 2020: decrease/increase by Rs. 225.96 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 & Ashok Leyland Limited, the largest customer of the Company (refer note 8), the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Tata Steel Limited & Ashok Leyland 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.

	<b>Less than 1 year (Rs. in lakhs)</b>	<b>1-5 years (Rs. in lakhs)</b>	<b>More than 5 years (Rs. in lakhs)</b>	<b>Total (Rs. in lakhs)</b>	<b>Carrying amount (Rs. in lakhs)</b>
<b>31.03.2021</b>					
Non-interest bearing	35,864.04	371.28	706.64	<b>36,941.96</b>	36,565.50
Variable interest rate instruments	2,954.63	13,674.45	4,407.55	<b>21,036.63</b>	16,720.00
Fixed interest rate instruments	28,000.00	-	-	<b>28,000.00</b>	28,000.00
	<b>66,818.67</b>	<b>14,045.73</b>	<b>5,114.19</b>	<b>85,978.60</b>	<b>81,285.50</b>
<b>31.03.2020</b>					
Non-interest bearing	15,751.32	-	670.51	<b>16,421.83</b>	16,421.83
Variable interest rate instruments	4,567.47	14,892.48	7,984.16	<b>27,444.11</b>	20,770.00
Fixed interest rate instruments	20,832.06	288.89	-	<b>21,120.95</b>	21,058.39
	<b>41,150.85</b>	<b>15,181.37</b>	<b>8,654.67</b>	<b>64,986.89</b>	<b>58,250.22</b>

<u>Financing Facilities</u>	<b>As at 31.03.2021 (Rs. in lakhs)</b>	<b>As at 31.03.2020 (Rs. in lakhs)</b>
Secured bank cash credit facility:		
-amount used	-	818.52
-amount unused	6,000.00	2,781.48
	<b>6,000.00</b>	<b>3,600.00</b>
Secured bank loan facilities with various maturity dates :		
-amount used	21,720.00	21,609.86
-amount unused	15,000.00	-
	<b>36,720.00</b>	<b>21,609.86</b>
Unsecured bank loan facilities :		
-amount used	4,000.00	19,400.00
-amount unused	6,000.00	-
	<b>10,000.00</b>	<b>19,400.00</b>

**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)
	31.03.2021	31.03.2020		
1) Cross currency interest rate swap contract	Nil	Assets - Rs. 78.70 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.

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 31.03.2021 (Rs. in lakhs)	As at 31.03.2020 (Rs. in lakhs)
<b>Current</b>			
<i>First Charge</i>			
<b>Financial assets</b>			
Trade Receivables	8	51,481.30	31,105.17
<b>Non Financial assets</b>			
Inventories	5	51,849.51	39,871.11
<b>Total Current assets pledged as security</b>		<b>103,330.81</b>	<b>70,976.28</b>
<b>Non-Current</b>			
<i>First Charge</i>			
Freehold Land		164.83	164.83
Plant & Machinery and Electric Installations		34,470.71	34,473.75
Furnitures and other office equipments		367.65	367.40
<b>Total Non-Current assets pledged as security</b>		<b>35,003.19</b>	<b>35,005.98</b>
<b>Total assets pledged as security</b>		<b>138,334.00</b>	<b>105,982.26</b>

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



**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. The Company has gradually ramped up its production from May / June 2020. In light of the aforesaid pandemic , inter alia, considering the internal and external factors, the Company has assessed the carrying amount of property, plant and equipment, investments, 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.

**Note 47:**

These financial statements are separate financial statements within the meaning of Ind As 27 "Separate Financial Statements". The company has availed the exemption granted by the Companies Act 2013, from preparation of consolidated financial statement of the company and its joint ventures by complying with all the requirements for availing such exemption. Tata Steel Limited (The Holding Company) produces the consolidated financial statements that comply with Ind AS which includes Tata Steel Downstream Products Limited and its joint ventures.

**For and on behalf of the Board**

**Sd/-**

**Pinaki Chowdhury**

Partner

Membership No. 057572

**Sd/-**

**Rajeev Singhal**

Chairman

DIN: 02719570

Date: April 16, 2021  
Kolkata

**Sd/-**

**Asis Mitra**

Company Secretary

**Sd/-**

**Swapna Nair**

Chief Financial Officer

**Sd/-**

**Abraham G Stephanos**

Managing Director

DIN: 06618882