Independent auditor's report

To the Members of T S Alloys Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of T S Alloys Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw your attention to Note 39 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Price Waterhouse & Co Chartered Acc
LLPIN AAC-4362
FRN 304026E/E-300
Hyderabad

INDEPENDENT AUDITOR'S REPORT

To the Members of T S Alloys Limited
Report on audit of the Financial Statements

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

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

13. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E-300009
Hyderabad

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of T S Alloys Limited
Report on audit of the Financial Statements

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

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

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;

ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

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

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

Ashish Taksali
Partner
Membership Number : 099625

Place : Hyderabad
Date : May 15, 2020
UDIN: 20099625AAAAAP3483

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f)of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to financial statements of T S Alloys Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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FRN 304026E/E-300009
Hyderabad

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f)of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements for the year ended March 31, 2020

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026/E300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number: 99625

Hyderabad
May 15, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements as of and for the year ended March 31, 2020.

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

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

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

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

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

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

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

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 42 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the period March 1, 2020 to March 31, 2020, the company has paid Goods and Service Tax and filed GSTR 3B (after the due date but) within the timelines allowed by Central Board of Indirect Taxes and Customs under Notification No. 31/2020 dated April 3, 2020 on fulfilment of conditions specified therein.

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LLPIN AAC-4362
FRN 304026E/E-300009
★ Hyderabad ★

Annexure B to Independent Auditors' Report
Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements as of and for the year ended March 31, 2020.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax or goods and service tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	456.88	FY 2004 to 2006	Appellate Tribunal Excise
Central Excise Act, 1944	Excise Duty	154.47	FY 2011 to 2016	CESTAT
Income Tax Act, 1961	Income Tax	123.23	FY 2016-17	Commissioner appeal

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

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

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

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

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

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

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

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E-300009
Hyderabad

Annexure B to Independent Auditors' Report
Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of T S Alloys Limited on the financial statements as of and for the year ended March 31, 2020.

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

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026/E300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number: 99625

Hyderabad
May 15, 2020

T S ALLOYS LTD

Balance Sheet as at March 31 , 2020

Amount in INR (Lakhs)

	Note No.	As at March 31, 2020	As at March 31, 2019
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	4,839.69	5,269.93
(b) Right of use assets	4	562.83	-
(c) Capital work-in-progress	2	70.70	89.50
(d) Intangible assets	3	3.68	4.87
		5,476.90	**5,364.30**
(e) Financial assets			
(i) Investments	5	2,444.56	2,265.29
(ii) Other financial assets	6	886.35	884.79
(f) Retirement benefit assets	7	40.78	44.19
(g) Other assets	8	389.00	974.43
(h) Income tax assets(Net)		846.10	558.59
		10,083.69	**10,091.59**
(2) Current assets			
(a) Inventories	9	1,078.33	1,174.73
(b) Financial assets			
(i) Investments	11	-	459.67
(ii) Trade receivables	10	2,623.51	2,445.21
(iii) Cash and cash equivalents	11A	2,296.76	136.29
(iv) Bank balance other than (iii) above	11B	500.00	1,200.00
(v) Other financial assets	6	64.31	133.84
(c) Other assets	8	783.52	150.25
		7,346.43	**5,699.99**
TOTAL ASSETS		**17,430.12**	**15,791.58**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12	6,570.75	6,570.75
(b) Other equity	13	6,035.51	5,613.96
		12,606.26	**12,184.71**
(2) Non-current liabilities			
(a) **Financial Liabilities**			
(i) Lease Liabilities	14	17.41	-
(b) Deferred tax liabilities (net)	16	732.16	497.77
		749.57	**497.77**
(3) Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	14	1.78	-
(ii) Trade Payables	17		
- Total outstanding dues of micro enterprises and small enterprises		48.16	19.32
- Total outstanding other than above		3,378.14	2,358.43
(iii) Other financial liabilities	18	487.38	359.12
(b) Provisions	15	71.87	54.67
(c) Other liabilities	19	86.96	317.56
		4,074.29	**3,109.10**
TOTAL EQUITY AND LIABILITIES		**17,430.12**	**15,791.58**

Accompanying notes 1 - 44 forms an integral part of the financial statements.

For and on behalf of the Board of Directors

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

B D Nanda
Managing Director

Debashis Jena

Ashish Taksali
Partner
Membership No. 99625

J.K. Panda
Company Secretary

Debashis Jena
Director

Hyderabad, May15 , 2020

Bhubaneswar, May 15, 2020

T S ALLOYS LTD

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

Amount in INR (Lakhs)

		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	20	19,731.37	17,496.02
II	Other income	21	359.57	196.81
III	**Total Income (I + II)**		**20,090.94**	**17,692.83**
IV	**Expenses**			
	(a) Raw materials consumed	22	1,664.27	1,396.97
	(b) Changes in inventories of work-in-progress	23	(5.47)	(35.49)
	(c) Employee benefit expense	24	1,346.67	1,224.29
	(d) Finance costs	25	60.98	1.33
	(e) Depreciation and amortisation expense	26	657.45	811.42
	(f) Purchase of power		12,097.26	11,329.60
	(g) Other expenses	27	3,658.94	3,726.85
	Total Expenses (IV)		**19,480.10**	**18,454.97**
V	**Profit/(loss) before tax (III - IV)**		**610.84**	**(762.14)**
VI	Tax Expense	16		
	(1) Current tax		121.23	3.27
	(2) Deferred tax		206.83	(378.00)
	Total tax expense		**328.06**	**(374.73)**
VII	**Profit/(loss) after tax for the year (V - VI)**		**282.78**	**(387.41)**
VIII	**Other comprehensive income**		138.76	(69.83)
	Items that will not be reclassified to profit or loss			
	Remeasurement gains / (losses) on post employment benefits	32	(12.96)	(4.91)
	Fair value changes of investments in equity shares	5	179.28	(169.51)
	Income tax relating to these items above		(27.56)	104.59
IX	**Total comprehensive income for the period (VII + VIII)**		**421.54**	**(457.24)**
X	**Earnings per equity share:**			
	Basic and Diluted		0.43	(0.59)

Accompanying notes 1 - 44 forms an integral part of the financial statements.

For and on behalf of the Board of Directors

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

B D Nanda
Managing Director

Ashish Taksali
Partner
Membership No. 99625

Debashis Jena

J.K. Panda
Company Secretary

Debashis Jena
Director

Hyderabad, May15 , 2020

Bhubaneswar, May 15, 2020

T S ALLOYS LTD

Statement of changes in equity for the year ended March 31, 2020

Amount in INR (Lakhs)

A Equity share capital

Balance as at April 01, 2019	Changes during the year	Balance as on March 31 ,2020
6,570.75	-	**6,570.75**

Balance as at April 1, 2018	Changes during the year	Balance as on March 31 ,2019
6,570.75	-	**6,570.75**

B Other equity

	Reserves & Surplus	
Retained earnings	**As at March 31, 2020**	**As at March 31, 2019**
As at beginning of year	5,613.97	6,071.21
Profit / (Loss) for the year	282.78	(387.41)
Other Comprehensive income for the year	138.76	(69.83)
Total comprehensive income for the year	**421.54**	**(457.24)**
As at end of year	**6,035.51**	**5,613.97**

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

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

Firm Registration Number : 304026E/E-300009

Chartered Accountants

Ashish Taksali
Partner

Membership No. 99625

Hyderabad, May15 , 2020

For and on behalf of the Board of Directors

B D Nanda
Managing Director

J.K. Panda
Company Secretary

Debashis Jena

Debashis Jena
Director

Bhubaneswar,May 15, 2020

T S ALLOYS LTD

Statement of Cash Flows for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in INR (Lakhs)	
A. Cash Flow from Operating activities:		
Profit before taxes	610.84	(762.14)
Adjustments for:		
Depreciation and amortisation	657.45	811.42
Profit on sale of investment (net)	(77.42)	(16.37)
Profit on sale of property plant and equipment (net)	(3.43)	(0.35)
Capital Work in Progres Written off	2.42	-
Finance cost	60.98	1.33
Interest income	(75.80)	(108.13)
Provision for doubtful debt against Other assets	3.92	-
Provisions / liabilities no longer required written back	158.52	-
Operating profit before working capital changes	**1,337.48**	**(74.24)**
Adjustments for:		
Increase/decrease in non current/current financial and other assets	(827.66)	746.86
Increase/decrease in inventories	96.40	(71.63)
Increase/decrease in non current/current financial and other liabilities/provisions	812.89	449.38
Cash generated from operations	**1,419.11**	**1,050.37**
Income taxes paid	(408.74)	(108.38)
Net cash (used in)/from operating activities	**1,010.37**	**941.99**
B. Cash Flow from Investing activities:		
Payments for property plant and equipments	(174.17)	(1,123.22)
Proceeds from sale of property plant and equipment	4.88	0.35
Proceeds from Investments (net)	537.09	(443.30)
Fixed deposits (Made) / Matured	700.00	(1,200.00)
Interest received	145.59	52.49
Net cash (used in)/from investing activities	**1,213.39**	**(2,713.68)**
C. Cash Flow from Financing activities:		
Principal elements of lease payments	(3.35)	-
Interest paid	(59.79)	(0.87)
Interest paid on lease liabilities	(0.16)	-
Net cash (used in) financing activities	**(63.30)**	**(0.87)**
Net increase or decrease in cash or cash equivalents	**2,160.46**	**(1,772.56)**
Cash & cash equivalents as at 1st April	**136.30**	**1,908.86**
Cash & cash equivalents as at 31st March	**2,296.76**	**136.30**

For and on behalf of the Board of Directors

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

Ashish Taksali
Partner
Membership No. 99625
Hyderabad, May15 , 2020

B D Nanda
Managing Director

J.K. Panda
Company Secretary

Debashis Jena
Director

Bhubanewsar , April 15, 2020

T S ALLOYS LTD
Notes to Financial Statements

Background

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

Note 1: Significant Accounting Policies:

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

(a) Basis for preparation

(i) **Compliance with Ind AS**

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

(ii) **Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets is measured at fair value;
- defined benefit plans – plan assets measured at fair value.

(iii)**New and amended standards adopted by the Company**

The Company has applied the following standards and amendments for the first time in the reporting period commencing 1 April 2019:

•Ind AS 116, Leases

•Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Tax

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 35.The other amendments listed above did not have any impact on the amounts recognised in the current period.

(b) Use of estimates and critical accounting judgments

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

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

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

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes, goods and service tax(GST).

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

(i) **Sale of Goods**

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

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

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

(iii) **Interest Income**

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

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases
Till 31 March 2019:
As a Lessee
Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

With effective from 1 April 2019:
As a Lessee
From 1 April 2019, Leases are recognised as right of use assets and a correspondence liability at the date at which the leased asset is available for use by the company. Contract may contain both lease and non lease components. The Company allocates the consideration in the contract to the lease and non lease components based on their relative standalone 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 payment:-
a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.
b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
c) Amount expected to be paid by the Company as under residual value guarantees.
d) Exercise price of a purchase option if the Company is reasonably certain to exercise that option.
e) Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

To determine the incremental borrowing rate, the Company:
a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received
b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by T S Alloys Limited, which does not have recent third party financing.
Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Right-of-use assets are measured at cost comprising the following :-
i) the amount of the initial measurement of lease liability
ii) any lease payment made at or before the commencement date less any lease incentive received
iii) any initial direct cost and
iv) restoration costs.

Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the statement of profit and loss. Short term leases are leases with a lease term of less than 12 months or less.

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

(f) Impairment of Assets
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.
Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

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

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

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

(j)Investments and other financial assets
(i) Classification
The company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
-those measured at amortised cost.
The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

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

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

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

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

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

Derecognition of financial assets
A financial asset is derecognised only when
-The company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income Recognition

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

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

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

(m) Trade and other payables:

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

(n) Provisions

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

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

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

(o) Employee Benefits

(i) Short-term obligations:

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

(ii)Other Long Term Benefits Obligation:

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

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

(iii) Post-employment obligations:

The Company operates the following post-employment schemes:

(a) defined benefit plans- gratuity and leave encashment;

and

(b) defined contribution plan- provident fund

Gratuity Obligations

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

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

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

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

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

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Defined contribution plans

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

(p) Foreign Currency Transactions

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

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

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

(q) Equity

Equity shares are classified as equity.

(r)Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

-the profit attributable to owners of the company

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

-the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Rounding of amounts

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

T S ALLOYS LTD

Notes to Financial Statements

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

Carrying amounts of:	**As at March 31, 2020**	**As at March 31, 2019**
	Amount in INR (Lakhs)	
Freehold Land	11.81	11.81
Buildings	1,207.63	1,268.61
Plant and machinery	3,540.87	3,921.29
Furniture, fixtures & office equipment	50.34	33.57
Vehicles	29.04	34.65
Sub-total	**4,839.69**	**5,269.93**
Capital work-in-progress	70.70	89.50
Total	**4,910.39**	**5,359.43**

	Freehold land	**Freehold buildings**	**Plant and machinery**	**Furniture and fixtures**	**Office equipments**	**Vehicles**	**Total tangible assets**
Deemed cost as at Apr 1, 2019	11.81	1,580.94	5,783.71	20.77	101.26	47.60	**7,546.09**
Additions	-	9.78	174.35	4.91	28.88	-	**217.92**
Disposals	-	-	(9.88)	(0.18)	(0.90)	-	**(10.96)**
Deemed cost as at March 31, 2020	**11.81**	**1,590.72**	**5,948.18**	**25.50**	**129.24**	**47.60**	**7,753.05**
Accumulated Depreciation as at Apr 1, 2019	-	312.33	1,862.42	19.38	69.08	12.95	**2,276.16**
Charge for the year	-	70.76	553.32	1.02	16.00	5.61	**646.71**
Disposals	-	-	(8.43)	(0.18)	(0.90)	-	**(9.51)**
Accumulated depreciation as at March 31, 2020	**-**	**383.09**	**2,407.31**	**20.22**	**84.18**	**18.56**	**2,913.36**
Net book value as at April 1, 2019	**11.81**	**1,268.61**	**3,921.29**	**1.39**	**32.18**	**34.65**	**5,269.93**
Net book value as at March 31, 2020	**11.81**	**1,207.63**	**3,540.87**	**5.28**	**45.06**	**29.04**	**4,839.69**

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Notes to Financial Statements

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

Amount in INR (Lakhs)

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

3. Intangible assets

	Software costs	Total Intangible Assets
Deemed Cost as at April 1, 2019	5.95	5.95
Deemed cost as at March 31, 2020	**5.95**	**5.95**
Accumulated amortisation as at April 1, 2019	1.08	1.08
Charge for the year	1.19	1.19
Accumulated amortisation as at March 31, 2020	**2.27**	**2.27**
Net carrying value as at April 1, 2019	**4.87**	**4.87**
Net carrying value as at March 31, 2020	**3.68**	**3.68**

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Notes to Financial Statements

3. Intangible assets (contd...)

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

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Notes to Financial Statements

	Amount in INR (Lakhs)	
	As at March 31, 2020	As at March 31, 2019
4.Right of Use assets		
Carrying amounts of:		
Leasehold Land	549.88	-
Plant and machinery	12.95	-
Total	**562.83**	-

	Leasehold Land	Plant and machinery	Total Right to use assets
Gross Carring Amount as at Apr 1, 2019 (On Account of adoption of IND AS 116)	557.14	15.24	572.38
Additions	-	-	-
Deemed cost as at March 31, 2020	**557.14**	**15.24**	**572.38**
Accumulated Depreciation as at Apr 1, 2019	-	-	-
Charge for the year	7.26	2.29	9.55
Accumulated depreciation as at March 31, 2020	**7.26**	**2.29**	**9.55**
Net book value as at April 1, 2019	**557.14**	**15.24**	**572.38**
Net book value as at March 31, 2020	**549.88**	**12.95**	**562.83**

The Company leases liquid oxygen tank. Rental Contract are made for a fixed period of 5 years.

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T S ALLOYS LTD
Notes to Financial Statements

	Amount in INR (Lakhs) As at March 31, 2020	As at March 31, 2019
5. Investments		
Non current		
Equity instrument at FVOCI		
1,62,64,484 nos shares(March 31, 2019 -162,64,484) equity shares of Bhubaneswar power private limited	2,444.56	2,265.29
	2,444.56	**2,265.29**

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

	As at March 31, 2020	As at March 31, 2019
6. Other financial assets- Non-current		
(a) **Security deposits**		
Unsecured, considered good *	875.09	876.39
	875.09	**876.39**
(b) **Interest accrued on deposits, loans and advances**		
Unsecured, considered doubtful	26.90	26.90
Less: Provision for bad & doubtful loans	26.90	26.90
	-	-
(c) **Unrestricted Non-current cash and bank balances**		
Fixed Deposits with maturity of more than a year	8.92	8.40
	8.92	**8.40**
(d) Lease Receivable	2.34	-
Total other non-current financial assets	**886.35**	**884.79**

* Security Deposit amounting to Rs. 8.24 lakhs includes FD and NSC pledged with Government Authorities.

	As at March 31, 2020	As at March 31, 2019
Other financial assets- current		
(a) **Security deposits**		
Unsecured, considered good	1.50	1.50
	1.50	**1.50**
(b) **Interest accrued on deposits, loans and advances**		
Unsecured, considered good	62.55	132.34
	62.55	**132.34**
(d) Lease Receivable	0.26	-
Total other current financial assets	**64.31**	**133.84**

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		Amount in INR (Lakhs)	
		As at March 31, 2020	As at March 31, 2019
7. Non- Current retirement benefit assets			
(i)	Retiring gratuities	40.78	44.19
	Total Retirement benefit asset (Refer note no.31)	**40.78**	**44.19**
8. Other assets			
I.	**Other Non-current non-financial assets**		
(i)	Capital advances	374.14	422.00
(ii)	Advance with public bodies		
	Considered Good	13.32	2.42
	Considered doubtful	3.92	-
		17.24	2.42
	Less: Provision For Doubtful Balances	(3.92)	-
		13.32	2.42
(iii)	Prepaid rentals for operating leases:	-	546.74
	Prepaid lease payments cost	-	640.29
	Less:Cumulative prepaid lease payments amortisation (Refer Note i below)	-	93.55
(iv)	Other non-financial assets	0.10	0.10
(v)	Prepaid expeneses	1.44	3.17
		389.00	**974.43**
II.	**Other current non-financial assets**		
(i)	Advance with public bodies	25.34	90.57
(ii)	Prepaid rentals for operating leases (Refer Note i below)	-	7.19
(iii)	Advance to vendors	3.68	16.77
(iv)	Prepaid expenses	754.50	35.72
		783.52	**150.25**

Notes:
Note i: Prepaid lease payment for FY 2018-19 relates to payment made against land leases. In FY 2019-20 the same has been reclassified to right to use assets.

9. Inventories			
(a)	Raw materials	218.24	311.47
(b)	Work-in-progress	73.74	68.27
(c)	Stores and spares	786.35	794.99
		1,078.33	**1,174.73**

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Amount in INR (Lakhs)

	As at March 31, 2020	As at March 31, 2019
10. Trade receivables		
Unsecured considered good - current (Receivable from related party)	2,623.51	2,445.21
	2,623.51	**2,445.21**

i. Trade receivables are further analysed as follows

As at March 31, 2020

	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	2,538.29	-	2,538.29
One month overdue	85.22	-	85.22
	2,623.51	-	**2,623.51**

As at March 31, 2019

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

	As at March 31, 2020	As at March 31, 2019
11. Current investments (fair value through profit and loss)		
Unquoted		
Investment in mutual funds (March 31, 2019-117,282,115 units of HDFC money market fund direct plan-growth option)	-	459.67
	-	**459.67**
11A Cash and cash equivalents		
(i) Cash In hand	0.21	0.10
(ii) Unrestricted balances with banks	-	-
(i) In current account	296.55	136.19
(ii) In deposit account		
- Original maturity - less than three months	2,000.00	-
	2,296.76	**136.29**
11B Bank balances other than cash and cash equivalents		
(ii) In deposit account		
Bank deposits with Original Maturity more than three months but less than 12 months	500.00	1,200.00
	500.00	1,200.00

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Amount in INR (Lakhs)

	As at March 31, 2020	As at March 31, 2019
12. Share capital		
Authorised:		
70,000,000 equity shares of Rs. 10 each	7,000.00	7,000.00
(March 31, 2020: 70,000,000 equity shares of Rs. 10 each)		
(March 31, 2019: 70,000,000 equity shares of Rs. 10 each)		
	7,000.00	**7,000.00**
Issued, Subscribed and Paid Up:		
6,57,07,544 equity shares of Rs. 10 each	6,570.75	6,570.75
(March 31, 2020: 65,707,544 Equity Shares of Rs. 10 each)		
(March 31, 2019: 65,707,544 Equity Shares of Rs. 10 each)		
	6,570.75	**6,570.75**

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

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

Name of shareholders	As at March 31, 2020		As at March 31, 2019	
	No. Of ordinary shares	%	No. of ordinary shares	%
Tata Steel Limited	6,57,06,944	100%	6,57,06,944	100%

C. Rights, preferences and restrictions attached to shares

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

	As at March 31, 2020	As at March 31, 2019
13. Other equity		
Retained earnings	5,333.56	5,060.13
Other Reserves	701.95	553.83
	6,035.51	**5,613.96**
Retained earnings		
Balance at the beginning of year	5,060.13	5,451.17
Profit / (Loss) for the year	282.78	(387.41)
Items of other comprehensive income recognised directly in retained earnings		
- remeasurements of post-employment benefit obligation, net of tax	(9.35)	(3.63)
Balance at end of year	**5,333.56**	**5,060.13**

Retained earnings represents the undistributed profits of the company.

	As at March 31, 2020	As at March 31, 2019
Other Reserves - FVOCI Equity Instruments		
Balance at the beginning of year	553.83	620.04
Changes in Fair Value of FVOCI equity instruments	179.28	(169.52)
Deferred Tax	(31.16)	103.31
Balance at the end of the year	**701.95**	**553.83**

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	As at March 31, 2020	As at March 31, 2019
	Amount in INR (Lakhs)	
14. Lease Liabilities		
Non Current Lease Liabilites	17.41	-
	17.41	**-**
Current Lease Liabilites	1.78	-
	1.78	**-**

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	Amount in INR (Lakhs) For the year ended March 31, 2020	For the year ended March 31, 2019
15. Provisions		
Current provisions		
(a) Provision for employee benefits		
Compensated absences	71.87	54.67
	71.87	**54.67**

16. Income taxes

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

Current taxes	121.23	3.27
Deferred taxes	206.83	(378.00)
	328.06	**(374.73)**

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

Profit before tax	610.84	(762.14)
Income tax expense at tax rate applicable	169.93	(198.16)
Effect of expenses that are not deductible in determining taxable profit	43.15	100.07
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	90.72	101.36
Expenses increased on account of tax rate Increase	(13.04)	-
Others	37.30	(378.00)
Income tax expense reported	**328.06**	**(374.73)**

(iii) Significant component of deferred tax assets and liabilities for the year ended Mar 31, 2020 is as follows :

	Opening balance	**Deferred tax expense/ (income recognised in profit and loss)**	**Deferred tax expense/ (income recognised in other comprehensive income)**	**Closing balance**
Deferred tax assets				
Provisions	6.99	1.58	-	8.57
Retirement benefit assets/ liabilities	2.72	2.32	3.60	8.64
Tax losses	101.36	(101.36)	-	-
Lease liabilities	-	4.84	-	4.84
				-
Mat Credit (Adjusted In B/S)	-	43.70	-	43.70
Total	111.07	(48.92)	3.60	65.75
Deferred tax liabilities				-
Property, plant and equipment	522.85	153.94	-	676.79
Right of Use Assets	-	3.97	-	3.97
Fair valuation of investment	85.99		31.16	117.15
Total	608.84	157.91	31.16	797.91
Net deferred tax assets/(liabilities)	**(497.77)**	**(206.83)**	**(27.56)**	**(732.16)**

Significant component of deferred tax assets and liabilities for the year ended March 31, 2019 is as follows :

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

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

	As at March 31,2020	As at March 31, 2019
	Amount in INR (Lakhs)	
17. Trade Payable		
(a) Creditors for supplies and services		
Trade payable- MSME	48.16	19.32
Trade payable-other	3,378.14	2,358.43
	3,426.30	**2,377.75**

Notes:

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

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

(iii) **Classification of trade payable**		
(a) Trade payable	1,128.58	1,175.00
(b) Trade payable to related parties	2,297.72	1,202.75
18. Other financial liabilities		
(a) Interest payable		
Interest accrued but not due on borrowings	-	0.47
Interest accrued and due on borrowings	55.83	55.83
(b) Creditors for other liabilities		
Creditors for capital supplies/services	50.21	70.70
(c) Creditors for accrued wages and salaries	381.34	232.12
	487.38	**359.12**
19. Other liabilities		
(a) Advances received from customers	0.80	15.81
(b) Employee recoveries and employer contributions	10.84	11.34
(c) Statutory Dues (GST, TDS, cess etc)	75.32	290.41
	86.96	**317.56**

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	Amount in INR (Lakhs)	
	For the year ended March 31, 2020	**For the year ended March 31, 2019**
20. Revenue from operations		
(a) **Services rendered**		
Conversion income	18,215.40	15,754.09
(b) **Other operating income**		
Sale of scrap and other operating Income	125.99	102.53
Operation and maintenance services	1,389.98	1,639.40
Total revenue from operations	**19,731.37**	**17,496.02**

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

21. Other income		
(a) Interest from:		
(i) Income tax refund	-	54.81
(ii) Interest income from deposits	75.80	108.13
(b) Provisions / liabilities no longer required written back	158.52	-
(c) Net gain/(loss) on investment clasified at fair value through profit and loss	77.42	16.37
(d) Gain/(loss) on sale of tangible asset and intangible assets	3.43	0.35
(e) Other miscellaneous income #	44.40	17.15
Total other income	**359.57**	**196.81**

: Include interest income on lease receivable-Rs 0.26 lakhs

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	For the year ended March 31, 2020	For the year ended March 31, 2019
		Amount in INR (Lakhs)
22. Raw material consumed		
Opening stock	311.47	285.31
Add: Purchases	1,571.04	1,423.13
Less: Closing stock	(218.24)	(311.47)
Total Raw material consumed	**1,664.27**	**1,396.97**
Material consumed comprises:		
Furnace oil	196.40	196.48
Lime	312.98	263.32
Molasses	624.07	455.51
Carbon paste	335.36	314.91
Quartz	170.42	145.19
Others	25.04	21.56
Total	**1,664.27**	**1,396.97**
23. Changes in inventories of work-in-progress		
Stock at the beginning of the year	68.27	32.78
Stock at the end of the year	73.74	68.27
Net (increase) / decrease in stock of work-in-progress	**(5.47)**	**(35.49)**

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Amount in INR (Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
24. Employee benefits expense		
(a) Salaries and wages, including bonus	1,201.46	1,083.78
(b) Contribution to provident and other funds		
Provident fund	55.19	52.29
Employees state insurance	13.80	17.85
Gratuity	9.70	9.24
(c) Staff welfare expenses	66.52	61.13
Total employee benefits expense	**1,346.67**	**1,224.29**

25. Finance costs		
(a) Interest expense		
(a) Interest on borrowings		
- On cash credits	1.37	1.33
- On Bank guarantee	57.95	-
(b) Interest on lease liabilities	1.66	-
Total finance costs	**60.98**	**1.33**

26. Depreciation and amortisation expenses		
Depreciation of property plant and equipment	646.71	810.34
Amortisation of intangible assets	1.19	1.08
Depreciation of Right of use assets	9.55	-
	657.45	**811.42**

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	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount in INR (Lakhs)	
27. Other expenses		
(a) Repairs to buildings	123.58	169.92
(b) Repairs to machinery	340.41	268.88
(c) Repairs and maintenace of other	50.01	20.59
(d) Rent	4.31	3.96
(e) Rates and taxes	53.79	10.58
(f) Insurance charges	9.26	8.23
(g) Stores and spares consumed	578.80	641.18
(h) Jigging, breaking and sizing expenses	584.66	501.98
(i) Other expenses		
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit (refer note i below)	3.90	3.90
(ii) For other services (refer note (i) below)	10.50	0.50
(iii) Auditors out-of-pocket expenses	0.70	0.80
(2) Legal and other professional costs	31.95	47.70
(3) Advertisement, promotion & selling expenses	0.60	0.31
(4) Travelling and conveyance expenses	70.93	70.64
(5) Security charges	147.44	122.95
(6) Corporate social responsibility expenses (Refer Note (ii) below	5.21	23.64
(7) Raw material handling charges	583.68	524.98
(8) Operation & maintenance-Gopalpur	753.11	1,030.12
(9) Other general expenses (refer note iii below)	306.10	275.99
Total Other expenses	**3,658.94**	**3,726.85**

Notes:

(i). Amount is exclusive of tax

(ii). Revenue expenditure charged to the statement of profit and loss in respect of corporate social responsibility (CSR) activities undertaken during the year is amounting to Rs. 5.21 Lakhs (Rs. 5.21 lakhs has been paid in cash) as compared to Rs. 23.64. Lakhs (Rs. 23.64 lakhs has been paid in cash) for the year ended March 31, 2019. The amounts are spent on purposes other than construction / acquisition of any asset.

(iii). Other general expenses include gain on exchange fluctuation of Rs. 0.55 lakhs for the year ended 31st March, 2020 (31st March, 2019: Rs 0.24 lakhs)

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28. Contingent liabilities

In the ordinary course of business, the Company faces claims by various parties. The Company assesses such claims and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.
The following is a description of claims where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.
As at March 31, 2020, there were pending litigations relating to excise duty, water conservation fund and income tax involving demands of amounts disclosed below.

Amount in INR (Lakhs)

	As at March 31, 2020	As at March 31, 2019
Contingent liabilities not provided for:		
(a) Excise duty	636.66	614.00
(b) Service tax	-	13.74
(c) Sales tax	-	11.00
(d) Water conservation fund (WCF)	250.00	250.00
(e) Income tax	123.24	-
Total	**1,009.90**	**888.74**

29. Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for : **Rs. 1.93 Lakhs** net of advances of Nil . (As at March 31, 2019: Rs. 47.68 lakhs , Net of advance: 48.35 Lakhs)

30. Earnings per share

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit after tax attributable to ordinary shareholders - for basic and diluted EPS	**282.78**	(387.41)
	Nos.	**Nos.**
(b) Weighted average no. of ordinary shares for basic and diluted EPS (nos.)	**6,57,07,544**	6,57,07,544
(c) Nominal value of ordinary shares (Rs.)	**10.00**	10.00
(d) Basic and diluted earnings per ordinary share (Rs./ share)	**0.43**	(0.59)

31. Related party transaction

(a) List of related parties and relationship

Name of the related party	Relationship
(i) Tata Steel Limited	Holding Company
(ii) Tata Steel Downstream Product Limited (earlier known as "Tata Steel Processing and Distribution Limited")	Fellow subsidiary
(iii) Bhubaneswar Power Private Limited	Fellow subsidiary
(iv) T S Alloys Employees Gratuity Trust	Retirement benefit plan

(b) Related party transaction

Amount in INR (Lakhs)

Name of the related party	Nature of transactions	Year ended March 31, 2020	Year ended March 31, 2019
Tata Steel Limited	Conversion income	20,955.11	18,586.73
	Operation and maintenance services	1,667.39	1,934.49
	Employee benefit expense	221.63	132.53
Bhubaneswar Power Private Limited	Reimbursement of expense	14.57	0.39
	Reimbursement of Sublease Expense	0.26	
	Sale of goods	-	1.84
	Purchase of power	9,618.05	9,456.82
	Purchase of goods	-	0.69
	Recovery of Finance Provided	-	700.00
Tata Steel Downstream Product Limited (earlier known as "Tata Steel Processing and Distribution Limited")	Purchase of goods	28.03	37.12
T S Alloys Employees Gratuity Trust	Contribution to trust	19.25	36.27
Key Management Personnel	Short term employees benefit	146.39	128.46
	Post employment benefits	16.82	15.88
	Other long term benefits	1.56	4.20

Name of the related party	Nature of balances	As at March 31, 2020	As at March 31, 2019
Tata Steel Limited	Amount receivable	2,623.51	2,445.21
	Amount payable(Interest)	55.83	55.83
	Amount payable	137.18	8.93
T S Alloys Employees Gratuity Trust	Amount receivable	167.07	141.11
Bhubaneswar Power Private Limited	Amount payable	2,297.72	1,193.83

Notes:

(i) All outstanding balance are unsecured and considered good, payable in cash.
(ii) Transaction amount includes GST

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32.Provident Fund and ESI benefit

(a) Defined contribution plans

The Company provides Provident Fund benefit to all employees and Employees State Insurance benefit to selected employees. Under these schemes fixed contributions are paid to Goverment provident fund. The Company has made the following contributions which are recognised as expense in the statement of profit and loss for year in which the services are rendered by employees.

		Year ended March 31, 2020	Year ended March 31, 2019
(i)	Contribution to Provident fund	55.19	52.29
(ii)	Contribution to ESIC	13.80	17.85
		68.99	**70.14**

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

A. Post retirement defined benefit plans
Post retirement gratuity [Funded]
B. Other long term employee benefits plans
Compensated absences [Unfunded]

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

Description	2019-20 Gratuity	2019-20 Compensated absences	2018-19 Gratuity	2018-19 Compensated absences
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at beginning of the year	**96.92**	**43.44**	*83.47*	*37.33*
b. Current service cost	**13.73**	**6.72**	*12.25*	*6.02*
c. Interest cost	**7.11**	**3.20**	*6.00*	*2.68*
d. Actuarial (gain)/loss	**12.75**	**5.34**	*1.89*	*0.72*
e. Acquisition from group companies	-	-	-	-
f. Benefits paid	**(4.23)**	**(1.60)**	**(6.69)**	*(3.31)*
g. Obligation as at the end of the year	**126.28**	**57.10**	**96.92**	*43.44*
2. Change in fair value of plan assets				
a. Fair value of plan assets as at the beginning of the year	**141.11**	-	*105.53*	-
b. Expected return on plan assets	**11.15**	-	*9.02*	-
c. Actuarial gain/(loss)	**(0.21)**	-	*(3.02)*	-
d. Contributions/refunds made by/to the Company	**19.25**	-	*36.27*	-
e. Benefits paid	**(4.23)**	-	*(6.69)*	-
f. Acquisition from group companies	-	-	-	-
g. Fair value of plan assets as at the end of the year	**167.07**	-	*141.11*	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at the end of the year	**167.07**	-	*141.11*	-
b. Present value of obligation as at the end of the year	**126.28**	**57.10**	*96.92*	*43.44*
c. Amount recognised in the balance sheet assets/(liabilities) (Refer note i)	**40.78**	**(57.10)**	*44.19*	*(43.44)*
4. Expenses recognised in Statement of Profit & Loss				
a. Current service cost	**13.73**	**6.72**	*12.25*	*6.02*
b. Interest cost	**(4.03)**	**3.20**	*6.01*	*2.68*
c. Expected return on plan assets	-	-	*(9.02)*	-
d. Actuarial (gains)/loss	-	**5.34**	-	*0.72*
e. Expenses recognised during the year (Refer note ii)	**9.70**	**15.26**	*9.24*	*9.42*
5. Expenses recognised in Statement of Other Comprehensive Income				
a. Actuarial (gain)/loss due to DBO experience	**1.57**	-	*1.89*	-
b. Actuarial (gain)/loss due to DBO assumption changes	**11.18**	-	-	-
c. Return on plan assets (greater)/less than discount rate	**0.21**	-	*3.02*	-
d. Expenses recognised during the year (Refer note II)	**12.96**	-	*4.91*	-
6. Investment details				
a. Funds with Life Insurance Corporation of India	**91%**	NA	*90%*	NA
b. Fixed Deposit	**9%**	NA	*10%*	NA
7. Assumptions				
a. Discount rate (per annum)	**6.80%**	**6.80%**	*7.50%*	*7.50%*
b. Rate of escalation in salary (Refer note iii)	**5.00%**	**5.00%**	*5.00%*	*5.00%*

Notes:

i. In case of gratuity the amount is recognised under "Retirement benefit assets" in Note 07 whereas for compensated absences the same is recognised under "Provisions for employee benefits" in Note 15.

ii. Expenses relating to gratuity are included in Contribution to Provident and Other Funds [Note 24(b)] whereas for compensated absences the same is included in salaries and wages including bonus [Note 24(a)].

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

iv. The weighted average duration of the defined benefit obligation as at March 31, 2020 is 14 years (March 31 ,2019:14 years).

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

Gratuity	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**
1. Present value of defined benefit obligation	**(126.28)**	**(96.92)**	(83.47)	(63.38)	(54.37)
2. Fair value of plan assets	**167.07**	**141.11**	105.53	84.95	48.85
3. Status [surplus/(deficit)]	**40.79**	**44.19**	**22.06**	**21.57**	**(5.52)**
Compensated absences	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**
1. Present value of defined benefit obligation	**(57.10)**	(43.44)	(37.33)	(33.12)	(15.51)
2. Fair value of plan assets	-	-	-	-	-
3. Status [surplus/(deficit)]	**(57.10)**	(43.44)	(37.33)	(33.12)	(15.51)

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9. **Sensitivity analysis**

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

Gratuity

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by 12.30%, Increase by 14.90%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 15%, decrease by 12.60%

Compensated Absences

Assumption	Change in assumption	Impact on Defined Benefit Obligation
Discount rate	1% Increase in Discount	(6.87)
	1% Decrease in Discount	8.32
Salary escalation	1% Increase in Discount	8.39
	1% Decrease in Discount	(7.04)

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

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

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

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

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

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

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

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

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33. Disclosures on financial instruments

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

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

(A) Financial assets and liabilities

The following table presents amortised cost and fair value of each category of financial assets and liabilities and basis of valuation as at March 31, 2020.

Amount in INR (Lakhs)

As at March 31, 2020	Amortised cost	Fair value through profit and loss account	Fair value through other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets								
Investments	-	-	2,444.56	2,444.56	-	-	2,444.56	2,444.56
Current investments		-		-	-			-
Trade receivables	2,623.51	-	-	2,623.51	-	-	-	-
Other financial assets	950.66	-	-	950.66	-	-	-	-
Cash and bank balances	2,296.76	-	-	2,296.76	-	-	-	-
Other Bank balances	500.00	-	-	500.00				
Total financial assets	**6,370.93**	**-**	**2,444.56**	**8,815.49**	**-**	**-**	**2,444.56**	**2,444.56**
Lease liability	19.19			19.19				
Trade payables	3,426.30	-	-	3,426.30	-	-	-	-
Other financial liabilities	487.38	-	-	487.38	-	-	-	-
Total financial liabilities	**3,932.87**	**-**	**-**	**3,932.87**	**-**	**-**	**-**	**-**
Total	**2,438.06**	**-**	**2,444.56**	**4,882.62**	**-**	**-**	**2,444.56**	**2,444.56**

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

Notes:

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

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

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

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

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(B) Financial risk management

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

Risk exposures and responses

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

(i) Market risk

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

(a) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies for importing it's raw material, consequently, exposures to exchange rate fluctuations arise.

The sensitivity analysis have not been prepared as there is no amount outstanding as debt in foreign currencies as at March 31, 2020 and March 31, 2019 .

(b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has only short term borrowings in the nature of cash credits from banks, there is no significant exposure to the interest rate risk but only to the extent of recognition of interest portion of financial instrument classfied at amortised cost. The Company manages it interest risk exposure relating to the financial instrument classified at amortised cost by using the market interest rate as the effective interest rate and the changes in the assets liabilities is accounted for as interest income/expenses with respect to financial assets/financial liabilities respectively.

However, as there is no significant exposure to the interest rate risk the sensitivity analysis has not been performed by the Company.

(c) Equity price risk:

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

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

(ii) Credit risk management

Credit risk is the risk of financial loss arising from the counter party failure to repay or service debt according to the contractual terms and obligations, credit risk encompasses both the direct risk of default and the risk of deterioration of the credit worthiness as well as concentration risks.

Financial instruments that are subjected to concentration of credit risk principally consists of trade receivables and loans. None of the financial instruments of the Company results in the material concentration of the credit risk.

(iii) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained cash credit facilities with IDBI bank. The Company invests its surplus funds in bank fixed deposit, which carry no/low mark to market risk and has sufficient owned funds to finance its existing and continuing commitments.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2020 and March 31, 2019.

Amount in INR (Lakhs)

	Carrying Amount	Contractual Cash flows	Between 0 to 1 years	Between 1 to 3 Years	Betwee n 3 to 5 years	More than 5 years
As at March 31, 2020						
a) Lease Liabilities (Current and Non Current)	19.19	63.41	4.47	8.94	6.06	43.95
b) Trade payables	3426.3	3,426.30	3426.3	-	-	-
c) Other financial liabilities	489.16	489.16	489.16	-	-	-
As at March 31, 2019						
a) Trade payables	2,377.75	2,377.75	2,377.75	-	-	-
b) Other financial liabilities	359.12	359.12	359.12	-	-	-

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34. Capital management

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

35. Changes in accounting policies
This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statement.
Impact on the financial statements – lessee accounting
As indicated in note 1(a)(iii) above, the Company has adopted Ind AS 116 from 1 April 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The new accounting policies are disclosed in note 1(e)

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9.91% to 10.87 %.

(i) Measurement of lease liabilities

	Amount In lakhs
Operating lease commitments disclosed as at 31 March 2019	**48.33**
Discounted using the lessee's incremental borrowing rate at the date of initial application	**21.04**
Lease liability recognised as at April 1, 2019	**21.04**
Of which are:	
Current lease liabilities	**4.47**
Non-current lease liabilities	**16.57**

(ii) Measurement of right-of-use assets

The associated right-of-use asset for leases were measured at an amount equal to the lease liability (adjusted by the amount of previously recognised prepaid lease payments relating to that lease, where applicable) at the date of initial application.

(iii) Measurement of right-of-use assets

The change in accounting policy affected the following items in the Balance Sheet on April 1, 2019:
• Right-of-use Assets – increase by Rs. 572.38 lakhs
•Prepaid rentals for operating leases – decrease by Rs 553.93 lakhs
•Lease Liabilities – increase by Rs 21.04 lakhs
• Deferred Tax Assets – increase by Rs 5.13 Lakhs
• Deferred Tax Liabilities – increase by Rs 5.13 Lakhs
There is no impact (net) on the retained earnings on April 1, 2019.

36. Leasing arrangements
The company has sublease the leasehold land to Bhubaneswar Power Private Limited under operating lease with rental payable yearly.

Minimum lease payments receivable on sublease of leasehold land are as follow:-

Particulars	**INR in Lakhs As at March 31, 2019**
Within 1 year	0.26
Between 1 year to 2 year	0.26
Between 2 year to 3 year	0.26
Between 3 year to 4 year	0.26
Between 4 year to 5 year	0.26
Later than five years	18.64
	19.94

37. Operating lease
The Company had taken land under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company. From April 1, 2019, the Company has recognised right to use assets for these leases.

	Amount in INR (Lakhs)	
Operating lease payments	**As at March 31, 2020**	**As at March 31, 2019**
Not later than one year	-	0.63
Later than one year but not later than five years	-	2.51
Later than five years	-	45.19
Total minimum lease commitments	-	48.33

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

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39 Impact of Covid 19 on business

The spread of COVID-19 has severely impacted business around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation , supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company offers its entire production to parent company for Sale in Domestic and International Market. It has Operation and Maintenance contract at Gopalpur based on Cost Model, Company has won the Mining e-auction from Govt of Odisha for entering into Merchant mining of Chromite Ore for sales and own consumption in near future.

Specific impact on business is negligible due to closure of plant for only few days, Major raw materials are in stock and supply of other raw materials are being procured and supplied uninterruptedly, revenue and collections in the current situation is continuous and there is no default on this front, overall business is expected to generate profit from its operation in FY'21.

The Company has made a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade Receivables, Inventory and Investments at the balance sheet date, and has concluded that there are no material adjustments required in the financial statements. In case of inventory, Management has performed the year end 'wall to wall' inventory verification at a date subsequent to the year end to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll back procedures,etc.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact of assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

40 Details of Dues to Micro and Small Enterprise:

Amt in Lakhs

	Year ended 31.03.2020	Year ended 31.03.2019
1: Principal Amount remaining unpaid at the end of the year	48.16	19.32
Interest due thereon remaining unpaid as at the end of year	-	-
2: Delayed payment of principal amount paid beyond the appointed day during the year	-	-
Interest actually paid under section 16 of the Act, during the year	-	-
3: Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
4: Interest accrued at the end of the year	-	-
Interest remaining unpaid, out of above, as at the end of the year	-	-
5 :Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Act *	-	-

*The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company.

Management has not made any provision of the aforementioned interest as in their view it is not payable to the suppliers based on existing terms and conditions. Further, no interest has also been demanded by the suppliers.

41 Board of Directors Vide CR-01/2019-20 dated 27th August 2019 approved to change the name of the Company to Tata Steel Mining Limited . Subsequently EGM held on dt 6th May, 2020 and approved the name change proposal and consequent amendedment of memorandum & Articles of Association. It has been filed With ROC on dt 13th May, 2020 , waiting there consent as on date .

42 The Honourable Supreme Court of India in its judgment in the matter of Vivekanada Vidyamandir & Others Vs The Regional Provident Fund Commissioner (II) West Bengal laid principles in relation to inclusion of allowances for determination of wages for the purposes of computing the provident fund contributions. Based on initial assessment performed by the company, the order did not result in any material impact on these financial statements. The operation of the order requires further guidelines from the statutory authorities on certain matters. The management continues to evaluate the matter together with the legal advisors to assess the impact of the operation of the Order taking into account the additional guidance as and when issued by the statutory authorities.

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

44 The financial statements were approved for issue by the Board of Directors on May 15, 2020

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

Ashish Taksali
Partner
Membership No. 99625

Hyderabad, May 15, 2020

For and on behalf of the Board of Directors

B D Nanda
Managing Director

J.K. Panda
Company Secretary

Debashis Jena

Debashis Jena
Director

Bhubaneswar , May 15, 2020