Independent auditor's report

To the Members of Tata Steel Mining Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Tata Steel Mining Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, 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, 2021, 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.

Other Information

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

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

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

   When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

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

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

10. 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.

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

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

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

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

(d) In our opinion, the aforesaid standalone 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021;

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, 2021.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

12. 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

Sd/-
Ashish Taksali
Partner
Membership Number : 99625

Place : Hyderabad
Date : April 27, 2021
UDIN: 21099625AAAAAI7039

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Mining Limited on the financial statements for the year ended March 31, 2021.

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 Tata Steel Mining Limited ("the Company") as of March 31, 2021 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 financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Mining Limited on the financial statements for the year ended March 31, 2021.

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Ashish Taksali
Partner
Membership Number: 99625

Place: Hyderabad
Date: April 27, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Tata Steel Mining Limited on the financial statements as of and for the year ended March 31, 2021.

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) 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 (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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 provident fund though there has a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, goods and service tax, and other material statutory dues, as applicable, with the appropriate authorities.

Further, for the periods April 1, 2020 to April 30, 2020 and May 1, 2020 to May 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 and Notification No. 36/2020 dated April 3, 2020 respectively on fulfilment of conditions specified therein.

(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, 2021 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	473.14	FY 2004 to 2006	Appellate Tribunal Excise
Central Excise Act, 1944	Excise Duty	160.97	FY 2011 to 2016	CESTAT

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 made a private placement of shares during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.

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

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

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

Sd/-
Ashish Taksali
Partner
Membership Number : 99625
Place: Hyderabad
Date: April 27, 2021.

Tata Steel Mining Limited

Balance Sheet as at March 31, 2021 **Amount in INR (Lakhs)**

	Note No.	As at March 31, 2021	As at March 31, 2020
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	9,516.51	4,839.69
(b) Right-of-use assets	4A	552.55	562.83
(c) Capital work-in-progress	2	70.70	70.70
(d) Intangible assets	3	22,988.72	3.68
(e) Financial assets			
(i) Investments	5	3,262.66	2,444.56
(ii) Other financial assets	6	941.26	886.35
(f) Retirement benefit assets	7	65.49	40.78
(g) Other non-current assets	8	411.93	389.00
(h) Income tax assets (Net)	9	537.36	846.10
		38,347.18	**10,083.69**
(2) Current assets			
(a) Inventories	10	114,276.85	1,078.33
(b) Financial assets			
(i) Trade receivables	11	14,268.13	2,623.51
(ii) Cash and cash equivalents	12A	15,420.42	2,296.76
(iii) Other Bank Balance	12B	3.00	500.00
(iv) Other financial assets	6	74.05	64.31
(c) Other current assets	8	10,296.24	783.52
		154,338.69	**7,346.43**
TOTAL ASSETS		**192,685.87**	**17,430.12**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	48,507.10	6,570.75
(b) Other equity			
(i) Reserves and Surplus	14A	47,008.42	5,333.56
(ii) Other reserves	14B	1,355.70	701.95
		96,871.22	**12,606.26**
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	4B	13.56	17.41
(b) Deferred tax liabilities (net)	15	1,209.14	732.16
		1,222.70	**749.57**
(3) Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	4B	2.95	1.78
(ii) Trade Payables	16		
- Total outstanding dues of micro enterprises and small enterprises		5.85	48.16
- Total outstanding dues of creditors other than micro and small enterprises		26,481.46	3,515.31
(iii) Other financial liabilities	17	444.03	350.21
(b) Provisions	18	69.53	71.87
(c) Other current liabilities	19	67,588.13	86.96
		94,591.95	**4,074.29**
TOTAL EQUITY AND LIABILITIES		**192,685.87**	**17,430.12**

Accompanying notes 1 - 41 forms an integral part of the financial statements.

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

For and on behalf of the Board of Directors

Sd/-
Ashish Taksali
Partner
Membership No. 99625
Hyderabad, April 27, 2021

Sd/-
D B Sundara Ramam
Chairman
DIN:06437027
Jamshedpur, April 27, 2021

Sd/-
M C Thomas
Managing Director
DIN:07883418
Bhubaneswar, April 27, 2021

Sd/-
J.K. Panda
Company Secretary
Bhubaneswar, April 27, 2021

Sd/-
Pushkar Sharma
Chief Financial Officer
Kolkata, April 27, 2021

Tata Steel Mining Limited

Statement of Profit and Loss for the year ended March 31, 2021

Amount in INR (Lakhs)

		Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	20	53,514.57	19,731.37
II	Other income	21	158.25	359.57
III	**Total Income (I + II)**		**53,672.82**	**20,090.94**
IV	**Expenses**			
	(a) Cost of materials consumed	22	(91,542.48)	1,664.27
	(b) Changes in inventories of work-in-progress and finished goods	23	(7,713.26)	(5.47)
	(c) Employee benefit expense	24	2,736.87	1,346.67
	(d) Finance costs	25	1,186.16	60.98
	(e) Depreciation and amortisation expense	26	1,417.47	657.45
	(f) Power and Fuel		11,170.01	12,097.26
	(g) Other expenses	27	134,992.19	3,658.94
	Total Expenses (IV)		**52,246.96**	**19,480.10**
V	**Profit/(loss) before tax (III - IV)**		**1,425.86**	**610.84**
VI	Income tax expense	15		
	(1) Current tax		-	121.23
	(2) Deferred tax		313.71	206.83
	Total tax expense		**313.71**	**328.06**
VII	**Profit/(loss) after tax for the year (V - VI)**		**1,112.15**	**282.78**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement gains / (losses) on post employment benefits	32	(4.31)	(12.96)
	Fair value changes of investments in equity shares	5	818.10	179.28
	Income tax relating to items above		(163.27)	(27.56)
IX	**Total comprehensive income for the year (VII + VIII)**		**1,762.67**	**421.54**
X	**Earnings per equity share:**			
	Basic and Diluted	30	0.36	0.43

Accompanying notes 1 - 41 forms an integral part of the financial statements.

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

Sd/-
Ashish Taksali
Partner
Membership No. 99625
Hyderabad, April 27, 2021

For and on behalf of the Board of Directors

Sd/-
D B Sundara Ramam
Chairman
DIN:06437027
Jamshedpur, April 27, 2021

Sd/-
M C Thomas
Managing Director
DIN:07883418
Bhubaneswar, April 27, 2021

Sd/-
J.K. Panda
Company Secretary
Bhubaneswar, April 27, 2021

Sd/-
Pushkar Sharma
Chief Financial Officer
Kolkata, April 27, 2021

Tata Steel Mining Limited

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

Amount in INR (Lakhs)

A. Equity share capital

Description	Note No.	Equity Share Capital	Total
As at March 31, 2019		**6,570.75**	**6,570.75**
Changes in equity share capital		-	-
As at March 31, 2020	**13**	**6,570.75**	**6,570.75**
Changes in equity share capital		41,936.35	41,936.35
As at March 31, 2021	**13**	**48,507.10**	**48,507.10**

B. Other equity

	Note No.	Reserves & Surplus	Other Reserves	Total
		Retained earnings	FVOCI - Equity Instruments	
Balance at April 1, 2019		**5,060.13**	**553.83**	**5,613.96**
Profit / (Loss) for the year	**14A**	282.78	-	282.78
Other Comprehensive income for the year	**14B**	(9.35)	148.12	138.77
Total comprehensive income for the year		**5,333.56**	**701.95**	**6,035.51**
Balance at March 31, 2020		**5,333.56**	**701.95**	**6,035.51**

	Note No.	Reserves & Surplus		Other Reserves	Total
		Securities Premium	Retained earnings	FVOCI - Equity Instruments	
Balance at April 1, 2020		**-**	**5,333.56**	**701.95**	**6,035.51**
Profit / (Loss) for the year	**14A**	-	1,112.15	-	1,112.15
Other Comprehensive income for the year	**14B**	-	(3.23)	653.75	650.52
Share issue expense	**14A**		(196.19)	-	(196.19)
Total comprehensive income for the year		**-**	**6,246.29**	**1,355.70**	**7,601.99**
Issue of equity shares	**14A**	40,762.13	-	**-**	40,762.13
Balance at March 31, 2021		**40,762.13**	**6,246.29**	**1,355.70**	**48,364.12**

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

For and on behalf of the Board of Directors

Sd/-
Ashish Taksali
Partner
Membership No. 99625
Hyderabad, April 27, 2021

Sd/-
D B Sundara Ramam
Chairman
DIN:06437027
Jamshedpur, April 27, 2021

Sd/-
M C Thomas
Managing Director
DIN:07883418
Bhubaneswar, April 27, 2021

Sd/-
J.K. Panda
Company Secretary
Bhubaneswar, April 27, 2021

Sd/-
Pushkar Sharma
Chief Financial Officer
Kolkata, April 27, 2021

Tata Steel Mining Limited

Statement of Cash Flows for the year ended March 31, 2021

Amount in INR (Lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
A.	**Cash Flow from Operating activities:**		
	Profit before income tax	1,425.86	610.84
	Adjustments for:		
	Depreciation and amortisation expense	1,417.47	657.45
	Gain on sale of investments (net)	-	(77.42)
	Loss on sale of property plant and equipment	(8.96)	(3.43)
	Capital work-in-progress/capital advance written off	317.51	2.42
	Finance costs	1,186.16	60.98
	Interest income classified as investing cash flows	(110.26)	(75.80)
	Provision for doubtful debt against Other assets	-	3.92
	Provisions / liabilities no longer required written back	-	158.52
	Change in operating assets and liabilities:		
	(Increase)/decrease in non-current/current financial and other assets	(20,662.23)	(827.66)
	(Increase)/decrease in inventories	(113,198.50)	96.40
	Increase/(decrease) in non-current/current financial and other liabilities and provisions	90,425.35	812.89
	Cash generated from/(used in) operations	**(39,207.60)**	**1,419.11**
	Income taxes (paid)/refund (Net)	308.74	(408.74)
	Net cash inflow/(outflow) from operating activities	**(38,898.86)**	**1,010.37**
B.	**Cash Flow from Investing activities:**		
	Payment for property plant and equipments and intangible assets	(23,975.21)	(174.17)
	Proceeds from sale of property plant and equipment	19.51	4.88
	Proceeds from sale of investments (net)	-	537.09
	Deposits with bank (placed)/realised (Net)	497.00	700.00
	Interest received	100.40	145.59
	Net cash inflow/(outflow) from investing activities	**(23,358.30)**	**1,213.39**
C.	**Cash Flow from Financing activities:**		
	Proceeds from issue of shares	76,765.85	-
	Proceeds from inter-corporate deposits	75,660.00	-
	Repayment of inter-corporate deposits	(75,660.00)	-
	Share issue costs	(196.19)	-
	Principal elements of lease payments	(3.90)	(3.35)
	Interest paid	(1,184.38)	(59.79)
	Interest paid on account of lease liabilities	(0.56)	(0.16)
	Net cash inflow/(outflow) from financing activities	**75,380.82**	**(63.30)**
Net increase/(decrease) in cash or cash equivalents		**13,123.66**	**2,160.46**
Cash & cash equivalents at the beginning of the year		**2,296.76**	**136.30**
Cash & cash equivalents at the end of the year		**15,420.42**	**2,296.76**

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

Sd/-
Ashish Taksali
Partner
Membership No. 99625
Hyderabad, April 27, 2021

For and on behalf of the Board of Directors

Sd/-
D B Sundara Ramam
Chairman
DIN:06437027
Jamshedpur, April 27, 2021

Sd/-
M C Thomas
Managing Director
DIN:07883418
Bhubaneswar, April 27, 2021

Sd/-
J.K. Panda
Company Secretary
Bhubaneswar, April 27, 2021

Sd/-
Pushkar Sharma
Chief Financial Officer
Kolkata, April 27, 2021

Background
Tata Steel Mining Limited ("the Company") is a wholly owned subsidiary of Tata Steel Limited. The name of company has been changed from T S Alloys Limited (a 100% subsidiary of Tata Steel Limited) to Tata Steel Mining Limited (a 100% subsidiary of Tata Steel Limited on May 19, 2020.
The Company produces ferro chrome using chrome ore extracted from its newly acquired chromite mines. Company has a wide range of customer base in domestic and international market and a rich experience in this segment. The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on Apr 27, 2021.

Note 1: Summary of 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 are measured at fair value;
- defined benefit plans – plan assets measured at fair value.

(iii) Current versus Non-current classification
The company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is classified as current when it is:
a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
b) held primarily for the purpose of trading,
c) expected to be realised within twelve months after the reporting period, or
d) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is classified as current when:
a) it is expected to be settled in the normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period, or
d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

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

(iv) New and amended standards adopted by the company
The company has applied the following amendments to Ind AS for the first time for its annual reporting period commencing 1 April 2020:
i) Definition of Material – amendments to Ind AS 1 and Ind AS 8
ii) COVID-19 related concessions – amendments to Ind AS 116

The amendments listed above did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.

(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:
i) useful lives of property, plant and equipment
ii) impairment of property, plant and equipment
iii) provision for employee benefits
iv) valuation of investments and other provisions
v) carrying amount of deferred tax liabilities
vi) commitments and contingencies
vii) provision for royalty and bid premium expense with respect to all months for which prices were not declared by the Indian Bureau of Mines as on the date of preparation of these financial statements.

(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

Sales are recognised when control of the products has been transferred to the buyer, being when the products are dispatched / delivered to the customer depending on the contractual terms and there is no unfulfilled obligation that could affect the buyer's acceptance of the products per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(ii) Conversion Income and Operation & Maintenance Income:

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

(iii) Other operating revenue

Export entitlement are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(iv) Interest Income

Interest income is recognised on time proportion basis based on the amount outstanding and the effective interest rate applicable.

(d) Income taxes

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

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

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

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

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

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

(e) Leases

As a Lessee

Leases 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 Tata Steel Mining 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.

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 amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

(i) Inventories

Raw materials, stores & spares and work in progress

Raw materials, stores & spares, work in progress and finished goods 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 and includes bid premium and royalty. 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 weighted average 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

Sd (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 equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement

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

Equity Instruments

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

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

(iii) 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.

(iv) 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.

(v) 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.

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.

The estimated useful lives for the categories of property, plant and equipment are:

Particulars	Estimated useful life (years)
Buildings	5 to 60 years
Plant and machinery	3 to 25 years
Furniture and fixtures	3 to 05 years
Office Equipment	3 to 14 years
Vehicles	3 to 10 years

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) Intangible assets

Intangible assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment, if any. Recognition of costs as an asset is ceased when the asset is complete and available for its intended use.

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost less accumulated amortisation and impairment, if any.

i) Software costs

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Software costs includes license fees and cost of implementation/system integration services, where applicable.

Computer Software are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

ii) Mining Assets

Mining Assets includes net present value for forest proposal i.e. the amount paid and incurred towards forest and environment restoration required as a result of mining activities to be carried out by the company. It also includes stamp duty and registration fees paid by the company for obtaining the mining lease rights.

These are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 50 years from the date they are available for use.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Particulars	Estimated useful life (years)
Software Costs	5 years
Mining Assets	50 years

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).

(n) 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.

(o) Borrowing costs

Borrowing costs include interest and other costs incurred in connection with borrowings which are expensed in the period in which they are incurred.

(p) 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.

(q) 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) 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.

(iv) 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.

(r) Foreign Currency Transactions

(i) Functional and presentation currency

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 Tata Steel Mining Limited's functional and presentation currency.

(ii) Transactions and balances

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.

(s) 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. (Refer Note 30)

(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.

(t) 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.

Amount in INR (Lakhs)

	As at March 31, 2021	As at March 31, 2020
2. Property, plant & equipment and capital work-in-progress		
Net carrying amounts of:		
Freehold Land	11.81	11.81
Buildings	1,999.81	1,207.63
Plant and machinery	7,213.76	3,540.87
Furniture and fixtures	13.81	5.28
Office equipments	110.71	45.06
Vehicles	166.61	29.04
Sub-total	**9,516.51**	**4,839.69**
Capital work-in-progress	70.70	70.70
Total	**9,587.21**	**4,910.39**

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work-in-progress
Gross carrying amount as at Apr 1, 2020	11.81	1,590.72	5,948.18	25.50	129.24	47.60	**7,753.05**	70.70
Additions	-	868.65	4,520.30	12.56	148.76	174.32	**5,724.59**	-
Disposals	-	-	-	-	-	(19.16)	**(19.16)**	-
Gross carrying amount as at March 31, 2021	**11.81**	**2,459.37**	**10,468.48**	**38.06**	**278.00**	**202.76**	**13,458.48**	**70.70**
Accumulated Depreciation as at Apr 1, 2020	-	383.09	2,407.31	20.22	84.18	18.56	**2,913.36**	-
Charge for the year	-	76.47	847.41	4.03	83.11	26.20	**1,037.22**	-
Disposals	-	-	-	-	-	(8.61)	**(8.61)**	-
Accumulated depreciation as at March 31, 2021	**-**	**459.56**	**3,254.72**	**24.25**	**167.29**	**36.15**	**3,941.97**	**-**
Net carrying amount as at March 31, 2020	**11.81**	**1,207.63**	**3,540.87**	**5.28**	**45.06**	**29.04**	**4,839.69**	**70.70**
Net carrying amount as at March 31, 2021	**11.81**	**1,999.81**	**7,213.76**	**13.81**	**110.71**	**166.61**	**9,516.51**	**70.70**

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work-in-progress
Gross carrying amount as at Apr 1, 2019	11.81	1,580.94	5,783.71	20.77	101.26	47.60	**7,546.09**	**89.50**
Additions	-	9.78	174.35	4.91	28.88	-	**217.92**	61.03
Disposals	-	-	(9.88)	(0.18)	(0.90)	-	**(10.96)**	(79.83)
Gross carrying amount as at March 31, 2020	**11.81**	**1,590.72**	**5,948.18**	**25.50**	**129.24**	**47.60**	7,753.05	**70.70**
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 carrying amount as at March 31, 2019	**11.81**	**1,268.61**	**3,921.29**	**1.39**	**32.18**	**34.65**	**5,269.93**	**89.50**
Net carrying amount as at March 31, 2020	**11.81**	**1,207.63**	**3,540.87**	**5.28**	**45.06**	**29.04**	**4,839.69**	**70.70**

(i) The title deeds of immovable properties 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) Refer Note 29 for contractual commitments for the acquisition of Property, plant and equipments.

(iii) Capital work-in-progress comprises of transfer fees of 143.5 acres of Government Land allotted by IDCO in favor of Rawmet Ferrous Industries Ltd (now known as Tata Steel Mining Limited). The company has requested to IDCO to reconsider the manner of computation of transfer fees. Pending resolution of the matter, the amount demanded by IDCO is included in the CWIP.

Tata Steel Mining Limited
Notes to Financial Statements

3. Intangible assets **Amount in INR (Lakhs)**

Particulars	Software costs	Mining Assets	Total
Gross carrying amount as at April 1, 2020	5.95	-	5.95
Additions	104.80	23,250.21	23,355.01
Gross carrying amount as at March 31, 2021	**110.75**	**23,250.21**	**23,360.96**
Accumulated amortisation as at April 1, 2020	2.27	-	2.27
Amortisation charge for the year	9.92	360.05	369.97
Accumulated amortisation as at March 31, 2021	**12.19**	**360.05**	**372.24**
Net carrying amount as at March 31, 2020	**3.68**	**-**	**3.68**
Net carrying amount as at March 31, 2021	**98.56**	**22,890.16**	**22,988.72**

Particulars	Software costs	Mining Assets	Total
Gross carrying amount as at April 1, 2019	5.95	-	5.95
Sd/-	-	-	-
Gross carrying amount as at March 31, 2020	**5.95**	**-**	**5.95**
Accumulated amortisation as at April 1, 2019	1.08	-	1.08
Amortisation charge for the year	1.19	-	1.19
Accumulated amortisation as at March 31, 2020	**2.27**	**-**	**2.27**
Net carrying amount as at March 31, 2019	**4.87**	**-**	**4.87**
Net carrying amount as at March 31, 2020	**3.68**	**-**	**3.68**

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Additions during the year to Mining Assets pertains to the following items:

i) Net present value for use of forest land - amount paid towards forest and environment restoration required as a result of mining activities to be carried out by the company.

ii) Stamp duty and registration fees - amount paid by the company for obtaining the mining lease rights

Amount in INR (Lakhs)

	As at March 31, 2021	As at March 31, 2020
4A. Right-of-Use assets		
Amount recognised in balance sheet		
Net carrying amounts of:		
Leasehold Land	542.64	549.88
Plant and machinery	9.91	12.95
Total	**552.55**	**562.83**

Particulars	Leasehold Land	Plant and machinery	Total Right-of-use assets
Gross carrying amount as at Apr 1, 2020	557.14	15.24	**572.38**
Gross carrying amount as at March 31, 2021	**557.14**	**15.24**	**572.38**
Accumulated Depreciation as at Apr 1, 2020	7.26	2.29	**9.55**
Charge for the year	7.24	3.04	**10.28**
Accumulated depreciation as at March 31, 2021	**14.50**	**5.33**	**19.83**
Net carrying amount as at March 31, 2020	**549.88**	**12.95**	**562.83**
Net carrying amount as at March 31, 2021	**542.64**	**9.91**	**552.55**

Particulars	Leasehold Land	Plant and machinery	Total Right-of-use assets
Gross carrying amount as at Apr 1, 2019	557.14	15.24	**572.38**
Gross carrying amount 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 carrying amount as at March 31, 2019	**557.14**	**15.24**	**572.38**
Net carrying amount as at March 31, 2020	**549.88**	**12.95**	**562.83**

Notes:

(i) The company leases liquid oxygen tank. Rental Contract are made for a fixed period of 5 years.

(ii) The company has subleased the leasehold land to Bhubaneswar Power Private Limited with rental payable yearly.

4B. Lease Liabilities	As at March 31, 2021	As at March 31, 2020
Non-Current Lease Liabilities	13.56	17.41
	13.56	**17.41**
Current Lease Liabilities	2.95	1.78
	2.95	**1.78**

Amounts recognised in statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation charge of right-of-use assets (Refer Note 26)	10.28	9.55
Interest expense (included in finance costs) (Refer Note 25)	1.78	1.66

The total cash outflow for leases for the year was Rs. 4.46 lakhs (March 31, 2020: Rs. 3.51 lakhs)

Amount in INR (Lakhs)

5. Non-Current Investments	**As at March 31, 2021**	**As at March 31, 2020**
Equity instrument at FVOCI		
Unquoted		
1,62,64,484 equity shares (March 31, 2020 - 162,64,484) of Bhubaneswar Power Private Limited	3,262.66	2,444.56
Total non-current investments	**3,262.66**	**2,444.56**
Aggregate amount of unquoted investments	**3,262.66**	**2,444.56**

Note:

Tata Steel Mining Limited has invested in equity shares of Bhubaneshwar Power Private Limited (BPPL) which is equal t 6.42% of total share capital of the BPPL. The investment is carried at fair value.

	6. Other financial assets - Non-current	**As at March 31, 2021**	**As at March 31, 2020**
	(Unsecured, considered good, unless otherwise stated)		
(a)	Security deposits (Refer Note (i) below)	938.92	875.09
(b)	Interest accrued on deposits, loans and advances		
	Considered doubtful	26.90	26.90
	Less: Provision for doubtful interest accrued on deposits, loans and advances	26.90	26.90
		-	-
(c)	Unrestricted Non-current cash and bank balances		
	Fixed Deposits with maturity of more than a year	-	8.92
(d)	Lease Receivable	2.34	2.34
	Total other non-current financial assets	**941.26**	**886.35**

Note:

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

	Other financial assets - current		
	(Unsecured, considered good, unless otherwise stated)		
(a)	Security deposits	1.38	1.50
(b)	Interest accrued on deposits, loans and advances	72.41	62.55
(c)	Lease Receivable	0.26	0.26
	Total other current financial assets	**74.05**	**64.31**

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Amount in INR (Lakhs)

7. Retirement benefit assets		**As at March 31, 2021**	**As at March 31, 2020**
(a)	Retiring gratuities (Refer Note 32)	65.49	40.78
	Total retirement benefit asset	**65.49**	**40.78**

8. Other assets		**As at March 31, 2021**	**As at March 31, 2020**
I.	**Other non-current assets**		
	(Unsecured, considered good unless stated otherwise)		
(a)	Capital advances	393.77	374.14
(b)	Advance with public bodies		
	Considered good	13.44	13.32
	Considered doubtful	3.92	3.92
		17.36	17.24
	Less: Provision for doubtful balances	(3.92)	(3.92)
		13.44	13.32
(c)	Prepaid expenses	4.62	1.44
(d)	Other non-financial assets	0.10	0.10
	Total other non-current assets	**411.93**	**389.00**
II.	**Other current assets**		
	(Unsecured, considered good unless stated otherwise)		
(a)	Balance with government authorities	10,229.53	25.34
(b)	Advance to vendors	24.85	3.68
(c)	Prepaid expenses	41.86	754.50
	Total other current assets	**10,296.24**	**783.52**

9. Income tax assets (Net)		**As at March 31, 2021**	**As at March 31, 2020**
(a)	Advance Tax (including tax deducted at source) (Net of provision for tax Rs. 640.25 lakhs; March 31, 2020: Rs. 2,627.65 lakhs)	537.36	846.10
		537.36	**846.10**

10. Inventories		**As at March 31, 2021**	**As at March 31, 2020**
(a)	Raw materials	105,522.96	218.24
(b)	Work-in-progress	-	73.74
(c)	Stores and spares	966.89	786.35
(d)	Finished goods	7,787.00	-
	Total inventories	**114,276.85**	**1,078.33**

Amount in INR (Lakhs)

11. Trade receivables		**As at March 31, 2021**	**As at March 31, 2020**
(a)	Unsecured, considered good	14,268.13	2,623.51
(b)	Having Significant increase in credit risk	-	-
(c)	Credit Impaired	-	-
		14,268.13	**2,623.51**
	Less: Loss allowances	-	-
	Net Receivables	**14,268.13**	**2,623.51**

Note:

There are no outstanding receivables due from directors or other officers of the Company.

Refer Note 31 for trade receivables pertaining to related parties.

12A.	**Cash and cash equivalents**	**As at March 31, 2021**	**As at March 31, 2020**
	(a) Cash on hand	0.10	0.21
	(b) Unrestricted balances with banks		
	(i) In current accounts	1,620.32	296.55
	(ii) In deposit accounts		
	- Original maturity of less than three months	13,800.00	2,000.00
	Total cash and cash equivalents	**15,420.42**	**2,296.76**

12B.	**Other Bank Balance**	**As at March 31, 2021**	**As at March 31, 2020**
	(a) In deposit accounts		
	- Maturity more than three months but less than twelve months	3.00	500.00
	Total other bank balance	**3.00**	**500.00**

Amount in INR (Lakhs)

13. Equity Share capital

(i)Authorised equity share capital	**No. of shares**	**As at March 31, 2021**	**No. of shares**	**As at March 31, 2020**
Balance at the beginning of the year	70,000,000	7,000.00	70,000,000	7,000.00
Increase during the year	7,430,000,000	743,000.00	-	-
Balance at the end of the year	**7,500,000,000**	**750,000.00**	**70,000,000**	**7,000.00**

(ii) Issued, Subscribed and fully paid up shares	**No. of shares**	**As at March 31, 2021**	**No. of shares**	**As at March 31, 2020**
Ordinary Shares of Rs. 10 each				
Balance at the beginning of the year	65,707,544	6,570.75	65,707,544	6,570.75
Issued during the year	419,363,524	41,936.35	-	-
Balance at the end of the year	**485,071,068**	**48,507.10**	**65,707,544**	**6,570.75**

Terms and rights attached to equity 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.

(iii) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2021		**As at March 31, 2020**	
Name of shareholders	**No. of shares**	**% holding**	**No. of shares**	**% holding**
Tata Steel Limited (immediate and ultimate holding company)	485,070,468	100%	65,706,944	100%

(iv) Aggregate number of shares issued for consideration other than cash	**As at March 31, 2021 No. of shares**	**As at March 31, 2020 No. of shares**
Shares issued as consideration for acquisition of property, plant and equipment	30,084,384	-

14A. Reserves and Surplus	**As at March 31, 2021**	**As at March 31, 2020**
Securities premium	40,762.13	-
Retained earnings	6,246.29	5,333.56
Total reserves and surplus	**47,008.42**	**5,333.56**

(i) Securities premium	**As at March 31, 2021**	**As at March 31, 2020**
Opening balance	-	-
Received on issue of ordinary shares during the year	40,762.13	-
Closing balance	**40,762.13**	**-**

(ii) Retained earnings	**As at March 31, 2021**	**As at March 31, 2020**
Opening balance	5,333.56	5,060.13
Net profit for the year	1,112.15	282.78
Transaction costs arising on share issues	(196.19)	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(3.23)	(9.35)
	6,246.29	**5,333.56**

	FVOCI -Equity investments	**Total other reserves**
As at 1 April 2019	553.83	553.83
Changes in Fair Value of FVOCI equity instruments (Refer Note 5)	179.28	179.28
Deferred Tax	(31.16)	(31.16)
As at 31 March 2020	**701.95**	**701.95**
Changes in Fair Value of FVOCI equity instruments (Refer Note 5)	818.10	818.10
Deferred Tax	(164.35)	(164.35)
As at 31 March 2021	**1,355.70**	**1,355.70**

Nature and purpose of other reserves

Securities premium

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

FVOCI equity investments

The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Amount in INR (Lakhs)

15. Income taxes	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(i) Income tax (expenses)/credit recognised in the statement of profit and loss are analysed as below:		
Current taxes	-	121.23
Deferred taxes	313.71	206.83
	313.71	**328.06**
(ii) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Accounting Profit before tax	1,425.86	610.84
At India's statutory Income tax rate of 25.168% (March 31, 2020: 27.82%)	358.86	169.93
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	19.94	43.15
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	-	90.72
Adjustment for change in tax rate	(146.02)	(13.04)
Others	80.93	37.30
Income tax expense reported	**313.71**	**328.06**

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the company has recognised provision for income tax for the year ended on March 31, 2021 and remeasured their deferred tax balances basis the rate prescribed in the said section.

(iii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2021 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	8.57	(0.82)	-	7.75
Retirement benefit assets/ liabilities	8.64	(8.27)	1.08	1.45
Tax losses	-	5,421.37	-	5,421.37
Lease liabilities	4.84	(0.69)	-	4.15
MAT Credit	43.70	(43.70)	-	-
Total	**65.75**	**5,367.89**	**1.08**	**5,434.72**
Deferred tax liabilities				
Property, plant and equipment	676.79	5,682.30	-	6,359.09
Right of Use Assets	3.97	(0.70)	-	3.27
Fair valuation of investment	117.15	-	164.35	281.50
Total	**797.91**	**5,681.60**	**164.35**	**6,643.86**
Net deferred tax assets/(liabilities)	**(732.16)**	**(313.71)**	**(163.27)**	**(1,209.14)**

Significant component of deferred tax assets and liabilities for the year ended March 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	-	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)**

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

Amount in INR (Lakhs)

16. Trade Payables	**As at March 31, 2021**	**As at March 31, 2020**
Current		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	5.85	48.16
(b) Total outstanding dues of creditors other than micro and small enterprises	26,481.46	3,515.31
	26,487.31	**3,563.47**

Notes:

(i) Refer Note 31 for trade payables pertaining to related parties.

17. Other financial liabilities	**As at March 31, 2021**	**As at March 31, 2020**
(a) Interest accrued and due on borrowings	55.83	55.83
(b) Capital Creditors	137.04	50.21
(c) Creditors for accrued wages and salaries	251.16	244.17
Total other financial liabilities	**444.03**	**350.21**

18. Provisions	**As at March 31, 2021**	**As at March 31, 2020**
Current provisions		
(a) Provision for employee benefits		
Compensated absences	69.53	71.87
Total current provisions	**69.53**	**71.87**

19. Other current liabilities	**As at March 31, 2021**	**As at March 31, 2020**
(a) Advances received from customers	2,068.18	0.80
(b) Employee recoveries and employer contributions	15.08	10.84
(c) Statutory Dues (Royalty, Bid Premium, GST, TDS, cess etc)	65,504.87	75.32
Total other current liabilities	**67,588.13**	**86.96**

Amount in INR (Lakhs)

20. Revenue from operations	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Sale of products	36,929.05	-
(b) Sale of services	15,027.13	18,215.40
(c) Other operating revenue		
(i) Sale of scrap	37.81	125.99
(ii) Export Incentives	208.68	-
(iii) Operation and maintenance services	1,311.90	1,389.98
Total revenue from operations	**53,514.57**	**19,731.37**

21. Other income	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Interest income from financial assets at amortised cost:		
(i) Income tax authorities	46.56	-
(ii) Bank deposits	110.26	75.80
(b) Provisions / liabilities no longer required written back	-	158.52
(c) Net gain/(loss) on investment classified at fair value through profit and loss	-	77.42
(d) Gain/(loss) on sale of tangible asset and intangible assets	-	3.43
(e) Other miscellaneous income (Refer Note (i) below)	1.43	44.40
Total other income	**158.25**	**359.57**

Note:
(i) Includes interest income on lease receivable Rs. 0.26 lakhs (March 31, 2020: Rs. 0.26 lakhs)

Amount in INR (Lakhs)

22. Cost of materials consumed	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Raw materials at the beginning of the year	218.24	311.47
Add: Purchases	13,762.24	1,571.04
Less: Raw materials at the end of the year	(105,522.96)	(218.24)
Total cost of materials consumed	**(91,542.48)**	**1,664.27**

Raw materials at the end of the year include provision for bid premium and royalty along with other mining related expenses which are directly related to the extraction process from mines. Since the extraction from mines has commenced during the year, the raw materials at the beginning of the year do not comprise of any such expenses.

23. Changes in inventories of work-in-progress and finished goods	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Opening balance		
Work-in-progress	73.74	68.27
Finished Goods	-	-
Total opening balance	**73.74**	**68.27**
Closing balance		
Work-in-progress	-	73.74
Finished Goods	7,787.00	-
Total closing balance	**7,787.00**	**73.74**
Total changes in inventories of work-in-progress and finished goods	**(7,713.26)**	**(5.47)**

Amount in INR (Lakhs)

24. Employee benefits expense	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Salaries, wages and bonus	2,557.47	1,201.46
(b) Contribution to provident and other funds (Refer Note 32)	73.70	68.99
(c) Gratuity (Refer Note 32)	12.61	9.70
(d) Staff welfare expenses	93.09	66.52
Total employee benefits expense	**2,736.87**	**1,346.67**

25. Finance costs	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Interest on financial liabilities not at fair value through profit and loss	1,124.63	1.37
(b) Interest on lease liabilities	1.78	1.66
(c) Other borrowing costs	59.75	57.95
Total finance costs	**1,186.16**	**60.98**

26. Depreciation and amortisation expense	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Depreciation of property plant and equipments (Refer Note 2)	1,037.22	646.71
(b) Amortisation of intangible assets (Refer Note 3)	369.97	1.19
(c) Depreciation of right-of-use assets (Refer Note 4A)	10.28	9.55
Total depreciation and amortisation expense	**1,417.47**	**657.45**

Amount in INR (Lakhs)

27. Other expenses		**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a)	Repairs and maintenance		
	- Buildings	138.07	123.58
	- Plant and machinery	625.79	340.41
	- Others	186.25	50.01
(b)	Royalty and Bid Premium	112,544.68	-
(c)	Conversion Charges	9,434.03	-
(d)	Rates and taxes	90.85	53.79
(e)	Consumption of stores and spares	3,190.74	578.80
(f)	Job processing and other machining charges (including contract labour charges)	4,527.39	584.66
(g)	Legal and other professional costs	122.19	31.95
(h)	Payments to auditors (Refer Note (i) below)	17.83	15.10
(i)	Security charges	542.36	147.44
(j)	Loss on sales of assets	8.96	-
(k)	Raw material handling charges	661.16	583.68
(l)	Operation & maintenance-Gopalpur	827.32	753.11
(m)	Miscellaneous expenses (Refer Note (ii) below)	2,074.57	396.41
	Total other expenses	**134,992.19**	**3,658.94**

Notes:

(i) **Details of payments to auditors**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Payment to auditors*		
As auditor:		
Audit fee	14.00	3.90
Tax audit fee	1.50	0.50
In other capacities:		
Certification fees	1.60	10.00
Re-imbursement of expenses	0.73	0.70
Total payment to auditors	**17.83**	**15.10**

* Amount is exclusive of tax

(ii) Miscellaneous expenses include loss on exchange fluctuation of Rs. 13.22 lakhs for the year ended March 31, 2021 (March 31, 2020: Rs 0.55 lakhs)

28. Contingent liabilities

The company has contingent liabilities at 31 March 2021 in respect of:
(i) Claims against the company not acknowledged as debts

Amount in INR (Lakhs)

Contingent liabilities not provided for:	**As at March 31, 2021**	**As at March 31, 2020**
(a) Disputed Excise duty	659.22	636.66
(b) Disputed Income tax	123.24	123.24
(c) Water conservation fund (WCF)	250.00	250.00
Total	**1,032.46**	**1,009.90**

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, 2021, there were pending litigations relating to excise duty, income tax and water conservation fund involving demands of amounts disclosed above.

29. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021: Nil (March 31, 2020: Rs. 1.93 lakhs, Net of advance: Nil)

30. Earnings per share

	March 31, 2021	**March 31, 2020**
(a) Net profit for the year	1,112.15	282.78
(b) No. of equity shares at the beginning of the year	65,707,544	65,707,544
(c) No. of equity shares at the end of the year	485,071,068	65,707,544
(d) Weighted average no. of equity shares outstanding during the year	304,759,768	65,707,544
Earnings per equity share		
Earnings per equity share - Basic and Diluted (Rs.)	0.36	0.43

31. Related party transactions

(a) List of related parties and relationship

	Name of the related party	**Relationship**
(i)	Tata Steel Limited	Holding Company
(ii)	Tata Steel Long Product (Formerly Tata Sponge Iron Limited)	Fellow subsidiary
(iii)	Tata Steel BSL Limited	Fellow subsidiary
(iv)	M Junction services limited	Joint Venture of Tata Steel Limited
(v)	Tata Steel Utilities & Infrastructure Services Ltd. (Formerly Jamshedpur Utility and Services Company Limited)	Fellow subsidiary
(vi)	TKM Global Logistics Ltd.	Joint Venture of Tata Steel Limited
(vii)	Indian Steel & Wire Products Limited (ISWP)	Fellow subsidiary
(viii)	T S Global Procurement Company PTE Limited (Formerly known as Tata Steel International (Singapore) Holdings Pte Limited)	Fellow subsidiary
(ix)	Bhubaneswar Power Private Limited	Fellow subsidiary
(x)	Tata Steel Foundation	Fellow Subsidiary
(xi)	TM International Logistics Ltd	Joint Venture of Tata Steel Limited
(xii)	Tata Steel Downstream Product Limited (earlier known as Tata Steel Processing and Distribution Limited)	Fellow Subsidiary
(xiii)	T S Alloys Employees Gratuity Trust	Retirement benefit plan

(b) Transactions with related parties

Amount in INR (Lakhs)

The following transactions occurred with related parties:

Name of the related party	**Nature of transactions**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Tata Steel Limited	Conversion Income	16,830.38	20,955.11
	Operation and Maintenance Services	1,566.70	1,667.39
	Employee Benefit Expense*	1,760.64	221.63
	Services received for IT services for SAP	93.41	
	Reimbursement of Expenses	278.03	-
	Purchase of Raw Materials	506.82	-
	Purchase of Property, Plant and Equipment	6,019.18	-
	Interest on Inter-Corporate Deposit	1,124.52	-
	Inter-Corporate Deposit Received	75,660.00	-
	Inter-Corporate Deposit Repaid	76,700.18	
	Subscription for New Equity Shares	82,698.49	
Bhubaneswar Power Private Limited	Reimbursement of expense	-	14.57
	Reimbursement of Sublease Expense	0.39	0.26
	Purchase of Power	9,233.53	9,618.05
T S Global Procurement Co Pte. Ltd.	Sale of Goods	19,315.55	-
	Purchase of Raw Materials	7,810.20	-
Tata Steel Long Product Limited	Sale of Goods	962.08	-
Tata Steel BSL Ltd	Sale of Goods	19.22	-
M Junction services Limited	Receiving of Service	19.47	-
Tata Steel Utilities & Infrastructure Services Ltd.	Receiving of Service	321.55	-
TKM Global Logistics Ltd.	Receiving of Service	79.49	-
Indian Steel & Wire Products Limited	Purchase of Stores & Spares	1.91	-
TM International Logistics Ltd	Receiving of Service	6.74	
Tata Steel Foundation	Receiving of Service	61.00	
Tata Steel Downstream Product Limited	Purchase of Goods	-	28.03
T S Alloys Employees Gratuity Trust	Contribution to Trust	17.74	19.25
Mr. Bibhudutta Nanda (Managing Director upto June 1, 2020)	Sale of Property, Plant & Equipment	1.60	-
Key Management Personnel	Short Term Employees Benefit	45.30	146.39
	Post Employment Benefits	6.99	16.82
	Other Long Term Benefits	1.22	1.56

(c) Outstanding balances at the end of the period

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Name of the related party	Nature of balances	As at March 31, 2021	As at March 31, 2020
Tata Steel Limited	Trade Receivables	1,644.19	2,623.51
	Interest accrued and due on borrowings	55.83	55.83
	Trade Payables	1,044.49	137.18
Tata Steel Long Product Limited	Trade Receivables	545.48	-
Tata Steel BSL Ltd	Trade Receivables	19.22	-
T S Global Procurement Co Pte. Ltd.	Trade Receivables	10,291.59	-
	Trade Payables	6,617.38	-
TKM Global Logistics Ltd.	Trade Payables	77.90	-
Tata Steel Utilities & Infrastructure Services Ltd.	Trade Payables	315.12	-
Indian Steel & Wire Products Limited	Trade Payables	1.09	-
TM International Logistics Ltd	Trade Payables	6.60	
T S Alloys Employees Gratuity Trust	Fund Balance with Trustee	181.74	167.07
Bhubaneswar Power Private Limited	Trade Payables	671.33	2,297.72

Notes:
(iii) All outstanding balance are unsecured and considered good, payable in cash.
(iii) Transaction amount includes GST and TCS
*Employee benefit expense includes deputation cost of the managing director Mr M. C. Thomas for Rs. 134.42 lakhs (March 31, 2020: Nil) and CFO Mr Pushkar Sharma for Rs 30.65 lakhs (March 31, 2020: Nil)

32. Employee benefit obligations

(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 Government 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. The Company have no further obligations under the plan beyond its monthly contributions.

Amount in INR (Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Contribution to Provident fund	61.96	55.19
(ii)	Contribution to ESIC	11.74	13.80
		73.70	**68.99**

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

A. Post retirement defined benefit plans - Gratuity

The company provides for gratuity, a defined benefit plan, covering eligible employees. The scheme is funded by way of a separate irrevocable Trust and the company makes regular contributions to the Trust. The Trust makes payment to the employees on exit 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.

B. Other long term employee benefits plans - Compensated absences

The leave obligations cover the company's liability for other long term benefit plans. This is an unfunded plan which 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 accumulated leave balances and paid as lump sum at exit. Compensated absences cover the company's liability for earned leave.
As the company does not have an unconditional right to defer the payment beyond 12 months, the entire amount has been treated as current.

Amount in INR (Lakhs)

(c) Details of the gratuity and compensated absences benefit are as follows:

Description		2020-21		2019-20	
		Gratuity	Compensated absences	Gratuity	Compensated absences
1.	**Reconciliation of opening and closing balances of obligation**				
	a. Obligation as at beginning of the year	126.28	57.10	96.92	43.44
	b. Current service cost	15.99	7.77	13.73	6.72
	c. Interest cost	8.35	3.32	7.11	3.20
	d. Actuarial (gain)/loss	(3.57)	3.27	12.75	5.34
	e. Acquisition cost / (credit)	(23.88)	-	-	-
	f. Benefits paid	(6.92)	(16.69)	(4.23)	(1.60)
	Obligation as at the end of the year	**116.25**	**54.77**	**126.28**	**57.10**
2.	**Change in fair value of plan assets**				
	a. Fair value of plan assets as at the beginning of the year	167.07	-	141.11	-
	b. Expected return on plan assets	11.73	-	11.15	-
	c. Actuarial gain/(loss)	(7.88)	-	(0.21)	-
	d. Contributions made by the Company	17.74	-	19.25	-
	e. Benefits paid	(6.92)	-	(4.23)	-
	Fair value of plan assets as at the end of the year	**181.74**	**-**	**167.07**	**-**
3.	**Reconciliation of fair value of plan assets and obligations**				
	a. Fair value of plan assets as at the end of the year	181.74	-	167.07	-
	b. Present value of obligation as at the end of the year	116.25	54.77	126.28	57.10
	Amount recognised in the balance sheet assets/(liabilities) (Refer Note (i) below)	**65.49**	**(54.77)**	**40.78**	**(57.10)**
4.	**Expenses recognised in Statement of Profit & Loss**				
	a. Current service cost	15.99	7.77	13.73	6.72
	b. Interest cost	(3.38)	3.32	(4.03)	3.20
	c. Actuarial (gains)/loss	-	3.27	-	5.34
	Expenses recognised during the year (Refer Note (ii) below)	**12.61**	**14.36**	**9.70**	**15.26**

5.	**Expenses recognised in Statement of Other Comprehensive Income**				
	a. Actuarial (gain)/loss due to DBO experience	(1.78)	-	1.57	-
	b. Actuarial (gain)/loss due to DBO assumption changes	(1.79)	-	11.18	-
	c. Return on plan assets, excluding amounts included in interest expense/(income)	7.88	-	0.21	-
	Expenses recognised during the year	**4.31**	**-**	**12.96**	**-**
6.	**Investment details**				
	a. Funds with Life Insurance Corporation of India	91%	NA	91%	NA
	b. Fixed Deposit	9%	NA	9%	NA
7.	**Assumptions**				
	a. Discount rate (per annum)	6.90%	6.90%	6.80%	6.80%
	b. Rate of escalation in salary (Refer Note (iii) below)	5.00%	5.00%	5.00%	5.00%

Notes:

(i) In case of gratuity, the amount is recognised under "Retirement benefit assets" in Note 7 whereas for compensated absences the same is recognised under "Provisions for employee benefits" in Note 19.

(ii) Expenses relating to gratuity are disclosed in Employee benefit expense [Note 24(c)] 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, 2021 is 16 years (March 31, 2020: 14 years).

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

Gratuity	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
1. Present value of defined benefit obligation	(116.25)	(126.28)	(96.92)	(83.47)	(63.38)
2. Fair value of plan assets	181.74	167.07	141.11	105.53	84.95
3. Status [surplus/(deficit)]	65.49	40.79	44.19	22.06	21.57

Compensated absences	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
1. Present value of defined benefit obligation	(54.77)	(57.10)	(43.44)	(37.33)	(33.12)
2. Fair value of plan assets	-	-	-	-	-
3. Status [surplus/(deficit)]	(54.77)	(57.10)	(43.44)	(37.33)	(33.12)

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	1% Increase in Discount Rate	(16.16)
	1% Decrease in Discount Rate	19.60
Salary escalation	1% Increase in Salary Escalation Rate	19.79
	1% Decrease in Salary Escalation Rate	(16.57)

Compensated Absences

Assumption	**Change in assumption**	**Impact on Defined Benefit Obligation**
Discount rate	1% Increase in Discount Rate	(7.84)
	1% Decrease in Discount Rate	9.59
Salary escalation rate	1% Increase in Salary Escalation Rate	9.68
	1% Decrease in Salary Escalation Rate	(8.04)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

10. 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.

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 shareholders and benefits for other stakeholders, and
- Maintain optimal capital structure to reduce the cost of capital.

The company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the company.

35. Net debt reconciliation

Amount in INR (Lakhs)

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.	**As at March 31, 2021**	**As at March 31, 2020**
Lease liabilities	(16.51)	(19.19)
Current borrowings including accrued interest	-	-
Total	**(16.51)**	**(19.19)**

	Liabilities from financing activities		
	Lease liabilities	**Current borrowings including accrued interest**	**Total**
Net debt as at 1 April 2019	**-**	**(0.47)**	**(0.47)**
Cash flows	-	-	-
Impact of transition to Ind AS 116	(21.04)	-	(21.04)
Principal Repayment of Lease	3.35	-	3.35
Interest expense	(1.66)	(59.32)	(60.98)
Interest paid	0.16	59.79	59.95
Net debt as at 31 March 2020	**(19.19)**	**-**	**(19.19)**
Cash flows	-	-	-
Receipt of inter-corporate deposit	-	75,660.00	75,660.00
Repayment of inter-corporate deposit	-	(75,660.00)	(75,660.00)
Principal Repayment of Lease	3.90	-	3.90
Interest expense	(1.78)	(1,184.38)	(1,186.16)
Interest paid	0.56	1,184.38	1,184.94
Net debt as at 31 March 2021	**(16.51)**	**-**	**(16.51)**

36. The Company is engaged in the business of Excavating Chrome Ore & Producing Ferro Chrome, which come under a single business segment known as Ferro Alloys. The financial performance relating to this single business segment is evaluated regularly by the Managing Director and Chief Financial Officer (Chief Operating Decision Makers). The Company is domiciled in India.

37. Impact of Covid 19 on business

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, Investment and Trade Receivables at the balance sheet date, and has concluded that there are no material adjustments required in the financial statements.

Management believes that it has considered 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 due to future economic conditions.

The impact of COVID-19 on the Company's financial statements may not differ from that estimated as at the date of approval of these financial statements.

38. Information relating to Micro and Small Enterprises (MSEs):

	As at March 31, 2021	As at March 31, 2020
(i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	5.85	48.16
Interest	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal	-	-
Interest	-	-
(iii) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act		
Principal	-	-
Interest	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Company.

39. The Name of Company has been changed from T S Alloys Limited to Tata Steel Mining Limited on May 19, 2020.

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

41. The financial statements were approved for issue by the Board of Directors on April 27, 2021.

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

Sd/-
Ashish Taksali
Partner
Membership No. 99625
Hyderabad, April 27, 2021

For and on behalf of the Board of Directors

Sd/-
D B Sundara Ramam
Chairman
DIN:06437027
Jamshedpur, April 27, 2021

Sd/-
M C Thomas
Managing Director
DIN:07883418
Bhubaneswar, April 27, 2021

Sd/-
J.K. Panda
Company Secretary
Bhubaneswar, April 27, 2021

Sd/-
Pushkar Sharma
Chief Financial Officer
Kolkata, April 27, 2021

Amount in INR (Lakhs)

33A. Fair Value Measurements

Financial instruments by category and fair value hierarchy

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2021	Amortised cost	FVTPL	FVOCI	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
- Equity instruments (Refer Note (a) below)	-	-	3,262.66	3,262.66	-	-	3,262.66	3,262.66
Trade receivables	14,268.13	-	-	14,268.13	-	-	-	-
Cash and cash equivalents	15,420.42	-	-	15,420.42	-	-	-	-
Other Bank balances	3.00	-	-	3.00	-	-	-	-
Other financial assets	1,015.31	-	-	1,015.31	-	-	-	-
Total financial assets	**30,706.86**	**-**	**3,262.66**	**33,969.52**	**-**	**-**	**3,262.66**	**3,262.66**
Financial liabilities								
Lease liabilities	16.51	-	-	16.51	-	-	-	-
Trade payables	26,487.31	-	-	26,487.31	-	-	-	-
Other financial liabilities	444.03	-	-	444.03	-	-	-	-
Total financial liabilities	**26,947.85**	**-**	**-**	**26,947.85**	**-**	**-**	**-**	**-**

As at March 31, 2020	Amortised cost	FVTPL	FVOCI	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
- Equity instruments (Refer Note (a) below)	-	-	2,444.56	2,444.56	-	-	2,444.56	2,444.56
Trade receivables	2,623.51	-	-	2,623.51	-	-	-	-
Cash and cash equivalents	2,296.76	-	-	2,296.76	-	-	-	-
Other financial assets	950.66	-	-	950.66	-	-	-	-
Total financial assets	**5,870.93**	**-**	**2,444.56**	**8,315.49**	**-**	**-**	**2,444.56**	**2,444.56**
Financial liabilities								
Lease liabilities	19.19	-	-	19.19	-	-	-	-
Trade payables	3,563.47	-	-	3,563.47	-	-	-	-
Other financial liabilities	350.21	-	-	350.21	-	-	-	-
Total financial liabilities	**3,932.87**	**-**	**-**	**3,932.87**	**-**	**-**	**-**	**-**

Notes:

(a) The equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the company considered this to be more relevant.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between levels 1 and 2 during the year.

Amount in INR (Lakhs)

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) For unlisted equity securities, the fair values have been determined based on discounted cash flows.

(b) The carrying amount of remaining financial assets and liabilities are considered to be the same as their fair values.

(iii) Disclosures related to unlisted equity shares categorised through level 3

(a) The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

Particulars	Unlisted equity shares	Total
As at 1 April 2019	2,265.28	2,265.28
Gains (losses) recognised in other comprehensive income	179.28	179.28
As at 31 March 2020	**2,444.56**	**2,444.56**
Gains (losses) recognised in other comprehensive income	818.10	818.10
As at 31 March 2021	**3,262.66**	**3,262.66**

(b) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable inputs
	31 March 2021	31 March 2020	
Unlisted equity shares	3,262.66	2,444.56	Weighted average cost of capital

A quantitative sensitivity analysis as at March 31, 2021 and March 31, 2020 are as shown below:

Significant unobservable inputs - Weighted average cost of capital	31 March 2021	31 March 2020
Impact of 1% Decrease	481.10	451.75
Impact of 1% Increase	**-428.33**	**-399.07**

(c) Valuation processes

The finance department of the company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held in the finance department once every year, in line with the company’s reporting period.

The main level 3 input for unlisted equity securities used by the company is derived and evaluated as follows:

- Weighted average cost of capital are based on beta of companies operating in similar industry considering inter alia the nature of business, stage of current operations, etc.

(iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial assets, lease liabilities and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Amount in INR (Lakhs)

33B. Financial risk management

The Company's principal financial liabilities comprises of trade payables 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 risks

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 by 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 risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities. The finance department of the company continuously monitors the foreign exchange fluctuations on the basis of which any material adverse effect on the company is identified and additional remedial measures, if any, are taken.

The company's foreign currency exposure at the end of the reporting period expressed in Rs. (foreign currency multiplied by closing rate) are as follows:

Particulars	31 March 2021 INR (lakhs)	31 March 2020 INR (lakhs)
Financial assets		
Trade receivables	10,291.59	-
Net exposure to foreign currency risk (assets)	**10,291.59**	**-**
Financial liabilities		
Trade payables	6,617.38	-
Net exposure to foreign currency risk (liabilities)	**6,617.38**	**-**
Net exposure to foreign currency risk (assets less liabilities)	**3,674.21**	**-**

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant:

	Changes in USD rate (%)	Foreign currency (payable)/receivable (net)	Effect on profit before tax
31 March 2021	5%	3,674.21	183.71
	-5%		(183.71)
31 March 2020	5%	-	-
	-5%		-

(b) Interest rate risks

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 generally has only short term borrowings in the nature of cash credits from banks and loan from parent company there is no significant exposure to the interest rate risk but only to the extent of recognition of interest portion of financial instrument classified at amortized 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 and 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 risks

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 risks

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 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, 2021 and March 31, 2020:

	Carrying Amount	Contractual Cash flows	Between 0 to 1 years	Between 1 to 3 Years	Between 3 to 5 years	More than 5 years
As at March 31, 2021						
a) Lease Liabilities (Current and Non-current)	16.51	58.93	4.47	8.94	2.21	43.32
b) Trade payables	26,487.31	26,487.31	26,487.31	-	-	-
c) Other financial liabilities	444.03	444.03	444.03	-	-	-
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	3,563.47	3,563.47	3,563.47	-	-	-
c) Other financial liabilities	350.21	350.21	350.21	-	-	-