



TSBSL/COSEC/SE19
August 10, 2019

The Secretary
Listing Department
BSE Limited,
Phiroze JeeJeeBhoy Towers,
Dalal Street, Mumbai – 400001
Maharashtra, India
Scrip code: 500055

The Secretary
Listing Department
National Stock Exchange of India Limited,
“Exchange Plaza”, 5th Floor, Plot No. C/1, G-
Block, Bandra – Kurla Complex, Bandra (E),
Mumbai-400051, Maharashtra, India
Scrip code: TATASTLBSL

Dear Madam, Sir,

Sub: 36th Annual Report and Accounts of Tata Steel BSL Limited ('Company')

Please find enclosed herewith the 36th Annual Report and Accounts of Tata Steel BSL Limited for the Financial Year 2018-19 (**'Annual Report'**).

The Notice convening the Annual General Meeting of the Company along with the attendance slip, proxy form and route map forms part of this Annual Report.

The Annual Report is also available on our website at the link:
http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Financial%20Reporting/Annual%20Report/Online%20Annual%20Report2018_2019.pdf

This information is being submitted pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records.

Thanking you.

Yours faithfully
for **Tata Steel BSL Limited**
(formerly Bhushan Steel Limited)

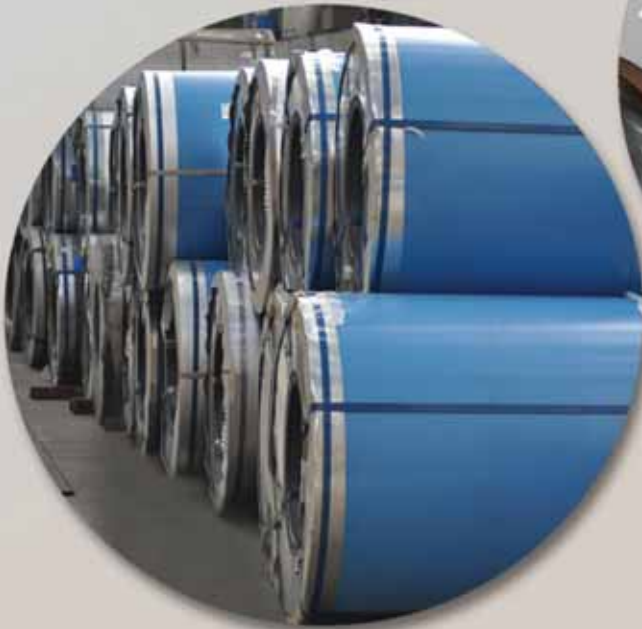
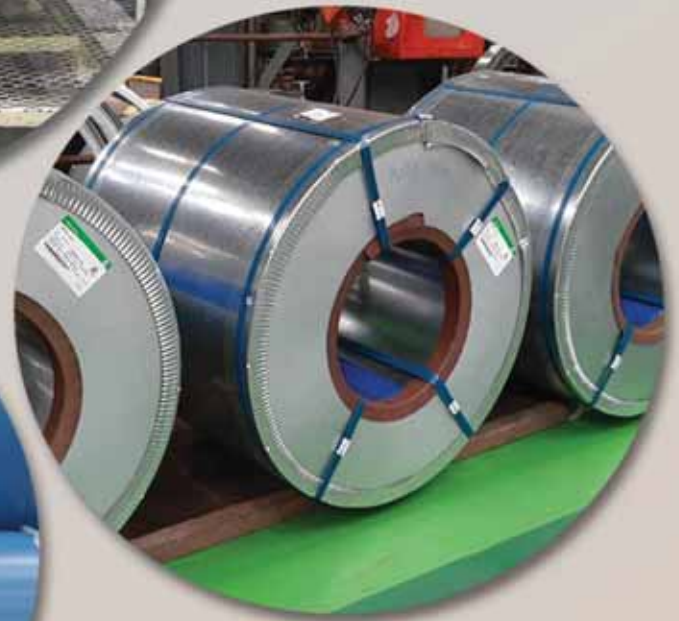
(Nisha Anil Seth)
Company Secretary and Compliance Officer



Encl: As above

TATA STEEL BSL LIMITED

(Formerly known as Bhushan Steel Limited)



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Green Initiatives

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India and urges you to extend your support to the same by registering your email address with the Company's Registrar and Transfer Agent or your Depository Participant to receive communication, including the Annual Report, quarterly and half-yearly results, amongst others from the Company in electronic mode.

CORPORATE INFORMATION

BOARD OF DIRECTORS

(As on August 6, 2019)

Mr. T. V. Narendran

Non-executive Director and Chairman

Mr. Krishnava Dutt

Independent Director

Ms. Neera Saggi

Independent Director

Mr. Shashi Kant Maudgal

Independent Director

Mr. Srikumar Menon

Independent Director

Mr. Koushik Chatterjee

Non-executive Director

Mr. Anand Sen

Non-executive Director

Mr. Rajeev Singhal

Managing Director

Chief Financial Officer

Mr. Sanjib Nanda

Company Secretary & Compliance Officer

Ms. Nisha Anil Seth

Registered Office

Ground Floor, Mira Corporate Suites, Plot No. 1 & 2,
Ishwar Nagar, Mathura Road, New Delhi – 110065

Tel & Fax: 91-11-39194000, 91-11-41010050

Email: tsbsl@tatasteelbsl.co.in

Website: www.tatasteelbsl.co.in

Corporate Office

Jasmine Tower, Ground & 1ST Floor,
31 Shakespeare Sarani, Kolkata – 700071

West Bengal

Tel: 91-33-40859600

Plant Locations

P.O. Shibapur, Meramandali, Distt.: Dhenkanal – 759 121
Odisha, INDIA

23, Site-IV, Sahibabad Industrial Area Distt.: Ghaziabad – 201 010
Uttar Pradesh, INDIA

Village – Nifan, Savroli, Kharpada Road, Taluka-Khalapur,
Near Khopoli Distt: Raigad – 410 203 Maharashtra, INDIA

Plot No-104/3, SIPCOT Industrial Complex
SIPCOT Phase - 1, Hosur, Tamil Nadu – 635 126, INDIA

Corporate Identity Number

CIN L74899DL1983PLC014942

Auditors

M/s Walker Chandiook & Co LLP
(Firm Registration No. 001076N/N500013)

Registrar and Share Transfer Agent

RCMC Share Registry Pvt. Ltd.

B -25/1, First Floor
Okhla Industrial Area Phase II
New Delhi – 110 020

Tel: 91-11-2638 7320, 2638 7321

Fax: 91-11-2638 7322

Email: investor.services@rcmcdelhi.com

Website: www.rcmcdelhi.com

TATA STEEL BSL

BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 36th Annual Reports on the business and operations of your Company, along with the summary of the standalone and consolidated financial statements for the year ended March 31, 2019.

As informed to the Members last year, Bamnival Steel Limited, a wholly owned subsidiary of Tata Steel Limited, acquired the Company on May 18,

2018 through the corporate insolvency resolution process ('CIRP Process') under the Insolvency and Bankruptcy Code, 2016 ('IBC') (the 'Acquisition'). Post-Acquisition, the Board of Directors of the Company ('Board') was re-constituted and a new management ('New Management') was put in place to implement the Resolution Plan as approved by the National Company Law Tribunal, Principal Bench, New Delhi ('NCLT') vide its Order dated May 15, 2018 ('NCLT Order') ('Approved Resolution Plan' or 'Resolution Plan').

The financial results presented herein should be read in the above context.

A. FINANCIAL RESULTS

Particulars	(₹crore)			
	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Gross revenue from operations	20,891.60	17,404.43	20,891.60	17,404.43
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	17,093.04	15,199.57	17,094.29	15,200.29
Operating Profit	3,798.56	2,204.85	3,797.31	2,204.14
Add: Other income	132.44	95.08	132.44	95.08
Profit / (Loss) before finance cost, depreciation, exceptional items and taxes	3,931.00	2,299.93	3,929.76	2,299.22
Less: Finance costs	3,752.18	6,304.90	3,752.18	6,304.90
Profit / (Loss) before depreciation, exceptional items and taxes	178.82	(4,004.97)	177.58	(4,005.68)
Less: Depreciation	1,441.74	1,785.66	1,441.74	1,785.66
Profit / (Loss) before profit / (loss) of joint ventures & associates, exceptional items & tax	(1,262.92)	(5,790.63)	(1,264.16)	(5,791.34)
Share of profit / (loss) of Joint Ventures & Associates	-	-	-	-
Profit / (Loss) before exceptional items & tax	(1,262.92)	(5,790.63)	(1,264.16)	(5,791.34)
Add / (Less): Exceptional Items (Refer note)	2,976.01	(23,344.68)	2,976.01	(23,096.69)
Profit / (Loss) before taxes	1,713.09	(29,135.31)	1,711.85	(28,888.03)
Less: Tax Expense / (income)	-	(4,321.84)	-	(4,321.84)
(A) Profit/(Loss) after taxes	1,713.09	(24,813.47)	1,711.85	(24,566.19)
(B) Net Profit / (Loss) for the period	1,713.09	(24,813.47)	1,711.85	(24,566.19)
Total Profit / (Loss) for the period attributable to:				
Owners of the Company	-	-	1,711.89	(24,565.88)
Non-controlling interests	-	-	(0.04)	(0.31)
(C) Total other comprehensive income / (Loss)	5.17	(2.93)	5.04	(2.87)
(D) Total comprehensive income for the period [B + C]	1,718.26	(24,816.40)	1,716.89	(24,569.06)

Notes: The exceptional items include:

Particulars	(₹crore)	
	Year ended March 31, 2019	Year ended March 31, 2018
(i) Effects of implementation of Resolution Plan (refer note below)	3,159.27	-
(ii) Provision for impairment in property, plant & equipment and other assets (refer note below)	(183.27)	(20,759.02)
(iii) Provision for impairment in financial assets (refer note below)	-	(238.34)
(iv) Other exceptional items (refer note below)	-	(2,347.33)
Total	2,976.01	(23,344.68)

1. Effects of implementation of Resolution Plan

Pursuant to the CIRP Process and implementation of the Resolution Plan, there has been a gain of ₹3,159.27 crore on account of the following:

- Operational creditors' extinguishment - ₹552.12 crore
- Redemption of Preference Shares & waiver of related interest obligation - ₹2,425 crore
- Extinguishment of dues towards financial creditors on account of pledged shares invocation - ₹181.58 crore

2. Provision for impairment on property, plant & equipment and other assets

- Provision for impairment of property, plant and equipment - ₹52.19 crore.
- Provision for impairment of certain non-current advances - ₹178.38 crore.

- c. Net reversal of provision for impairment made in earlier year - ₹47.30 crore

3. Exceptional items recognized in previous year financial statements

- a. Provision for impairment on non-current assets includes non-cash write down of fixed assets, Capital Work in Progress ('CWIP') - ₹19,112.80 crore, Provision for MAT credit - ₹806.06 crore, provision for impairment of investment in associate companies, Bhushan Energy Limited and others - ₹368.81 crore, provision for certain non-current advances - ₹471.36 crore.
- b. Provision for impairment of finance assets of ₹238.34 crore represents impairment of coal block advances paid towards acquisition of de-allocated coal mine of ₹148.34 crore and provision for security deposits paid to Bhushan Energy Limited of ₹90 crore.
- c. Other exceptional items for the year ended March 31, 2018 include prior period items of ₹2,019.91 crore comprising the following:
- Amortization of leasehold land accounted as operating lease- The Company has taken land properties on operating lease in previous years, which earlier were accounted as finance lease. Upon change in their classification as operating lease, the cumulative effect of amortization from inception until the year ended March 31, 2017 has been recognized in previous year's profit or loss in 'exceptional items'.
 - Accounting effect of oxygen plant accounted as finance lease- The Company entered into sale and leaseback arrangement for oxygen plant in earlier years (under the erstwhile management) which was accounted as operating lease. However, the terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognized with corresponding finance lease obligation. Cumulative effect of reversal of operating lease rentals and booking of depreciation and finance cost from inception until the year ended March 31, 2017 has been recognized in previous year's profit or loss in 'exceptional items'.

B. FINANCIAL PERFORMANCE AND STATE OF AFFAIRS

During the year, the total turnover from operations was ₹20,891.60 crore (previous year: ₹17,404.43 crore). The increase in turnover was mainly due to increase in sales volume and average realizations. During the year, the Company recorded a net profit of ₹1,713.09 crore (previous year: Net Loss ₹24,813.47 crore). This is primarily due to exceptional income booked in current year against exceptional charges booked in previous year. Further, there has been a reduction in finance cost due to reduction in high cost borrowings. The basic and diluted earnings per share for financial year 2018-19 were at ₹17.45 and ₹1.05 respectively.

C. CAPEX AND LIQUIDITY

During the year, the Company has repaid ₹222 crore to capital creditors (operational creditors covered under Resolution Plan). Further, the Company spent ₹132 crore on capital projects, largely towards balancing facilities and essential sustenance capital projects.

As on March 31, 2019, the liquidity position of the Company was ₹1,872 crore [excluding Fixed Deposit(s) ('FDs') under Lien of ₹157 crore for opening of Letters of Credit with Banks] as against ₹492 crore as on March 31, 2018 (excluding FDs under Lien of ₹426 crore).

Further, the Company has undrawn borrowing facilities amounting to ₹557 crore, at the end of the reporting year to which the Company had access.

D. DIVIDEND

The Company has recorded a net profit of ₹1,713.09 crore during the financial year ended March 31, 2019 which includes an exceptional gain of ₹2,976 crore. The exceptional gain is mainly on account of gain on redemption of preference shares and trade payable extinguishment in line with the Approved Resolution Plan.

However, considering the net profit arising out of exceptional gains being non-cash in nature, ramp up plan to reach rated capacity of the main facilities which will require capital investment and the fact that the Company is in the stabilisation stage post the CIRP Process, the Board of Directors of the Company has decided not to recommend any dividend to the shareholders of the Company for the financial year ended March 31, 2019.

E. TRANSFER TO RESERVES

The Board has decided to retain the entire amount of profit for financial year 2018-19.

F. MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR

As mentioned above, the Company was acquired on May 18, 2018, by Bamnival Steel Limited ('Bamnival'), a wholly-owned subsidiary of Tata Steel Limited, through the CIRP Process under the IBC.

Pursuant to the NCLT Order and the Resolution Plan, on May 18, 2018, Bamnival was allotted 79,44,28,986 (Seventy-Nine Crore Forty-Four Lakhs Twenty-Eight Thousand Nine Hundred and Eighty-Six) equity shares of face value ₹2/- (Rupees Two) per share for cash. Pursuant to the allotment, Bamnival holds 72.65% (Seventy-Two Point Sixty Five Percent) of the total paid-up equity share capital of the Company and has been classified as the promoter of the Company.

Further, on May 18, 2018, 7,24,96,036 (Seven Crore Twenty-Four Lakh Ninety-Six Thousand and Thirty-Six) equity shares of face value ₹2/- (Rupees Two) per share were allotted to eligible financial creditors on conversion of their existing loans. Further, debts of eligible financial creditors were also paid ₹35,200 crore in the manner provided in the Resolution Plan.

Pursuant to the Acquisition, the following key events took place in the Company during Financial Year 2018-19:

(i) Change in Name of the Company

In order to align to the Tata brand and also to give the Company a singular identity with the Tata Group, the Board considered it desirable to change the name of the Company. The shareholders at the Annual General Meeting of the Company held on September 25, 2018 approved the proposal of change in name of the Company and consequently, with the approval of the Central Government, the name of the Company was changed from Bhushan Steel Limited to Tata Steel BSL Limited effective November 27, 2018.

(ii) Increase in Authorized Share Capital of the Company

The Board approved the increase in authorized share capital of the Company from ₹ 9,520 crore (Rupees Nine Thousand Five Hundred Twenty Crore) consisting of 4,650 crore (Four Thousand Six Hundred

and Fifty Crore) equity shares of ₹2/- (Rupees Two) each and 2.20 crore (Two Crore Twenty Lakhs) preference shares of ₹100/- (Rupees One Hundred) each to **₹33,520 crore** (Rupees Thirty-three Thousand Five Hundred and Twenty crore) consisting of 4,650 crore (Four Thousand Six Hundred and Fifty Crore) equity shares of ₹2 (Rupees Two) each, 2.20 crore (Rupees Two Crore Twenty Lakhs) preference shares of ₹100 (Rupees One Hundred Crore) each and 2,400 crore (Rupees Two Thousand Four Hundred Crore) preference Shares of ₹10 (Rupees Ten) each.

The increase in the Authorized Share Capital was approved by the Members of the Company at the Extraordinary General Meeting held on March 11, 2019.

(iii) Offer, issue and allotment of Non-Convertible Redeemable Preference Shares and Optionally Convertible Redeemable Preference Shares to Tata Steel Limited on private placement basis

The Board at its meeting held on January 9, 2019 approved the issue of up to ₹12,000 crore (Rupees Twelve Thousand Crore), Non-Convertible Redeemable Preference Shares ('NCRPS'), and up to ₹12,000 crore (Rupees Twelve Thousand Crore) Optionally Convertible Redeemable Preference Shares ('OCRPS') on private placement basis to Tata Steel Limited.

The Members of the Company at its Extraordinary General Meeting held on March 11, 2019 approved the offer and issuance of 11.09% NCRPS for an amount not exceeding ₹12,000 crore (Rupees Twelve Thousand Crore) and 8.89% OCRPS for an amount not exceeding ₹12,000 crore (Twelve Thousand Crore) to Tata Steel Limited, on private placement basis.

Subsequently, the Board allotted in tranches, 1,070 crore (One thousand and seventy crore) NCRPS at a price of ₹10 (Rupees Ten) per share aggregating to ₹10,700 crore (Rupees Ten Thousand Seven Hundred) and 900 crore (Nine Hundred Crore) OCRPS at ₹10 (Rupees Ten) per share aggregating to ₹9,000 crore (Rupees Nine Thousand Crore) to Tata Steel Limited, on private placement basis.

(iv) Shifting of Registered Office

a. Within the local limits

On July 11, 2018, the Board approved the shifting of the Registered Office from Bhushan Centre, Ground Floor, Hyatt Regency Complex, Bhikaji Cama Place, New Delhi – 110 066 to B-9 to 12 (Old no. B 81/81-O), Okhla Industrial Area Ph-1, New Delhi – 110 020 with effect from August 1, 2018.

Further, on November 30, 2018, the Board approved the shifting of the Registered Office to Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi – 110 065. The Registered Office was shifted with immediate effect.

b. From one State to another State

The Members of the Company at the Extraordinary General Meeting held on March 11, 2019 approved the shifting of the Registered Office of the Company from the National Capital Territory of Delhi to the State of Maharashtra. The process of shifting is currently underway.

G. MATERIAL CHANGES POST CLOSURE OF FINANCIAL YEAR

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate i.e., March 31, 2019 and the date of this Report.

H. CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Your Company is committed towards improving the quality of life of the communities in the areas it operates, through its various CSR initiatives.

Post the Acquisition, the Company reconstituted the Corporate Social Responsibility and Sustainability Committee ('CSR&S Committee' or 'Committee'). The details of the composition of the CSR&S Committee are provided in the Corporate Governance Report.

The Corporate Social Responsibility & Sustainability Policy ('CSR&S Policy') was adopted by the Board on July 11, 2018. The CSR&S Policy enables the Committee to assist the Board in formulating, monitoring and reviewing the CSR&S strategy and the amount of expenditure to be incurred on various CSR&S activities. Further, the CSR&S Policy provides for the Committee to review and recommend to the Board the annual budget for CSR&S.

The CSR&S Policy is available on the website of the Company www.tatasteelbsl.co.in. A web link for the same is provided in the Corporate Governance Report.

Your Company had in the preceding 3 (Three) financial years incurred losses and hence the Company was not mandatorily required to spend amounts towards CSR&S activities during the Financial Year 2018-19. However, as a good corporate citizen, ₹5.73 crore (Rupees Five Crore Seventy Three Lakhs) was spent in Financial Year 2018-19 towards various CSR&S activities. These activities are in alignment with the focus initiatives of the Tata Group that lays emphasis on four thrust areas – Education, Health, Livelihood and Rural and Urban infrastructure.

I. CORPORATE GOVERNANCE

The Corporate Governance Report for Financial Year 2018 -19 as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') forms part of the Annual Report. The certificate from a practicing Company Secretary on compliance(s) with the corporate governance norms forms part of the Corporate Governance Report.

1. Board Meetings

The Board met thirteen (13) times during the year, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period as prescribed under the Companies Act, 2013 ('Act') and the Listing Regulations.

2. Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') works with the Board to identify the requisite skills and expertise of Board members in order to have a Board with diverse backgrounds and wide experience in business, industry, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

The Policy on Appointment and Removal of Directors ('Policy') was approved by the Board on July 11, 2018 and was subsequently revised on March 26, 2019 to incorporate the changes in regulatory requirements pertaining to criteria for determining independence of a Director.

The objective of the Policy is to lay down criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (executive, non-executive and independent) including their qualifications, positive attributes and independence as well as to lay down criteria to identify persons who may be appointed as the Senior Management of the Company.

The salient features of the policy are:

- i. It acts as a guideline for matters relating to appointment and re-appointment of directors.
- ii. It contains guidelines for determining qualifications, positive attributes for Directors and independence of a Director.
- iii. It lays down the criteria for Board Membership
- iv. It sets out the approach of the Company on board diversity
- v. It lays down the criteria for determining independence of a Director, in case of appointment of an Independent Director

The Policy is available on the website of the Company <http://www.tatasteelbsl.co.in>. A web link for the same is provided in the Corporate Governance Report.

3. Familiarization Programme for Independent Directors

Independent Directors ('IDs') inducted to the Board are provided orientation on the Company's business operations, products, organization structure as well as the Board constitution and its procedures through various programmes/presentations. The IDs are also provided with an opportunity to visit the Company's plants.

At various Board meetings during the year, presentations were made to the Board on safety, health and environment issues, company policies, changes in the regulatory environment applicable to the Company and the industry, and other relevant issues.

During the year, four (4) Independent Directors were inducted to the Board. Details of familiarization given to the Independent Directors in the areas of business, strategy, governance, operations, safety, health, environment are available on the website of the Company at <http://tatasteelbsl.co.in/Investor%20Relations%20pdf/OtherImpDocuments/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

4. Board Evaluation

During the year under review, the Board carried out an evaluation of its performance, its Committees and of individual Directors. During the process, the Board sought feedback from Directors on various aspects of governance and performance. The Board also considered the feedback of the NRC and of the Independent Directors. The NRC and Independent Directors also carried out review of the Board, the Chairman, Executive Director and the Non-Executive Directors.

5. Remuneration Policy for the Board and Senior Management

In terms of the provisions of Section 178(3) of the Act and based on the recommendations of the NRC, the Board approved and adopted

the Remuneration Policy for Directors, Key Managerial Personnel and all other employees of the Company ('Remuneration Policy').

The Remuneration Policy lays down parameters on which remuneration is decided and paid to the Managing Director, Executive Directors, KMPs and employees of the Company.

The Remuneration Policy was approved and adopted by the Board on July 11, 2018 and was subsequently revised on March 26, 2019 to incorporate the changes in regulatory requirements pertaining to recommendation by NRC to the Board with respect to remuneration payable to the Managing Director / Executive Director and remuneration payable to the Senior Management and Key Managerial Personnel.

The revised Remuneration Policy is available on the website of the Company at www.tatasteelbsl.co.in. The web link of the same is provided in the Corporate Governance Report.

6. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as **Annexure - 1**.

7. Independent Directors' Declaration

The Company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Act, read with Rules 16 and 25(8) of the Listing Regulations, confirming that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations.

8. Directors

All changes in connection with appointment/ cessation of Directors for the period between May 18, 2018 through August 22, 2018 is disclosed appropriately in the Directors Report of 2018. Investors' attention is drawn to Page No. 4 of the Directors' Report dated August 22, 2018.

The Shareholders at the Annual General Meeting held on September 25, 2018 approved the appointment of Mr. Srikumar Menon as an Independent Director for the period August 9, 2018 through August 8, 2023.

Re-appointment

In accordance with the provisions of the Act, Mr. T. V. Narendran will retire at the ensuing Annual General Meeting and being eligible, seeks reappointment. The Board recommends his re-appointment.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the following are the Key Managerial Personnel ('KMP') of the Company as on the date of this Report:

- i. Mr. Rajeev Singhal - Managing Director;
- ii. Mr. Sanjib Nanda – Chief Financial Officer; and
- iii. Mr. O. P Davra – Vice President (Corporate Affairs) & Company Secretary.

The remuneration and other details of the Key Managerial Personnel for FY 2018-19 are provided in Extract of the Annual Return which forms part of this Report.

9. Audit Committee

Pursuant to the Acquisition, the Audit Committee has been re-constituted and on July 11, 2018 the Board has approved the charter for the functioning of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee comprises of Mr. Krishnav Dutt (Independent Director & Chairman of Audit Committee), Ms. Neera Saggi (Independent Director), Mr. Srikumar Menon (Independent Director) and Mr. Koushik Chatterjee (Non – Executive Director). The Audit Committee met 6 (Six) times during the year. The details of the meetings held and attendance of Members during the year are given in the Corporate Governance Report.

10. Internal Financial Control Systems

During the year under review, your Company was under the CIRP Process until May 18, 2018 and a resolution professional was appointed by the NCLT to manage the Company’s operations as a going concern. A new management was appointed on May 18, 2018. The new management has on best effort basis and considering the complexity of the operations, including challenges in implementing the Resolution Plan, put in place a framework for Internal Financial Controls. In the judgement of the Board, the said controls seem to be adequate, under the given circumstances.

11. Risk Management

During the year under review, your Company was under the CIRP Process until May 18, 2018 and a resolution professional was appointed by the NCLT to manage the Company’s operations as a going concern. A new management was appointed on May 18, 2018. The new management has on best effort basis and considering the complexity of the operations, including challenges in implementing the Resolution Plan, put in place a framework of risk management to identify and mitigate risks to the strategic objectives of the Company.

12. Vigil Mechanism and Whistle Blower Policy

The Board of Directors on the recommendations of the Audit Committee, has approved a vigil mechanism that provides a formal mechanism for the Directors, employees and vendors to approach the Ethics Counselor/Chairman of the Audit Committee and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Tata Code of Conduct ('TCoC'), or ethics policy, thereby ensuring that the activities of the Company are conducted in a fair and transparent manner.

The Vigil Mechanism comprises 3 (Three) policies viz., the Whistle Blower Policy for Directors & Employees, Whistle Blower Policy for Vendors and Whistle Blower Reward and Recognition Policy for Employees. The Policy is available on our website at www.tatasteelbsl.co.in. A web link for the same is provided in the Corporate Governance Report.

During the financial year 2018-19, the Company received 88 (Eighty Eight) whistle blower complaints, of which 73 (Seventy Three) complaints were investigated and appropriate actions were taken. Investigations are underway for the remaining 15 (Fifteen) complaints.

13. Credit Ratings

During FY 2018-19 CARE withdrew the D rating assigned to the Company’s Working Capital Facilities and Non – Convertible Debentures ('NCDs') as the Company had repaid the bank facilities and NCDs pursuant to the Resolution Plan approved under the CIRP Process of the IBC.

Further, During FY 2018-19, CARE assigned following credit ratings :

S N.	Bank Facilities	Rating
1.	Long-term Bank Facilities -Term Loan	CARE AA; Stable (Double A; Outlook: Stable)
2.	Long-term / Short-term Bank Facilities - Fund based / Non-Fund based	CARE AA; Stable / CARE A1+ (Double A; Outlook: Stable /A One Plus)

14. Related Party Transactions

Your Company had successfully exited the CIRP Process on May 18, 2018 and pursuant to that a new audit committee was constituted on May 18, 2018. All related party transactions ('RPT') after May 18, 2018 have been approved by the new Audit Committee.

The material related party transaction(s) after May 18, 2018 have been approved by the shareholders. The particulars of material contracts or arrangements with related parties entered by the Company after May 18, 2018 is given in the prescribed Form AOC - 2 as **Annexure - 2**.

The policy on RPTs, as approved by the Board, is available on the Company’s website www.tatasteelbsl.co.in. Weblink to the policy is given in the Corporate Governance Report.

[The Members are requested to read this section on related party transactions together with the disclosures made in paragraph 17 below.]

15. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and post the Acquisition the Company has adopted a revised policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company has complied with the provisions relating to the constitution of the Internal Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year 2018-19, the Company did not receive any complaint of sexual harassment.

16. Directors' Responsibility Statement

Based on the framework for internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting

by the statutory auditors and the reviews performed by the Management and the relevant Board committees, including the Audit Committee, and given the complexities faced by the New Management in the implementation of the Resolution Plan and stabilizing the operations and business affairs of the Company, the Board is of the opinion that, the Company's internal financial controls were adequate and effective during Financial Year 2018-19.

Accordingly, pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed with no material departures;
- b) we have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2019 and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts for the financial year ended March 31, 2019 have been prepared on a going concern basis;
- e) proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

17. Other Disclosures

As previously reported, the New Management had initiated the process of analyzing contracts entered by your Company prior to the CIRP Process and had reserved right to seek appropriate remedies. While the new Management has not concluded its analysis into various issues faced by the Company and that efforts are ongoing to analyze various contracts entered by the Company prior to the conclusion of the CIRP Process, the following may be noted:

- (a) During the year under review, your Company has identified contracts entered prior to the conclusion of CIRP Process, the terms of which appear onerous and such contracts were entered with entities connected with the members of previous management:
 - i. The Company had entered into various lease/leave and license agreements for residential premises across India (**'Rental Agreements'**). The Company has terminated the Rental Agreements. The new Management had decided to terminate these Rental Agreements because it was of the view that these agreements were not entered into on arms-length basis and, in certain cases, the premises leased/licensed under such Rental Agreements were not being used for the Company purposes. The Company has sent legal notices to the lessors/

licensors and is also consulting the legal counsels to initiate appropriate legal proceedings to recover amounts as deemed due to the Company.

- ii. The Company had entered into a lease agreement (**'Vistrat Lease Agreement'**) with Vistrat Real Estates Pvt. Ltd (**'Vistrat'**). The Company terminated the Vistrat Lease Agreement on June 11, 2018 and the leased premises was vacated on September 10, 2018. The Hon'ble National Company Law Tribunal, New Delhi (**'NCLT'**) in its order dated February 26, 2019 has noted that the Vistrat was a related party of the Company during the tenure of the erstwhile Management and the transaction between the Company and Vistrat was deemed to be a preferential transaction. The Company is consulting its legal counsels to initiate appropriate legal proceedings to recover amount as deemed due to the Company.
- iii. The Company had entered into agreements for exports to certain non-resident entities which were connected to the erstwhile promoters (**'Non-Resident Entities'**) and the Company had also entered into arrangements for payment of commissions in relation to exports made to certain third parties. Such contracts and commission related arrangements were not entered on an arms' length basis. The Company has also not realized payments from the Non-Resident Entities for such exports within the period prescribed under the applicable FEMA Regulations (**'Export Proceeds'**). The present Management has sent legal notices to such Non-Resident Entities demanding recovery of the Export Proceeds or such other amounts as deemed due to the Company and is also consulting its legal counsels to initiate appropriate legal proceedings.
- (b) The Ministry of Corporate Affairs, Government of India, had ordered an investigation into the affairs of the Company by Serious Fraud Investigation Office (**'SFIO'**) through an order dated May 3, 2016. The Company has received letters from SFIO seeking information in relation to the erstwhile promoters, the Company (including certain contracts entered into by the Company), its material subsidiaries, joint ventures and associates etc. The new Management is in the process of evaluating some of the contracts, including contracts whose details have been sought by SFIO to determine whether they may be priced more efficiently and where necessary, the New Management is taking steps to progressively re-bid such contracts. Further, the Company is cooperating with the SFIO in relation to the ongoing investigation.
- (c) The Company was impleaded in a proceeding initiated by the Directorate of Enforcement (**'ED'**) relating to the confirmation of a Provisional Attachment Order (**'PAO'**) of ₹50,00,000 (**'PMLA Proceeding'**). The said amount of ₹50,00,000 was seized by the Central Bureau of Investigation (**'CBI'**) in relation to an allegation of payment of illegal gratification made against the previous Managing Director of the Company. Your Company is neither a party to the charge-sheet filed by the CBI on dated September 30, 2015 nor is the Company party to any trial proceeding connected with such allegation of payment of illegal gratification. Your Company contested the said PMLA proceedings, and the Adjudicating Authority, *vide* its Order dated September 24, 2018, refused to confirm the PAO in the said proceedings against the Company and other

defendants. The ED has filed an appeal against the order of the Adjudicating Authority before the Appellate Tribunal, Prevention of Money Laundering Act and notice has been issued. Your Company is contesting the appeal filed by the ED.

18. Subsidiaries, Joint Ventures and Associates

The Company has 3 (three) wholly-owned subsidiaries in India and 4 (four) subsidiaries in Australia as on March 31, 2019. The Consolidated Financial Statements presented by the Company for the year ended March 31, 2019 include financial results of all its subsidiaries. The subsidiaries of the Company are not operating companies and their contribution to the overall performance of the Company is insignificant.

The Company has 3 (three) associate companies as on March 31, 2019, viz. Bhushan Energy Limited, Jawahar Credit and Holdings Private Limited and Bhushan Capital and Credit Services Private Limited. Further, Bhushan Energy Limited ('BEL'), an associate of the Company, has been admitted to the CIRP Process under the IBC since January 08, 2018 and is managed by the resolution professional approved by the Committee of Creditors ('BEL CoC'). The shareholders are requested to take note that the powers of the Board of BEL have been suspended and therefore, in terms of the applicable Accounting Standards, the Company has lost significant influence over BEL and this has been accordingly dealt with while preparing the Consolidated Financial Statements of the Company. The Shareholders are however requested to note that the BEL CoC has approved the resolution plan of Tata Steel Limited and BEL's resolution professional has approached the NCLT to approve Tata Steel Limited's resolution plan for BEL. The NCLT has completed the hearing and the final order has been reserved on November 15, 2018.

The remaining 2 (Two) associate companies, viz. Jawahar Credit and Holdings Private Limited and Bhushan Capital and Credit Services Private Limited, are entities connected with the members of previous management. Your Company has written to both of these associate companies and to the Registrar of Companies ('RoC') intimating that your Company should not be identified as the promoters of these 2 (two) associate companies. As such, your Company does not have any visibility on the business and operations of these 2 (two) associate companies.

The Company has 1 (one) joint venture company as on March 31, 2019. Pursuant to an order of Hon'ble Calcutta High Court dated January 24, 2017, Andal East Coal Company Pvt. Ltd, a joint venture of the Company is under liquidation.

A report on the performance and the financial position of the subsidiaries, associates and joint venture in Form AOC-1 is attached to this report as **Annexure – 3**.

19. Auditors

Statutory Auditors

The Company sought the approval of the Members of the Company *vide* postal ballot notice dated July 11, 2018 for appointment of M/s Walker Chandik & Co LLP, Chartered Accountants (Registration No: 001076N/N500013) ('WCC') as the statutory auditor to fill the vacancy caused by the resignation of the then statutory auditor, on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors *plus* reimbursement of out-of-

pocket expenses. The results of the postal ballot were announced on August 21, 2018.

The Members of the Company at the Annual General Meeting of the Company held on September 25, 2018 approved the appointment of WCC as the statutory auditor of the Company for a period of five years to hold office till the conclusion of the 40th Annual General Meeting to be held in the year 2023.

WCC has audited the book of accounts of the Company for the Financial Year ended March 31, 2019 and has issued auditors' report. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Statutory Auditors did not report any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. Cost records are maintained by the Company as required under Section 148(1) of the Act. Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on April 17, 2019 has approved the appointment of M/s. Shome & Banerjee, Cost Accountants (Firm Registration No.000001), as the Cost Auditor of the Company to conduct Cost Audit for the year ending March 31, 2020.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, an appropriate resolution for the proposed remuneration of ₹7,00,000/- (Rupees Seven Lakh only) plus applicable taxes and out-of-pocket expenses payable to the cost auditors for the Financial Year ending March 31, 2020 forms part of the Notice convening the AGM.

Secretarial Auditors

Section 204 of the Act *inter-alia* requires every listed company to annex to its Board's Report, a secretarial audit report given by a Company Secretary in practice, in the prescribed form.

The Board of Directors of the Company, in compliance with Section 204 of the Act, appointed M/s PI & Associates, Practising Company Secretaries, as the Secretarial Auditor to conduct the secretarial audit of the Company for FY 2018-19.

The Secretarial Auditor, in their report, have observed that the Company has complied with the provisions of all the applicable Acts, Rules, Regulations, Guidelines, Standards, etc., except the following:

- a. The Company has not filed the audited financials for the year ended March 31, 2018 within 60 days from the end of the financial year, since the *erstwhile* Board of Directors were replaced by the new Board and Management, pursuant to the Resolution Plan approved by the National Company Law Tribunal ('NCLT'), New Delhi Bench *vide* its Order dated May 15, 2018 under Insolvency and Bankruptcy Code, 2016 ('IBC'). In this regard, the reconstituted Board sought extension from SEBI for filing of audited financial results which was

disapproved by SEBI. Consequently, both the stock exchanges (i.e. BSE and NSE) levied penalties which were duly paid-off by the Company.

- b. No meeting of Audit Committee was held during the quarter ended June 30, 2018. Hence, the same was not in line with the Corporate Governance norms as prescribed under the Listing Regulations.

Board's Comments: Post Acquisition of the Company pursuant to the Resolution Plan, the New Management had to understand, acclimatize, and take complete control of the operations of the Company. Further, the effect of the Resolution Plan on the financial statements (standalone and consolidated) of the Company for the quarter and year ended March 31, 2018 had to be carefully analyzed and understood to prepare the financial statements in a manner such that the said financial statements present a true and fair view for quarter and year ended March 31, 2018. It is for these reasons, that the financial statements were approved by the Audit Committee and adopted by the Board of Directors as of August 9, 2018. The Company had made an application to SEBI seeking extension of time to file the financial results. However, the request was not acceded to by SEBI.

Given that the Company was acquired only on May 18, 2018 through the IBC Process and the reasonable time required to understand, acclimatize, and take complete control of the Company and implement governance mechanisms, no Audit Committee Meeting was held during the quarter ended June 30, 2018.

The Secretarial Audit Report for Financial Year 2018-19 is annexed to this Report as **Annexure – 4**.

The Board has also appointed M/s PI & Associates as Secretarial Auditor, to conduct the secretarial audit of the Company for Financial Year 2019-20.

20. Extract of Annual Return

The extract of Annual Return in form MGT-9 is annexed to this Report as **Annexure – 5**.

The extract of annual return of the Company is available on the website of the Company. Weblink of the same is given below: <http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Forms/Form%20MGT%209%20-%20Extract%20of%20Annual%20Return.pdf>

21. Significant Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations. However, Members' attention

is drawn to the statement on contingent liabilities, commitments in the Notes forming part of the Financial Statements.

22. Particulars of Loans, Guarantees or Investments

The Company did not give any loans, directly or indirectly to any person (other than to employees) or to other body corporates, nor did it give any guarantee or provide any security in connection with a loan to any other body corporate or person during the financial year under review. The loans provided to employees are also in compliance with Section 186 of the Act.

23. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this Report as **Annexure – 6**.

24. Deposits

During the year, the Company has not accepted any public deposits under the Act.

25. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their appreciation for the Senior Leadership Team and all the employees of the Company for their efforts and contribution to the Company's performance.

Your Directors would also like to thank the Company's customers, vendors, dealers, suppliers and investors for their continuous support.

Your Directors wish to take the opportunity to place on record their sincere appreciation and gratitude to the Government of India, various State Governments particularly the States of Odisha, Maharashtra, Tamil Nadu & Uttar Pradesh, Government of Australia, Banks, Financial Institutions, shareholders and concerned Government departments and agencies for their continued support.

On behalf of the Board of Directors

sd/-

T. V. NARENDRAN

Chairman

DIN: 03083605

Mumbai
April 17, 2019

ANNEXURE - 1
Particulars of Remuneration
PART A: DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19*:

Name of Directors/KMP	Remuneration for Financial Year (₹ Lakh)		% Increase in remuneration**	Ratio of remuneration to median remuneration of all employees^
	2018-19	2017-18		
Independent Directors				
Mr. Krishnava Dutt ⁽¹⁾	4.10	-	**	**
Mr. Shashi Kant Maudgal ⁽²⁾	4.15	-	**	**
Ms. Neera Saggi ⁽²⁾	5.70	-	**	**
Mr. Srikumar Menon ⁽³⁾	3.10	-	**	**
Non-Executive Directors #				
Mr. T. V. Narendran ⁽⁴⁾	-	-	-	-
Mr. Anand Sen ⁽¹⁾	-	-	-	-
Mr. Koushik Chatterjee ⁽⁴⁾	-	-	-	-
Mr. Dibyendu Dutta ⁽⁵⁾	-	-	-	-
Mr. Shuva Mandal ⁽⁵⁾	-	-	-	-
Executive Directors & KMP				
Mr. Rajeev Singhal ⁽¹⁾ Managing Director	158.12	-	**	**
Mr. Sanjib Nanda ^{(1) §§} Chief Financial Officer	71.35	-	**	**
Mr. O. P. Davra Company Secretary	49.32	41.00	20.29	12.49

* Remuneration details for all Directors and KMPs (except Mr. O. P. Davra) of the Company appointed post-Acquisition have been provided.

** Since the remuneration of these Directors/KMPs is only for part of the year, the ratio of their remuneration to median remuneration is not comparable and increase in remuneration is not stated.

In line with the internal guidelines of the Company, no payment is made towards commission/sitting fees to the Non-Executive Directors of the Company who are in full time employment with any other Tata Company and hence not stated.

^ The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2018 to March 31, 2019.

§§ The remuneration of Mr. Sanjib Nanda is calculated from July 1, 2018 onwards.

Notes:

- Mr. Krishnava Dutt, Mr. Anand Sen, Mr. Rajeev Singhal and Mr. Sanjib Nanda were appointed as Additional (Independent) Director, Additional (Non-Executive) Director, Managing Director and Chief Financial Officer respectively effective May 18, 2018.
 - Mr. Shashi Kant Maudgal and Ms. Neera Saggi were appointed as Additional (Independent) Directors effective June 7, 2018.
 - Mr. Srikumar Menon was appointed as Additional (Independent) Director effective August 9, 2018.
 - Mr. T. V. Narendran and Mr. Koushik Chatterjee were appointed as Additional (Non-Executive) Directors effective July 11, 2018.
 - Mr. Dibyendu Dutta and Mr. Shuva Mandal were appointed as Additional (Non-Executive) Directors effective May 18, 2018. They stepped down effective July 12, 2018.
- (ii) Median remuneration of the employees of the company for the financial year 2018-19: **₹3.95 Lakh**
- (iii) Percentage increase in the median remuneration of employees in the financial year 2018-19: **9.28%**
- (iv) Number of permanent employees on the rolls of Company as on March 31, 2019: **5,723**
- (v) During the year, average percentage increase in salary during FY 2018-19 for Mr. O. P. Davra was **20.29%**. For other employees, the average percentage increase in salary was **7.54%**. During the year, there has been no exceptional increase in the remuneration to the KMPs.
- (vi) No variable component of remuneration was paid to the directors.
- (vii) Remuneration is as per the remuneration policy of the Company.

PART B: DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 [READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016]

Top Ten Employees of the Company in terms of remuneration drawn during the Financial Year 2018-19

S. No	Name	Designation	Remuneration (₹Lakh)	Qualification	Experience (Years)	Age (Years)	Date of commencement of employment	Last Employment
1.	Mr. Rahul Sen Gupta *	Whole-time Director (Technical)	263.84	B.Sc. (Mechanical Engineer)	37	60	22.05.1995	Indian Oxygen Limited
2.	Mr. Akshaya Kumar Saxena	Executive Director	236.00	BE-Metallurgy	36	59	30.07.2011	Arcelor Mittal
3.	Mr. Shankar Batra	Executive Vice President	191.00	CS AND CWA	39	59	02.09.1996	SAIL
4.	Mr. Nittin Johari *	Director Finance / CFO	186.49	M.Com, FCA	33	56	06.01.1995	Finance Controller with Wimco Ltd.
5.	Mr. Rajeev Singhal *	Managing Director	154.59	Management (PGDBM Marketing, XLRI, Jamshedpur) Engineering (B. Tech. Mechanical - IITBHU)	33	55	18.05.2018	Deputed from Tata Steel Limited
6.	Mr. Prem Kumar Aggarwal *	Whole-Time Director (Commercial)	109.98	FCA	39	64	01.02.1989	Bhushan Industries Limited
7.	Mr. Kawal Deep Sahni	Senior Vice President	93.00	Bachelor of Science in Engineering (Industrial & Production). Post Graduate in Industrial Engineering and Management	30	56	28.09.2015	Holcim Cement – Bangladesh (NP Manufacturing and Project)
8.	Mr. Anil Ahuja *	Executive Vice President	89.16	B. Tech	37	57	01.02.2006	SCAW Industries
9.	Mr. Subodh Pandey #	Chief Operating Officer	73.32	B. Tech	26	49	01.09.2018	Deputed from Tata Steel Limited
10.	Mr. Giridhar Venkatanarayanan	Executive Vice President	73.00	AMIE - Metallurgy	31	58	17.02.2014	Tata Projects

* Mr. Rahul Sengupta, Mr. Nittin Johari, Mr. Prem Kumar Aggarwal and Mr. Anil Ahuja ceased to be employees of Company with effect June 16, 2018, May 18, 2018, September 30, 2018 and October 15, 2018 respectively. Hence remuneration shown is for part of the year.

Remuneration for Mr. Rajeev Singhal is calculated from May 18, 2018 i.e. the date on which he was appointed as Managing Director of the Company. Remuneration for Mr. Subodh Pandey is calculated from September 01, 2018.

Note:

- Apart from the details given in Part B there is no employee, who:
 - was in receipt of remuneration during the financial year 2018-19, which, in the aggregate, was not less than rupees one crore and two lakhs; and
 - was in receipt of remuneration for any part of the financial year 2018-19, at a rate which, in the aggregate, was not less than rupees eight lakh fifty thousand.
 - during the financial year 2018-19 or part thereof, was in receipt of remuneration, which was in excess of that drawn by the managing director or Whole-time Director or Manager and who holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
- The nature of employment in all cases is contractual.
- None of the employees mentioned above is a relative of any Director of the Company or Manager of the Company.
- Gross remuneration comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation funds but excludes contribution to Gratuity Fund.

On behalf of the Board of Directors

sd/-
T. V. NARENDRAN
Chairman
DIN: 03083605

Mumbai
April 17, 2019

**ANNEXURE - 2
FORM NO. AOC-2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

The Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Post - Acquisition, there were no contracts or arrangements or transactions entered into by the Company, which were not at arm's length basis. However, Members attention is drawn to the Section on 'Other Disclosures' (S. N. 17) of the Board's Report.

2. Details of material contracts or arrangements or transactions at arm's length basis:

S. N.	Particulars	Remarks
a.	Name(s) of the related party and nature of relationship	T S Global Procurement Pte. Ltd. (' TSGP ').
b.	Nature of relationship	TSGP is a subsidiary of Tata Steel Limited, which is the ultimate holding company of Tata Steel BSL Limited (formerly 'Bhushan Steel Limited').
c.	Nature of contracts /arrangements /transactions	Procurement of raw materials and other procurement related services.
d.	Duration of the contracts/arrangements/transactions	FY 2018-19
e.	Salient terms of the contracts or arrangements or transactions including the value, if any	Procurement of raw materials, rolls and process consumables from TSGP & receipt of related procurement services amounting to ₹3,479.01 crore during FY 2018-19.
f.	Date(s) of approval by the Board, if any	The said Related Party Transaction (' RPT ') was approved by the Audit Committee and the Board of Directors on July 11, 2018. The RPT was approved by the Members through postal ballot (notice dated July 11, 2018), by way of ordinary resolution on August 20, 2018.
g.	Amount paid as advances, if any	NA

Notes :

- The transaction involves procurement of raw materials, rolls and process consumables from TSGP and receipt of related procurement service by the Company from TSGP.
- The transactions are in the ordinary course of business and at arm's length basis approved by the Audit Committee and reviewed by Statutory Auditors. The above transaction was approved by the Members through postal ballot (notice dated July 11, 2018), by way of ordinary resolution on August 20, 2018. Total transaction value approved by the Members was ₹5,500 crore.

On behalf of the Board of Directors

sd/-

T. V. NARENDRAN

Chairman

DIN: 03083605

Mumbai
April 17, 2019

ANNEXURE - 3 FORM AOC-1

Statement containing salient features of the financial statements of the Subsidiaries/Associate Companies/Joint Ventures

Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART A - Summary of Financial Information of Subsidiary Companies

S.N.	Name of the Company	Date since when Subsidiary acquired	Reporting Currency	Exchange Rate	Share Capital (₹ Lakh)	Reserve & Surplus (₹ Lakh)	Total Assets (₹ Lakh)	Total Liabilities (₹ Lakh) (excluding shareholders' funds)	Total Investment* (₹ Lakh)	Turnover	Profit before taxation (₹ Lakh)	Provision for taxation (₹ Lakh)	Profit after taxation (₹ Lakh)	Proposed dividend	Ownership (%)
1.	Bhushan Steel (Orissa) Ltd.	27.04.2010	INR	1.00	5.00	(1.77)	3.41	0.18	-	-	(0.56)	-	(0.56)	-	100.00
2.	Bhushan Steel (South) Ltd.	27.04.2010	INR	1.00	5.00	(106.00)	0.22	101.22	-	-	(75.60)	-	(75.60)	-	100.00
3.	Bhushan Steel Madhya Bharat Ltd.	27.04.2010	INR	1.00	5.00	(1.77)	3.41	0.18	-	-	(0.56)	-	(0.56)	-	100.00
4.	Bhushan Steel (Australia) Pty Ltd.**	15.06.2007	AUD	49.076	26,946.53	(26,277.67)	1,284.99	616.13	-	-	(24.50)	-	(24.50)	-	90.97
5.	Bowen Energy Pty Ltd. #**	28.07.2009	AUD	49.076	8,900.04	(11,189.82)	17.38	2,307.16	-	-	(23.06)	-	(23.06)	-	100.00
6.	Bowen Coal Pty Ltd. #**	28.07.2009	AUD	49.076	-	-	-	-	-	-	-	-	-	-	100.00
7.	Bowen Consolidated Pty Ltd. #**	28.07.2009	AUD	49.076	-	-	-	-	-	-	-	-	-	-	100.00

Bowen Energy Pty Ltd is the wholly owned subsidiary of Bhushan Steel (Australia) Pty Ltd whereas Bowen Coal Pty Ltd. and Bowen Consolidated Pty Ltd. are step down subsidiaries of Bowen Energy Pty Ltd. Hence, the effective ownership in Bowen Energy Pty. Ltd. and its step-down subsidiaries shall be the same as the shareholding existing in Bhushan Steel (Australia) Pty Ltd.

* Included in Total Assets.

** Closing exchange rate as on March 31, 2019 has been considered for calculation.

Notes:

1. Name of subsidiaries yet to commence operations: **All**
2. Names of subsidiaries which have been liquidated or sold during the year: **None**
3. Reporting period for all subsidiaries is April 1, 2018 to March 31 2019.

PART B: Associates and Joint Ventures

S. N.	Name of the Company	Latest audited balance sheet date	Date on which associate and joint venture was associated or acquired	Reporting Currency	Shares of Associate or Joint Venture held by the Company on year end		Description of how there is significant influence	Reasons why the associate/joint venture is not consolidated	Net Worth attributable to shareholding as per latest audited balance sheet (₹ lakh)	Share of Profit/loss for the year (₹ lakh)	
					No. of shares	Amount of Investment of holding (%)				Considered in consolidation	Not considered in consolidation
ASSOCIATES											
1.	Bhushan Capital & Credit Services Private Limited	31.03.2017	28.07.1993	INR	86,43,742	42.58	By Shareholding	##	--	--	--
2.	Bhushan Energy Limited	31.03.2017	02.12.2009	INR	65,00,000	47.71	By Shareholding	@	--	--	--
3.	Jawahar Credit & Holdings Private Limited	31.03.2017	28.07.1993	INR	86,43,742	39.65	By Shareholding	##	--	--	--

As per IND AS, negative net worth of associate companies and JVs should not be included in the consolidated net worth. Hence, the negative net worth of the associate companies has not been considered for consolidation.
 @ BEL has not been considered for consolidation as the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 was initiated against BEL vide order of the National Company Law Tribunal (NCLT) dated January 08, 2018. Pursuant to this, the Company lost significant influence over BEL.

Notes:

- Andal East Coal Company Pvt. Ltd. a Joint Venture (JV) of the Company was admitted to winding up proceedings by the Hon'ble Calcutta High Court vide order dated January 24, 2017. Therefore, the accounts of Andal East Coast Company Pvt. Limited have not been considered for consolidation of accounts of the Company.
- Name of Associates/JVs yet to commence operations : Bhushan Energy Limited (BEL) has commenced operations. Jawahar Credit and Holdings Private Limited and Bhushan Capital and Credit Services Private Limited, are entities connected with the members of the previous management. The Company has written to both of these Associate Companies and to the Registrar of Companies (RoC) intimating that your Company should not be identified as the promoters of these 2 (two) associate companies. As such, your Company does not have any visibility on the business and operations of these 2 (two) associate companies.
- Names of Ssociates/JVs which have been liquidated or sold during the year: Andal East Coast Company, a JV of the Company is currently under liquidation.

For and on behalf of the Board of Directors

sd/- Mr. T. V. Narendran Chairman (DIN: 03083605)	sd/- Mr. Krishna Dutt Independent Director (DIN: 02792753)	sd/- Ms. Neera Saggi Independent Director (DIN: 00501029)
sd/- Mr. Srikumar Menon Independent Director (DIN: 00470254)	sd/- Mr. Anand Sen Director (DIN: 00237914)	sd/- Mr. Koushik Chatterjee Director (DIN: 00004989)
sd/- Mr. Rajeev Singhal Managing Director (DIN: 02719570)	sd/- Mr. Sanjib Nanda Chief Financial Officer	sd/- Mr. O.P. Davra Company Secretary (Membership No: FCS 3036)

April 17, 2019
Mumbai

ANNEXURE - 4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Tata Steel BSL Limited

(Formerly Known as Bhushan Steel Limited)
(L74899DL1983PLC014942)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Steel BSL Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2019, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not applicable to the Company during the audit period*);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*Not applicable to the Company during the audit period*);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*Not applicable to the Company during the audit period*);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'LODR/ Listing Regulations, 2015'),
- (vi) We, based upon the Management Representation, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:-
1. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
 2. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.
 3. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
 4. Factories Act, 1948 and allied State Laws.
 5. The Mines Act, 1952 and the rules, regulations made thereunder.
 6. Mines and Minerals (Development & Regulation) Act, 1957 and the rules made thereunder.
 7. Coal Mines (Special Provisions) Act, 2015.
 8. The Petroleum Act, 1934.
 9. The Indian Boilers Act, 1923 and rules/regulations made thereunder.
 10. The Indian Explosives Act, 1884 and the Static and Mobile Pressure Vessels (Unfired) Rules, 2016.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company is generally regular in complying with the standards.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:-

- i. The Company did not file the Audited Financial Result for the year ended March 31, 2018 within sixty days of the end of that year since the erstwhile Board of Directors had been replaced by the new board and management pursuant to the Resolution Plan approved by the National Company Law Tribunal, New Delhi Bench vide its order dated May 15, 2018 under Insolvency and Bankruptcy Code, 2016. In this regard, the Company made a request to SEBI for extension of filing the audited financial result but it was not approved by the SEBI. Consequently, both the stock exchanges (i.e. BSE and NSE) levied penalties which were duly paid off by the Company.
- ii. There was no meeting of Audit Committee held during the quarter ended on June 30, 2018 which is not in line with the Corporate Governance norms of the Listing Regulations, 2015.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meetings and committee meetings which were held on shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- I. That pursuant to the Resolution Plan approved by the National Company Law Tribunal, New Delhi Bench vide its order dated May 15, 2018 under Insolvency and Bankruptcy Code, 2016, the erstwhile Board of Directors had been replaced by the new board and management. Consequently, the erstwhile promoter re – classified as public shareholder and Bannipal Steel Limited has become Promoter of the Company.

- II. That the Company had approved Material Related Party Transactions with TS Global Procurement Company Pte. Ltd (fellow subsidiary) through Postal Ballot passed on August 21, 2018.
- III. That the Company had passed Special Resolution on September 25, 2018 in the Annual General Meeting for change the name of the Company from “Bhushan Steel Limited” to “Tata Steel BSL Limited”.
- IV. That the Company had passed Resolutions on March 11, 2019 in the Extra ordinary General Meeting for approval of following:
 - Increase in the Authorized Share Capital of the Company and consequential amendment of the Capital Clause in the Memorandum of Association of the Company,
 - Issue, offer and allot 11.09% Non – Convertible Redeemable Preference Shares to Tata Steel Limited, on Private Placement basis,
 - Issue, offer and allot 8.89% Optionally Convertible Redeemable Preference Shares to Tata Steel Limited, on Private Placement basis,
 - Shifting of Registered office of the Company from the National Capital Territory (NCT) of Delhi to the State of Maharashtra,
 - Insertion of a new Article in the Articles of Association of the Company,
 - Approval of Material Related Party Transaction(s) with TS Global Procurement Company Pte. Ltd., a fellow subsidiary for the financial year 2019-20.

For PI & Associates,
Company Secretaries

sd/-
Nitesh Latwal
Partner
ACS No.: 32109
C P No.: 16276

April 17, 2019
New Delhi

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

Annexure A

To,

The Members,

Tata Steel BSL Limited

(Formerly Known as Bhushan Steel Limited)

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

sd/-
Nitesh Latwal
Partner
ACS No.: 32109
C P No.: 16276

April 17, 2019
New Delhi

ANNEXURE - 5
FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

i	CIN	L74899DL1983PLC014942
ii	Registration Date	January 7, 1983
iii	Name of the Company	Tata Steel BSL Limited (Formerly 'Bhushan Steel Limited')
iv	Category/Sub-Category of the Company	Public listed company having share capital
v	Address of the Registered office and contact details	Ground Floor, Mira Corporate Suites, Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065 Tel: 91-11-39194000 Fax: 91-11-41010050 E-mail: tsbsl@tatasteelbsl.co.in Website: www.tatasteelbsl.co.in
vi	Whether listed company Yes/No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	RCMC Share Registry Pvt. Ltd. (Unit: Tata Steel BSL Limited) B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi - 110020. Phone: 011-26387320, 26387321 Fax : 011- 26387322 e-mail: investor.services@rcmcdelhi.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of basic iron & steel	241	100%

III. Particulars of Holding, Subsidiary and Associate Companies

SN	Name and address of the Company	Holding (%)
Holding Company (Pursuant to Section 2(46) of Companies Act, 2013		
1	Bamnipal Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506. CIN: U27310MH2018PLC304494	72.65
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013		
1	Bhushan Steel (Orissa) Ltd. Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110 065 CIN: U27100DL2010PLC202028	99.98
2	Bhushan Steel Madhya Bharat Ltd. Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110 065 CIN: U27100DL2010PLC202026	99.98
3	Bhushan Steel (South) Ltd. Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065 CIN: U27100DL2010PLC202027	100.00

SN	Name and address of the Company	Holding (%)
4	Bhushan Steel Australia PTY Ltd. Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000	90.97
5	Bowen Energy PTY. Ltd. Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000	100.00
6	Bowen Coal PTY. Ltd. Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000	100.00
7	Bowen Consolidated PTY. Ltd. Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000	100.00
Associate Companies (Pursuant to Section 2(6) of Companies Act, 2013)		
1	Bhushan Energy Limited Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110 065 CIN: U40105DL2005PLC140748	47.71
2	Bhushan Capital & Credit Services Private Limited Cabin No. 1, 1205, 89 Hemkunth Chamber, Nehru Place, New Delhi - 110 019 CIN: U74899DL1993PTC054636	42.58
3	Jawahar Credit & Holdings Private Limited Cabin No. 1, 1205, 89 Hemkunth Chamber, Nehru Place, New Delhi - 110 019 CIN: U74899DL1993PTC054635	39.65
4.	Andal East Coal Company Pvt. Ltd.* 37, Shakespeare Sarani, 4 th floor Kolkata- 700 017. CIN: U10300WB2009PTC138558	33.89

* Joint Venture Company under liquidation.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held (April 1, 2018)				No. of Shares held (March 31, 2019)				% Change
	Electronic	Physical	Total	% of Total Shares	Electronic	Physical	Total	% of Total Shares	
A. Promoters (including Promoter Group)									
(1) Indian									
a) Individual/Hindu Undivided Family	8,73,30,303	0	8,73,30,303	38.55	0	0	0	0.00	(38.55)
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	1,21,01,188	0	1,21,01,188	5.34	79,44,28,986	0	79,44,28,986	72.65	67.31
e) Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
f) Others (Trusts)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	9,94,31,491	0	9,94,31,491	43.89	79,44,28,986	0	79,44,28,986	72.65	28.76

Category of Shareholders	No. of Shares held (April 1, 2018)				No. of Shares held (March 31, 2019)				% Change
	Electronic	Physical	Total	% of Total Shares	Electronic	Physical	Total	% of Total Shares	
(2) Foreign									
a) Individuals Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	9,94,31,491	0	9,94,31,491	43.89	79,44,28,986	0	79,44,28,986	72.65	28.76
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	3,500	3,500	0.00	0	2,500	2,500	0.00	0.00
b) Financial Institutions/Banks	10,33,598	2,500	10,36,098	0.46	10,56,80,307	21,21,657	10,78,01,964	9.86	9.40
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	90,81,599	0	90,81,599	4.01	1,18,06,751	0	1,18,06,751	1.08	(2.93)
f) Foreign Institutional Investors	1,439	0	1,439	0.00	1,439	0	1,439	0.00	0.00
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
h) Provident Funds/ Pensions Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Any Other (Specify) Limited Liability Partnership	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	1,01,16,636	6,000	1,01,22,636	4.47	11,74,88,497	21,24,157	11,96,12,654	10.94	6.47

Category of Shareholders	No. of Shares held (April 1, 2018)				No. of Shares held (March 31, 2019)				% Change
	Electronic	Physical	Total	% of Total Shares	Electronic	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate	2,78,29,716	26,205	2,78,55,921	12.30	3,70,36,154	38,852	3,70,75,006	3.39	(8.91)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	6,95,82,826	5,38,838	7,01,21,664	30.96	8,87,79,330	469,233	8,92,48,563	8.16	(22.80)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,04,76,229	0	1,04,76,229	4.62	4,45,06,726	0	4,45,06,726	4.07	(0.55)
c) Others:	46,31,845	0	46,31,845	2.04	32,91,381	0	32,91,381	0.30	(1.74)
i) Clearing Member									
ii) Non-Residents	34,74,473	57,250	35,31,723	1.56	32,32,770	52,250	32,85,020	0.30	(1.26)
iii) NBFCs registered with RBI	1,74,842	0	1,74,842	0.08	53,698	0	53,698	0.00	(0.08)
iv) Foreign Company	0	0	0	0.00	16,93,192	0	16,93,192	0.15	0.15
v) Trusts	31,003	0	31,003	0.01	62,021	0	62,021	0.01	(0.00)
vi) IEPF	1,37,392	0	1,37,392	0.06	1,82,521	0	1,82,521	0.02	(0.04)
Sub-total (B)(2)	11,63,38,326	6,22,293	11,69,60,619	51.63	17,88,37,793	5,60,335	17,93,98,128	16.40	(35.23)
Total Public Shareholding (B) = (B)(1) + (B)(2)	12,64,54,962	6,28,293	12,70,83,255	56.10	29,63,26,290	26,84,492	2,99,01,0782	27.34	-28.76
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	22,58,86,453	6,28,293	22,65,14,746	100.00	1,09,07,55,276	26,84,492	1,09,34,39,768	100.00	0.00

b) Shareholding of Promoters (including Promoter Group)

SN	Shareholder's Name	Shareholding (April 1, 2018)			Shareholding (March 31, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares	% of total Shares Pledged/encumbered to total shares**	No. of Shares	% of total Shares	% of total Shares Pledged/encumbered to total shares	
1	Bhushan Infrastructure Pvt. Ltd. (*)	1,21,01,188	5.34	1.81	0 (*)	0	0.00	*
2	Neeraj Singal (*)	4,98,35,628	22.00	18.34	0 (*)	0	0.00	*
3	Brij Bhushan Singal (*)	3,12,47,969	13.80	13.80	0 (*)	0	0.00	*
4	Ritu Singal (*)	45,30,311	2.00	2.00	0 (*)	0	0.00	*
5	Aishwarya Singal (*)	17,05,729	0.75	0.75	0 (*)	0	0.00	*
6	Brij Bhushan Singal HUF (*)	10,666	0.00	0.00	0 (*)	0	0.00	*
7	Bamnival Steel Limited (*)	0	0.00	0.00	79,44,28,986	72.65	0.00	72.65
Total		9,94,31,491	43.90	36.70	79,44,28,986	72.65	0.00	

(*) The Company was acquired by Bamnival Steel Limited, a wholly owned subsidiary of Tata Steel Limited on May 18, 2018 pursuant to the order of the National Company Law Tribunal, Principal Bench, New Delhi ('NCLT') dated May 15, 2018 under the Corporate Insolvency Resolution Process ('CIRP') of

the Insolvency and Bankruptcy Code, 2016. Post Acquisition, Bamnival Steel Limited became the Promoter of the Company. Consequently the Company made applications to BSE Limited and National Stock Exchange of India Limited (collectively referred as 'Stock Exchanges') for reclassification of the erstwhile promoters as 'Public Shareholders' under the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Stock Exchanges vide their letters dated June 25, 2018 granted approvals for reclassification of erstwhile promoters as 'Public Shareholders'.

The erstwhile promoters were reclassified as Public Shareholders and their shareholding as on March 31, 2019 is as under: i) Bhushan Infrastructure Private Limited - 1,21,01,188 shares ii) Neeraj Singal -1,93,27,988 shares iii) Brij Bhushan Singal - 47,16,930 shares iv) Aishwarya Singal -17,05,729 shares v) Brij Bhushan Singal (HUF) -10,666 shares.

(**) Percentage to total shares of the company

c) Change in Promoters' (including Promoter Group) Shareholding

SN	Particulars	Date	Shareholding		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Neeraj Singal (*)					
	At the beginning of the year		4,98,35,628	22.00	0	0.00
	Decreased (Invocation of Pledged Shares)	May 16, 2018	(3,05,07,640)	(13.47)	0(*)	0.00
	At the end of the year		0(*)	0.00	0(*)	0.00
2	Brij Bhushan Singal (*)					
	At the beginning of the year		3,12,47,969	13.80	0	0.00
	Decreased (Invocation of Pledged Shares)	May 16, 2018	(2,65,31,039)	(11.71)	0(*)	0.00
	At the end of the year		0(*)	0.00	0(*)	0.00
3	Bhushan Infrastructure Private Limited (*)					
	At the beginning of the year		1,21,01,188	5.34	0(*)	0.00
	At the end of the year		0(*)	0.00	0(*)	0.00
4	Ritu Singal (*)					
	At the beginning of the year		45,30,311	2.00	0	0.00
	Decreased (Sold during the year)	May 16, 2018	(45,30,311)	(2.00)	0	0.00
	At the end of the year		0(*)	0.00	0	0.00
5	Aishwarya Singal (*)					
	At the beginning of the year		17,05,729	0.75	0(*)	0.00
	At the end of the year		0(*)	0.00	0(*)	0.00
6	Brij Bhushan Singal (*)					
	At the beginning of the year		10,666	0.00	0(*)	0.00
	At the end of the year		0(*)	0.00	0(*)	0.00
7	Bamnival Steel Limited (*)					
	At the beginning of the year		0	0.00	0	0.00
	Increased (Allotment of Shares)	May 18, 2018	79,44,28,986	72.65	79,44,28,986	72.65
	At the end of the year		79,44,28,986	72.65	79,44,28,986	72.65

(*) The Company was acquired by Bamnival Steel Limited, a wholly owned subsidiary of Tata Steel Limited on May 18, 2018 pursuant to the order of the National Company Law Tribunal, Principal Bench, New Delhi ('NCLT') dated May 15, 2018 under the Corporate Insolvency Resolution Process ('CIRP') of the Insolvency and Bankruptcy Code, 2016. Post Acquisition, Bamnival Steel Limited became the Promoter of the Company. Consequently the Company made applications to BSE Limited and National Stock Exchange of India Limited (collectively referred as 'Stock Exchanges') for reclassification of the

erstwhile promoters as 'Public Shareholders' under the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Stock Exchanges vide their letters dated June 25, 2018 granted approvals for reclassification of erstwhile promoters as 'Public Shareholders'.

The erstwhile promoters were reclassified as Public Shareholders and their shareholding as on March 31, 2019 is as under: i) Bhushan Infrastructure Private Limited - 1,21,01,188 shares ii) Neeraj Singal - 1,93,27,988 shares iii) Brij Bhushan Singal - 47,16,930 shares iv) Aishwarya Singal - 17,05,729 shares v) Brij Bhushan Singal (HUF) - 10,666 shares.

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	State Bank of India				
	At the beginning of the year	-	-	-	-
	Bought during the year	2,91,28,349	2.66	2,91,28,349	2.66
	Sold during the year	-	-	2,91,28,349	2.66
	At the end of the year	2,91,28,349	2.66	2,91,28,349	2.66
2	Neeraj Singal				
	At the beginning of the year	4,98,35,628	22.00	4,98,35,628	22.00
	Bought during the year	-	-	4,98,35,628	4.56
	Sold during the year	(3,05,07,640)	(13.47)	1,93,27,988	1.77
	At the end of the year	1,93,27,988	1.77	1,93,27,988	1.77
3	Bhushan Infrastructure Private Limited				
	At the beginning of the year	1,21,01,188	5.34	1,21,01,188	5.34
	Bought during the year	-	-	1,21,01,188	1.11
	Sold during the year	-	-	1,21,01,188	1.11
	At the end of the year	1,21,01,188	1.11	1,21,01,188	1.11
4	Life Insurance Corporation of India				
	At the beginning of the year	80,14,898	3.54	80,14,898	3.54
	Bought during the year	20,89,030	0.19	1,01,03,928	0.92
	Sold during the year	-	-	1,01,03,928	0.92
	At the end of the year	1,01,03,928	0.92	1,01,03,928	0.92
5	Punjab National Bank				
	At the beginning of the year	-	-	-	-
	Bought during the year	1,60,43,338	1.47	1,60,43,338	1.47
	Sold during the year	(63,50,319)	(0.58)	96,93,019	0.89
	At the end of the year	96,93,019	0.89	96,93,019	0.89
6	L&T Finance Limited				
	At the beginning of the year	74,01,560	3.27	74,01,560	3.27
	Bought during the year	1,54,648	0.01	75,56,208	0.69
	Sold during the year	-	-	75,56,208	0.69
	At the end of the year	75,56,208	0.69	75,56,208	0.69
7	Bank of India				
	At the beginning of the year	-	-	-	-
	Bought during the year	1,00,66,241	0.92	1,00,66,241	0.92
	Sold during the year	(40,51,345)	(0.37)	60,14,896	0.55
	At the end of the year	60,14,896	0.55	60,14,896	0.55

SN	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	Canara Bank				
	At the beginning of the year	4,000	0.00	4,000	0.00
	Bought during the year	63,28,075	0.58	63,32,075	0.58
	Sold during the year	(10,00,000)	(0.09)	53,32,075	0.49
	At the end of the year	53,32,075	0.49	53,32,075	0.49
9	IDBI Bank Ltd.				
	At the beginning of the year	-	-	-	-
	Bought during the year	70,52,054	0.64	70,52,054	0.64
	Sold during the year	(22,15,476)	(0.20)	48,36,578	0.44
	At the end of the year	48,36,578	0.44	48,36,578	0.44
10	UCO Bank				
	At the beginning of the year	-	-	-	-
	Bought during the year	61,79,887	0.57	61,79,887	0.57
	Sold during the year	(14,49,003)	(0.13)	47,30,884	0.43
	At the end of the year	47,30,884	0.43	47,30,884	0.43
11	Karvy Stock Broking Ltd				
	At the beginning of the year	10,89,265	0.48	10,89,265	0.48
	Bought during the year	13,10,655	0.12	23,99,920	0.22
	Sold during the year	(7,83,518)	(0.07)	16,16,402	0.15
	At the end of the year	16,16,402	0.15	16,16,402	0.15
12	SICOM Limited				
	At the beginning of the year	10,66,701	0.47	10,66,701	0.47
	Bought during the year	22,954	0.00	10,89,655	0.10
	Sold during the year	-	-	10,89,655	0.10
	At the end of the year	10,89,655	0.10	10,89,655	0.10
13	Angel Broking Private Limited				
	At the beginning of the year	15,60,719	0.69	15,60,719	0.69
	Bought during the year	12,40,500	0.11	28,01,219	0.26
	Sold during the year	(21,95,077)	(0.20)	6,06,142	0.06
	At the end of the year	6,06,142	0.06	6,06,142	0.06
14	Globe Capital Market Limited				
	At the beginning of the year	8,89,236	0.39	8,89,236	0.39
	Bought during the year	4,79,885	0.04	13,69,121	0.13
	Sold during the year	(10,63,442)	(0.10)	3,05,679	0.03
	At the end of the year	3,05,679	0.03	3,05,679	0.03
15	IL And FS Securities Services Limited				
	At the beginning of the year	10,12,018	0.45	10,12,018	0.45
	Bought during the year	9,12,029	0.08	19,24,047	0.18
	Sold during the year	(17,03,866)	(0.16)	2,20,181	0.02
	At the end of the year	2,20,181	0.02	2,20,181	0.02

SN	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
16	Sunlight Tour and Travels Private Limited				
	At the beginning of the year	20,91,135	0.92	20,91,135	0.92
	Bought during the year	-	-	20,91,135	0.19
	Sold during the year	(20,91,135)	(0.19)	-	-
	At the end of the year	-	-	-	-
17	Sukhna Real Estate Private Limited				
	At the beginning of the year	20,57,210	0.91	20,57,210	0.91
	Bought during the year	-	-	20,57,210	0.19
	Sold during the year	(20,57,210)	(0.19)	-	-
	At the end of the year	-	-	-	-
18	Golden Job Finder Pvt Ltd				
	At the beginning of the year	13,15,120	0.58	13,15,120	0.58
	Bought during the year	-	-	13,15,120	0.12
	Sold during the year	(13,15,120)	(0.12)	-	-
	At the end of the year	-	-	-	-

e) **Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Particulars	Shareholding (April 01, 2018)		Shareholding (March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Neeraj Singal *	4,98,35,628	22.00	0*	0
2	Brij Bhushan Singal *	3,12,47,969	13.80	0*	0
3	P. K. Aggarwal *	444	0.00	0*	0
4	O. P. Davra	1,112	0.00	0	0

* Mr. Neeraj Singal, Mr. Brij Bhushan Singal and Mr. P. K. Aggarwal ceased to be directors w.e.f. May 18, 2018 and their shareholding as on March 31, 2019 is as under :

- i) Neeraj Singal -1,93,27,988 shares
- ii) Brij Bhushan Singal - 47,16,930 shares
- iii) P. K. Aggarwal – Nil

Note:

None of the existing Directors appointed post Acquisition of the Company hold any equity shares in the Company.

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47,160	2,491	0	49,651
ii) Interest due but not paid	13,276	94	0	13,370
Total (i+ii)	60,436	2,585	0	63,021
Change in Indebtedness during the financial year				
· Addition	14,500	38,465	0	52,965
· Reduction	60,299	38,659	0	98,958
Net Change	(45,799)	(194)	0	(45,993)
Indebtedness at the end of the financial year				
i) Principal Amount	14,637	2,391	0	17,028
ii) Interest due but not paid	0	0	0	0
Total (i+ii)	14,637	2,391	0	17,028

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ Lakh)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Rahul Sen Gupta*	Mr. P. K. Agarwal#	Mr. Rajeev Singhal *	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	17.36	17.33	130.92	165.61
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0.05	0.05	17.23	17.33
		-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others	-	-	-	-
5.	Others (Retirement benefits)	-	0.02	9.97	9.99
Total		17.41	17.40	158.12	192.93

Ceiling as per the Act : As approved via Postal Ballot by the Shareholders under Section 196 and 197 read with Schedule V of the Companies Act, 2013.

Ceased to be Director w.e.f. May 18, 2018.

* Remuneration of Mr. Rajeev Singhal has been taken w.e.f. May 18, 2018 i.e. the date on which he joined as Managing Director of the Company.

B. Remuneration to other Directors (For period May 18, 2018 to March 31, 2019)

(₹ Lakh)

SN	Name	Commission	Sitting Fees	Total Compensation
Independent Directors				
1	Mr. Krishnava Dutt	-	4.10	4.10
2	Ms. Neera Saggi	-	5.70	5.70
3	Mr. Shashi Kant Maudgal	-	4.15	4.15
4	Mr. Srikumar Menon	-	3.10	3.10
Total			17.05	17.05

Ceiling as per the Act : As per Section 197 of the Companies Act, 2013.

Note:

The Non-Executive Non Independent Directors, who are in the full time employment with any other Tata Company was not paid sitting fees, in line with the internal guidelines of the Company.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ Lakh)

SN	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Mr. Om Prakash Davra)	Chief Financial Officer (Mr. Sanjib Nanda)*	Total
1	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49.00	62.59	111.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	2.81	3.13
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as% of profit - others	-	-	-
5	Others (Retirement benefits)	-	5.95	5.95
Total		49.32	71.35	120.67

* Remuneration of Mr. Sanjib Nanda has been taken w.e.f. July 01, 2018.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE

During the year there were no penalties/punishments/compounding of offences under the Companies Act, 2013.

For and on behalf of the Board of Directors

Mumbai
April 17, 2019

sd/-
Mr. Rajeev Singhal
Managing Director
DIN 02719570

sd/-
Mr. O. P. Davra
Company Secretary
FCS 3036

ANNEXURE - 6

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

Tata Steel BSL Limited ('**TSBSL or Company**') has always focussed on selecting the best technologies covering energy saving, environmental protection and recycling for its Integrated Steel Plant ('**ISP**') at Angul, Odisha.

TSBSL is committed to improving its operational performance with coordinated efforts in all areas such as productivity, yield, utilization as well as in a host of process metrics to achieve overall improvement in energy management activities at its ISP.

During FY 2018-19, our Energy Wing along with the Operations Team renewed its efforts by carrying out energy benchmarking with the best-in-class steel players and adopting some of the relevant best practices. During the year under review, Energy Conservation was taken up as a key improvement theme and a new approach was adopted through a pronged strategy of minimising the energy usages with following riders:

1. Optimization of Business Processes
2. Recovery of untapped fuel heat
3. Re-cycling of recovered energy

TSBSL is committed to protecting the environment as well as conserving resources, recycling waste, keeping work areas clean and increasing awareness for sustainable development of its ISP at Angul and other downstream facilities

(i) Steps taken for energy conservation:

1. The Coke Dry Quenching ('**CDQ**') #2 facility was commissioned in May 2018. The Company replaced the wet quenching facility of Coke Oven Plant # 2 with dry quenching facility by setting up the CDQ Plant.

At CDQ, the heat recovered by inert gas from hot coke is being used to produce steam. The superheated steam of around 90 tonnes produced from the boiler of CDQ #2 is being used for generation of power. Additionally, the improved dry coal quality produced from CDQ helps to reduce the consumption of coke in Blast Furnaces leading to lesser energy consumption.
2. A briquetting plant was installed for the conversion of Basic Oxidation Furnace ('**BOF**') sludge, Furnace Extraction System ('**FES**') dust and mill scale into briquettes which will be used as input in Steel Making Plant. The briquetting plant is under commissioning. This will replace DRI with low cost briquette as a coolant in converter. This will further strengthen the Company's adherence to environmental norms and and obligation for effective usage of plant waste material with good realization.
3. A 250 TPH Gas Fired Boiler was installed and is under commissioning wherein the Blast Furnace ('**BF**') Gas produced from BF #1 & BF# 2 will be used as a fuel for generation of steam which in turn will be used in turbine for generation of electricity.

The completion of Gas Fired Boiler will stop the flaring of blast furnace gases and reduce the pollution load. The coal usages in coal fired boiler for generation of electricity will reduce which in turn shall help to improve the environmental attributes and reduce carbon usages.

4. The Company installed a BOF Gas Holder which will be commissioned soon. The generation of BOF gas during steel making process is intermittent and flow rate is not uniform. The BOF Gas Holder will store converter gas generated from BOF # 1 & 2 for further use as fuel in various plant units through distribution network in a continuous and uniform manner.

The commissioning of BOF Gas Holder will stop the flaring of costly BOF gas. The BOF gas (converter gas) with calorific value of 1800 Kcal/Nm³ will replace the costly Coke Oven Gas ('**COG**') partially which is getting used as a fuel in Reheating Furnace's. The unlocked COG will be used in Gas Fired Boiler's to generate power.
5. The 2nd Pulverized Coke Injection ('**PCI**') System is being installed in BF # 2 with installation of new 40 tph Coal Preparation Plant. This project is in the implementation stage. The completion of the project will help to enhance the PCI rate in BF # 2 from 140 to 180 kg/thm.
6. A new pyrometer for auto regulation of fan speed with regards to temperature of sinter cooler in Sinter Plants # 2 & 3 has been installed and has resulted in saving of energy.
7. In Sinter Plant # 2 & 3, the outdoor lights were made timer based to cater to the need of illumination only for necessary period which has resulted in saving of energy.
8. The scheme for controlled operation of cooling tower fans with regards to clarified water temperature was implemented in Sinter Plant # 2 & 3 to optimize the energy consumption in sinter plants.
9. The automation strategy was implemented for operation of fire hydrant pumps in automatic mode in Sinter Plant # 2 & 3 which resulted in saving of energy.
10. In Sinter Plant # 2 & 3, the automation scheme for stopping the field charging in Plant Dedusting ESP and Plant Dedusting Fan when product route is not operating for more than one hour, resulted in saving of energy.
11. In CDQ # 2, the strategy adopted for reduction in RPM of CDQ De-dusting ID Fan (6.6KV, 600 KW) from 510 to 450 RPM during non-charging hours has resulted in saving of energy.
12. The scheme implemented in Coke Oven Plant # 1 to reduce the Coke Pushing Emission Control RPM of De-dusting Fan during idle hours of coke pushing, 993 rpm during pushing for around 6 hrs/day and 300 rpm during ideal for 16 hrs/day has resulted in saving of energy.

13. The existing Normal/High Pressure Sodium Vapour ('HPSV') lamps are being replaced with energy efficient LED lamps across the plant to save energy.
14. Coke rate yearly average of 321 kg/thm in BF #1 and 338 kg/thm in BF#2 were achieved through good operating practices.
15. Fuel rate yearly average of 529 kg/thm in BF#1 and 528 kg/thm in BF#2 was achieved through improved operating practices.
16. PCI rate yearly average of 154 kg/thm in BF#1 and 141 kg/thm in BF#2 was realized with optimization of energy consumption in both BF's.

(ii) **Steps taken for utilizing alternate sources of Energy**

1. Installation of Solar Power Plant

TSBSL has engaged with industries providing solar energy solutions to install Solar Power Plant in the premises of its ISP at Angul. The company targets to install a Solar Power Plant of 30 MW.

2. Installation of Solar Lighting System

TSBSL has commenced installation of solar lighting system in common areas of its Residential Township at Angul.

(iii) **Capital investment on energy conservation equipments**

The Company has taken adequate measures towards conservation of energy with optimization of specific energy consumption per ton of liquid steel produced from its ISP at Angul, Odisha.

TSBSL has initiated installation of various energy conservation equipments through systematic phase-wise implementation with staggered investment over the years, FY 16 to till date covering the projects under s. no. (i).

During the year under review, capital expenditure of approximately ₹ 43.27 crore was incurred towards completion of energy conservation projects.

(B) TECHNOLOGY ABSORPTION:

(i) **Efforts towards Technology Absorption**

CDQ # 2 was commissioned in May 2018. The CDQ plant has been supplied by M/s Nippon Steel Engineering, Japan. The CDQ - 2 has been designed for coke throughput of 170 ton/hr.

(ii) **Details of technology imported in last three years (reckoned from beginning of the financial year)**

S. No.	Technological Facilities	Plant Configuration	Year of Import	Year of Commissioning	Name of Technology/ Equipment Supplier	Remarks
1	Expansion of Hot Strip Mill (Production capacity augmented from 3.6 to 5.0 MTPA)	Added following Main Equipments: 1 Roughing Mill 1 Finishing Stand 1 Down Coiler	FY 16 to FY 17	August 2016	SMS Siemag SMS Logistic Siemens	Imported from Germany Final Mill Configuration: 2 Roughing Mill 7 Finishing Stand 3 Down Coiler
2	Reheating Furnace # 3	330 tph	FY 17	July 2017	Tenova Italmimpianti	Imported from Italy Final Configuration: Reheating Furnace # 1 & 2 (Yr. 2010/2012) Reheating Furnace # 3 (Yr. 2017)
3	CDQ # 2	Coke throughput - 170t/hr	FY 16 to FY 19	May 2018	Nippon Steel Engineering	Imported from Japan

Notes:

1. *The imported technology has been fully absorbed.*
2. *TSBSL has set up two (2) Coke Oven Plants at its Integrated Steel Plant at Odisha. Initially, both the Coke Oven Plants had wet quenching facilities. However, as per the mandate from Ministry of Environment, Forest and Climate Change (MoEF&CC), the company replaced the wet quenching facility of Coke Oven Plant - 2 with dry quenching facility by setting up CDQ 2. The project for conversion of quenching facility from wet to dry for Coke Oven Plant - 1 is in final stage of ordering.*
3. *The import of equipments for COP #2 project commenced in FY 2015-16 and was completed in FY 2018-19.*

(iii) Research and Development ('R&D') Initiatives

TSBSL is actively involved in Industry - Institute partnerships and initiated collaborative projects in FY2018-19 with leading academic and research institutes in India. The Company has collaborated with IIT Mumbai for optimization of High Carbon, 75Ni8, 75Cr1 and 50CrV4 steel grade with regards to the end application of the product after cold rolling and heat treatment. IIT Mumbai has started technical interaction with TSBSL Odisha and Khopoli to formulate a suitable action plan to realize the target.

The technical assistance/support teams also sought assistance from IIT Kanpur to improve steel quality with respect to inclusion and steel defects.

(iv) Development of New Products

R & D at TSBSL is a continual process with focus on process improvements, development of new processes & products, energy optimization, waste utilization and conservation of natural resources. The highly qualified team of metallurgists in the R & D wing of the Company has renewed their efforts for development and optimization of new grades of steel for various applications.

TSBSL has successfully developed the following new steel grades in FY 2018 - 19:

1. API 5L X-70 grade in 12.70 x 1450 mm for Oil & Gas Transportation with fulfillment for 100% shear area in DWTT test.
2. API 5L X-60 M PSL2 grade in 9.70x1030 mm for Oil & Gas Transportation with stringent requirements of DWTT at (-29°C).
3. SAE 1541 grade for precision tubes for Tube products of India Pvt Limited.
4. 28MnB5 for Harrow Disc.
5. 28Mn6 for Arvedi Tube (Export) for agricultural application.
6. API 5L X52 M PSL2 for application in oil and gas transportation, exported to STEMCORE USA.

7. SAE 1536 grade for TPI.
8. Rolling of steel slab of IS 2062 E250 Gr-A.
9. Rolling of steel slab of IS 2062 Gr-B with Cu.
10. Rolling of steel slab of SAE 1006 for Cathode Bar Application.
11. IS 10748 Gr-6, thickness up to 7.5 mm for Hollow Rectangular Pipe.
12. Bake Hardening Steel BH 220.
13. IS 10748 Gr-6, thickness up to 15.8 mm for Hollow rectangular Pipe.
14. Corten - A grade steel for air preheater system.
15. Received SIRIM product license approval for Pipe & Tube (MS: 1768:2004) and structural steel grade (MS EN 10025-2: 2011).

The Company is continuously engaged in various R & D initiatives for process improvements and new product developments. There has been no significant expenditure on R & D in FY 2018-19.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of Foreign Exchange Earnings and Outgo for FY 2018-19 are given below:

	(₹ crore)
Foreign Exchange Earnings	3,073.88
Value of Direct Imports	6,210.54
Expenditure in Foreign Currency	16.89

On behalf of the Board of Directors

sd/-

T. V. NARENDRAN

Chairman

DIN: 03083605

Mumbai
April 17, 2019

CORPORATE GOVERNANCE REPORT

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

As a part of the Tata Group, your Company places strong emphasis on Corporate Governance. Your Company's philosophy on Corporate Governance extends across its business operations to meet the needs of all stakeholders and the communities in which it operates to create long term sustainable value. Adoption and adherence to the Tata Code of Conduct further strengthens your Company's philosophy on Corporate Governance.

Your Company strives to ensure compliance with the various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'). We consider it our inherent responsibility to protect the rights of our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Adherence to the various policies and codes adopted by the Company from time to time in conformity with regulatory requirements helps your Company fulfill this responsibility. These policies are available on the Company's website at www.tatasteelbsl.co.in

This report highlights the Company's practices for the Financial Year 2018-19.

CODE OF CONDUCT

The Company has adopted the Tata Code of Conduct ('**TCoC**') which is available on its website www.tatasteelbsl.co.in

The TCoC articulates the Tata Group's values, ethics and business principles and provides the guidelines by which all Tata Group companies conduct their business.

TATA CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING & CODE OF CORPORATE DISCLOSURE PRACTICES

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Board of Directors of the Company has adopted the revised Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('**Insider Trading Code**').

All our Promoters (including Promoter Group), Directors, Employees of the Company and its material subsidiaries identified as Designated Persons, and their Immediate Relatives and other Connected Persons such as auditors, consultants, bankers amongst others, who could have access to the unpublished price sensitive information of the Company, are governed under this Insider Trading Code.

The Company Secretary of the Company is the 'Compliance Officer' in terms of the Insider Trading Code.

BOARD OF DIRECTORS

The Board is at the core of our corporate governance practices and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

SIZE AND COMPOSITION OF THE BOARD

Our policy is to have an appropriate mix of Executive Directors ('**EDs**'), Non-Executive Directors ('**NEDs**') and Independent Directors ('**IDs**') to maintain the Board's independence and separate its functions of governance and management.

As on March 31, 2019, the Board comprises of eight (8) directors, one (1) of whom is an ED, three (3) are NEDs and four (4) are IDs including a Woman Director. The composition of the Board of Directors of the Company is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013 ('**Act**'). The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website www.tatasteelbsl.co.in. None of our Directors serve as Director in more than 8 listed companies, as IDs in more than 7 listed companies and none of the EDs serve as IDs on any listed company. Further, none of our IDs serve as Non-Independent Director of any Company on the Board of which any of our Non-Independent Director is an ID.

Independent Directors are NED(s) as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website www.tatasteelbsl.co.in

COMPOSITION OF THE BOARD AND DIRECTORSHIP(S) HELD AS ON MARCH 31, 2019

Name of the Director	Indian Public Companies ⁽¹⁾	Board Committees ⁽²⁾		Directorship in other listed entity (Category of Directorship)
		Chairperson	Member	
Non-Executive, Non-Independent Directors				
Mr. T. V. Narendran Chairman DIN: 03083605	6	-	1	a. Tata Steel Limited (CEO & Managing Director) b. Tata Sponge Iron Limited (Non-Executive, Non- Independent)
Mr. Koushik Chatterjee DIN: 00004989	6	-	2	a. Tata Steel Limited (Executive Director and Chief Financial Officer) b. Tata Metaliks Limited (Non-Executive, Non-Independent) c. The Tinplate Company of India Limited (Non-Executive, Non- Independent) d. Tata Sponge Iron Limited (Non-Executive, Non- Independent)
Mr. Anand Sen DIN: 00237914	3	1	1	a. Tayo Rolls Limited (Non-Executive, Non-Independent) b. The Tinplate Company of India Limited (Non-Executive, Non-Independent)
Independent Directors				
Mr. Krishnava Dutt DIN: 02792753	4	2	1	a. Tata Metaliks Limited (Non-Executive, Independent) b. Balrampur Chini Mills Limited (Non-Executive, Independent)
Ms. Neera Saggi DIN: 00501029	9	1	8	a. Swaraj Engines Limited (Non-Executive, Independent) b. GE Power India Limited (Non-Executive, Independent) c. TRF Limited (Non-Executive, Independent) d. GE T&D India Limited (Non-Executive, Independent) e. Honeywell Automation India Limited (Non-Executive, Independent)
Mr. Shashi Kant Maudgal DIN: 00918431	1	-	-	a. The Tinplate Company of India Limited (Non- Executive, Independent)
Mr. Srikumar Menon DIN: 00470254	2	1	1	-
Executive Director				
Mr. Rajeev Singhal Managing Director DIN: 02719570	3	-	-	-

Notes:

- Directorships in Indian Public Companies (listed and unlisted) excluding Tata Steel BSL Limited (formerly Bhushan Steel Limited) and Section 8 Companies.
- As required under Regulation 26(1)(b) of the Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in Indian Public companies (listed and unlisted) excluding Tata Steel BSL Limited (formerly Bhushan Steel Limited).
- During financial year 2018-19, none of our Directors acted as Member in more than 10 Committees or as Chairperson in more than 5 Committees across all Indian Public Companies (listed and unlisted), where he/she is a Director. For this purpose, Committee will include only Audit Committee and Stakeholders' Relationship Committee.
- There are no inter-se relationships between our Board Members.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee ('NRC') works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The updated Policy for Appointment and Removal of Directors and determining Directors' Independence is available on our website at www.tatasteelbsl.co.in

DIRECTORS QUALIFICATIONS, SKILLS, EXPERTISE, COMPETENCIES AND ATTRIBUTES

The Board Diversity Policy of the Company requires the Board to have a balance of skills, industry experience, expertise and diversity of perspectives appropriate to the Company which would strengthen the corporate governance structure in the Company.

The Company currently has a right mix of Directors on the Board who possess the requisite qualifications, experience and expertise across multiple domains which facilitates quality decision making and enables them to contribute effectively to the Company in their capacity as Directors of the Company, more specifically in the areas of:

- i. Industry Knowledge and experience – knowledge of industry, sector and changes in industry specific policy
- ii. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities)
- iii. Technical/Professional Skills and experience in the areas of Finance, Banking, Safety & Corporate Social Responsibility and allied fields, projects, accounting, law, general corporate management and strategy development and implementation to assist the ongoing aspects of the business
- iv. Behavioral Competencies - attributes and skills to use their knowledge and experience to function well as team members and to interact with key stakeholders.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors (IDs) inducted to the Board are provided orientation on the Company's business operations, products, organization structure as well as the Board constitution and its procedures through various programmes/presentations. The IDs are also provided with an opportunity to visit the Company's plants.

At various Board meetings held during the year, presentations were made to the Board on safety, health and environment issues, company policies, changes in the regulatory environment applicable to the Company and the industry, and other relevant issues.

During the year, four (4) Independent Directors were inducted to the Board. Details of orientation given to the Independent Directors in the areas of business, strategy, governance, operations, safety, health, environment are available on the website of the Company at <http://tatasteelbsl.co.in/Investor%20Relations%20pdf/OtherImpDocuments/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

BOARD EVALUATION

During the year under review, the Board carried out an evaluation of its performance, of its Committees and of individual Directors. During the process,

the Board sought feedback from Directors on various aspects of governance and performance. The Board also considered the feedback of the NRC and of the Independent Directors. The NRC and Independent Directors also carried out the review of the Board, the Chairman, Executive Director(s) and the Non-Executive Directors.

BOARD MEETINGS

The information as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations, as amended, is made available to the Board. The Board reviews minutes of the meetings of the Board of Directors of the unlisted subsidiaries of the Company. The agenda and explanatory notes are sent to the Board in advance. The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda. Additional meetings are held, when necessary. Committees of the Board meet before the Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and/or noting.

During FY 2018-19, thirteen (13) Board Meetings were held on May 16, 2018, May 18, 2018**, July 11, 2018, August 09, 2018, August 22, 2018, October 30, 2018, December 11, 2018, January 09, 2019, January 29, 2019, March 11, 2019 and March 26, 2019. The gap between any two consecutive Board Meetings during this period did not exceed 120 days.

** Three (3) Board Meetings were held on May 18, 2018.

Attendance details of Directors for the meetings held between May 18, 2018 through March 31, 2019 are given below:

Name of Director	Category	No. of Meetings Attended
Mr. T. V. Narendran	Chairman (NED)	8
Mr. Koushik Chatterjee	NED	7
Mr. Anand Sen	NED	11
Mr. Krishnavia Dutt	ID	7
Ms. Neera Saggi	ID	9
Mr. Shashi Kant Maudgal	ID	8
Mr. Srikumar Menon	ID	7
Mr. Rajeev Singhal	ED	11
Mr. Dibyendu Dutta	NED [§]	3
Mr. Shuva Mandal	NED [§]	0

NED – Non-Executive Director; ID – Independent Director; ED – Executive Director

§ Ceased to be Directors w.e.f. July 12, 2018.

Video conferencing facilities are also made available to facilitate Directors travelling/residing at other locations to participate in the Meetings.

All the Directors were present on the date of the previous Annual General Meeting held on September 25, 2018, except Mr. Krishnavia Dutt, Ms. Neera Saggi and Mr. Srikumar Menon.

MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) & 25(4) of the Listing Regulations, a Meeting of the Independent Directors was convened on March 26, 2019 without the presence of Non-Independent Directors and Members of the Management to discuss and review:

- the performance of the Chairman, Non – Independent Directors and the Board.
- the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD COMMITTEES

1. AUDIT COMMITTEE

The primary objective of the Audit Committee ('Committee') is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them and also assesses the adequacy and reliability of the internal control systems and risk management systems. The Committee further reviews processes and controls including compliance with laws, Tata Code of Conduct and Tata Code of Conduct for Prevention of Insider Trading and Code for Corporate Disclosure Practices, Whistle Blower Policy and related cases thereto, functioning of the Prevention of Sexual Harassment at Workplace Policy and guidelines and internal controls.

The Company Secretary acts as the Secretary to the Committee. The internal auditor reports functionally to the Audit Committee. The Executive Director(s) and Senior Management of the Company also attend the Meetings as invitees whenever required to address concerns raised by the Committee Members.

The Board at its meeting held on July 11, 2018 approved and adopted the charter of the Audit Committee. As on March 31, 2019, the terms of reference and role of the Audit Committee were as per Section 177(4) of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations respectively.

During FY 2018-19, the Audit Committee met six (6) times on July 11, 2018, August 09, 2018, October 30, 2018, January 09, 2019, January 29, 2019 and March 26, 2019.

The composition of the Audit Committee as on March 31, 2019 and attendance details of the Members for the meetings held between May 18, 2018 through March 31, 2019 are given below:

Name of Member	Category	Designation	No. of Meetings Attended
Mr. Krishnavia Dutt	ID	Chairperson	6
Ms. Neera Saggi	ID	Member	6
Mr. Srikumar Menon	ID	Member	3
Mr. Koushik Chatterjee	NED	Member	4

NED – Non-Executive Director; ID – Independent Director

Note:

- No Audit Committee Meeting was held during the quarter ended June 30, 2018.
- Mr. Dibyendu Dutta became a Member of the Audit Committee on May 18, 2018 and attended one meeting of the Audit Committee held on July 11, 2018 and ceased to be a Member thereafter.

2. NOMINATION AND REMUNERATION COMMITTEE

The purpose of the Nomination and Remuneration Committee ('NRC') includes formulating criteria for determining qualifications, positive attributes and independence of Directors and recommending to the Board of Directors, a policy relating to the remuneration of the Directors and Key Managerial Personnel, overseeing the Company's process for appointment of Senior Management and their remuneration, devising criteria for performance evaluation of the Board of Directors (including Independent Directors).

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management.

The Board at its Meeting held on July 11, 2018 approved and adopted the charter of the Nomination and Remuneration Committee. As on March 31, 2019, the terms of reference and role of the NRC were as per Section 178 of the Act and Regulation 19(4) read with part D of Schedule II of the Listing Regulations respectively.

During FY 2018-19, four (4) Meetings of the NRC were held on July 11, 2018, August 09, 2018, October 30, 2018, and March 26, 2019.

The composition of the NRC as on March 31, 2019 and attendance details of the Members for the meetings held between May 18, 2018 through March 31, 2019 are given below:

Name of Member	Category	Designation	No. of Meetings Attended
Ms. Neera Saggi	ID	Chairman	4
Mr. Shashi Kant Maudgal	ID	Member	4
Mr. T.V. Narendran	NED	Member	3
Mr. Anand Sen	NED	Member	4

NED – Non-Executive Director; ID – Independent Director

Note:

Mr. Shuva Mandal became a member of the Nomination and Remuneration Committee on May 18, 2018 and ceased to be a Member with effect from June 09, 2018.

3. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The purpose of the Corporate Social Responsibility and Sustainability ('CSR&S') Committee is to assist the Board in formulating, monitoring and reviewing the CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities.

The Committee also assists the management to formulate, implement and review policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital.

The Board at its meeting held on July 11, 2018 approved and adopted the charter of the CSR&S Committee.

The CSR&S Policy is available on our website at www.tatasteelbsl.co.in

During FY 2018-19, one meeting of the CSR&S Committee was held on July 11, 2018.

The composition of the present CSR&S Committee and attendance details of the Members for the meetings held between May 18, 2018 through March 31, 2019 are given below:

Name of Member	Category	Designation	No. of Meetings Attended
Mr. T. V. Narendran	NED	Chairman	0
Mr. Shashi Kant Maudgal	ID	Member	1
Mr. Anand Sen	NED	Member	1
Mr. Rajeev Singhal	ED	Member	1

NED – Non-Executive Director; ID – Independent Director; ED – Executive Director

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ('SRC') oversees the mechanism of redressal of grievances of our shareholders, debenture holders and other security holders.

The Committee also

- Reviews the resolution of the grievances of shareholders, debenture holders and other security holders.
- Oversees and reviews all matters related to the transfer of securities of the Company and with respect to dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Recommends measures for overall improvement of the quality of investor services.
- Suggests and drives implementation of various stakeholder-friendly initiatives.

The Board at its meeting held on July 11, 2018 approved and adopted the charter of the Stakeholders Relationship Committee.

During FY 2018-19, one meeting of the SRC was held on July 11, 2018.

The composition of the SRC as on March 31, 2019 and attendance details of the members for the meetings held between May 18, 2018 through March 31, 2019 are given below:

Name of Member	Category	Designation	No. of Meetings Attended
Mr. Koushik Chatterjee	NED	Chairperson	0
Mr. Anand Sen	NED	Member	1
Mr. Rajeev Singhal	ED	Member	1

NED – Non-Executive Director; ED – Executive Director

Note:

Mr. Dibyendu Dutta became a Member of the Stakeholders Relationship Committee on May 18, 2018 and ceased to be a Member with effect from July 11, 2018.

During FY 2018-19, the Company received eight (8) Shareholders' Complaints and all the complaints were resolved.

In terms of Regulation 6 and Schedule V of the Listing Regulation, the Company Secretary is the Compliance Officer of the Company.

5. DETAILS OF REMUNERATION PAID TO DIRECTORS

The Remuneration Policy for Directors, Key Managerial Personnel and all other employees of the Company ('Remuneration Policy') was approved and adopted by the Board on July 11, 2018 and was subsequently revised on March 26, 2019 to incorporate changes in regulatory requirements pertaining to recommendation by NRC to the Board with respect to remuneration payable to the Managing Director/Executive Director and remuneration payable to Senior Management and Key Managerial Personnel. The Remuneration Policy is available on our website www.tatasteelbsl.co.in

Details of remuneration paid to Directors in Financial Year 2018-19 are provided below:

(a) Remuneration paid to Executive Directors:

Details of Remuneration paid to the Managing Director for the period between May 18, 2018 through March 31, 2019 are given below:

					(₹Lakh)
S N	Name	Designation	#Salary	Other Perquisites	Total
1.	Mr. Rajeev Singhal	Managing Director	140.89	17.23	158.12

Salary includes contribution to Provident fund, superannuation fund & other post retirement benefits and gratuity.

Notes:

- Mr. Rajeev Singhal is not eligible for payment of any severance fees and the Contract may be terminated by either party giving to the other party six months' notice in writing of such termination or the Company paying six months' remuneration in lieu thereof.
- Mr. Rajeev Singhal does not hold any shares/stock options or convertible instruments of the Company as on March 31, 2019.

(b) Sitting fees paid to Non – Executive Directors and Independent Directors:

Details of Sitting Fees paid to the Independent Directors for the period between May 18, 2018 through March 31, 2019 are given below:

			(₹Lakh)
Name	Category	#Sitting Fees	
Mr. Krishnava Dutt	Independent Director		4.10
Mr. Shashi Kant Maudgal	Independent Director		4.15
Ms. Neera Saggi	Independent Director		5.70
Mr. Srikumar Menon	Independent Director		3.10
TOTAL			17.05

Including sitting fees paid for attending separate meeting of Independent Directors.

Notes:

- No Commission was paid to any Director.
- There are no pecuniary relationships or transactions of any Non-Executive Directors vis-a-vis the Company for FY 2018-19.

3. None of our Directors hold any shares/stock options or convertible instruments of the Company as on March 31, 2019.
4. The Non-Executive Non-Independent Directors who are in the full time employment with any other Tata Company are not paid sitting fees for each Meeting of the Board as well as any other Committee Meetings attended by them in line with the internal guidelines of the Company.

6. GENERAL BODY MEETINGS

a) Location and time for the last three Annual General Meetings (AGMs)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Day, Date, Time & Venue	Tuesday, September 25, 2018 at 12 Noon(IST) at Kamani Auditorium, 1 Copernicus Marg, New Delhi- 110001	Saturday, September 16, 2017 at 11:00 A.M. (IST) at Airforce Auditorium, Subroto Park, New Delhi-110 010	Saturday, September 17, 2016 at 11:00 A.M. (IST) at Airforce Auditorium, Subroto Park, New Delhi- 110 010
Special Resolutions	Change of Name of Company and consequent amendments in the Memorandum and Articles of Association of the Company	N.A.	Issue of Redeemable Cumulative Preference Shares

b) Special Resolutions passed through Postal Ballot:

Notice of Postal Ballot dated July 11, 2018 pursuant to Section 110 and other applicable provisions of the Act read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 was sent to all the shareholders of the Company in respect of the following special resolution:

Appointment of Mr. Rajeev Singhal (DIN: 02719570) as the Managing Director of the Company for 3 years.

During the conduct of the Postal Ballot, the Company had in terms of Regulation 44 of the Listing Regulations provided e-voting facility to its shareholders to cast their votes electronically through the NSDL e-voting platform. Postal Ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the Postal Ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules. The Company followed the procedure as prescribed under the Companies (Management and Administration) Rules, 2014 and the shareholders were provided the facility to cast their votes through Postal Ballot and electronic voting.

Mr. R.S. Bhatia, Practising Company Secretary (CP No. 2514, FCS 2599) was appointed by the Board of Directors of the Company as the Scrutinizer for conducting the Postal Ballot process and e-voting process in a fair and transparent manner. On August 20, 2018, the

proposal for the above appointment was passed by way of a special resolution and the results for the Postal Ballot were announced as under:

Details of Voting Pattern:

Special Business	Total No. of Votes Polled	Valid votes cast in Favour of the resolution	Valid votes cast Against the resolution	% of Votes in Favour on valid votes polled	% of Votes Against on valid votes polled
Appointment of Mr. Rajeev Singhal (DIN: 02719570) as the Managing Director of the Company for 3 years	82,35,66,171	82,34,81,201	84,970	99.99	0.01

The Scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by Postal Ballot were then announced by the Chairman/Authorised officer. The voting results were sent to the Stock Exchanges and displayed on the Company's website at www.tatasteelbsl.co.in. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

c) Special Resolutions passed in Extraordinary General Meeting:

The Notice dated February 13, 2019, of the Extraordinary General Meeting held on March 11, 2019 was sent to all the shareholders of the Company in respect of passing of the following special resolutions:

- Increase in the Authorized Share Capital of the Company and consequential amendment of the Capital Clause in the Memorandum of Association of the Company.
- Issue, offer and allot 11.09% Non-Convertible Redeemable Preference Shares to Tata Steel Limited, on private placement basis.
- Issue, offer and allot 8.89% Optionally Convertible Redeemable Preference Shares to Tata Steel Limited, on private placement basis.
- Shifting of the Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Maharashtra.
- Insertion of a new Article in the Articles of Association of the Company.

Mr. P. N. Parikh of M/s. Parikh & Associates, Practising Company Secretaries, (CP No. 1228, FCS 327) had been appointed as the Scrutinizer by the Board of Directors of the Company pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, to conduct the remote e-voting process and voting through ballot paper at the extraordinary general meeting. The voting pattern is given in the table below.

Details of Voting Pattern:

Special Businesses	Total No. of votes polled	Valid votes cast in Favour of the resolutions	Valid votes cast Against the resolutions	% of votes in Favour on valid votes polled	% Votes Against on valid votes polled
Increase in the Authorized Share Capital of the Company and consequential amendment of the Capital Clause in the Memorandum of Association of the Company.	80,57,27,020	80,47,24,706	10,02,314	99.88	0.12
Issue offer and allot 11.09% Non-Convertible Redeemable Preference Shares to Tata Steel Limited on private placement basis.	80,57,27,025	80,47,23,486	10,03,539	99.88	0.12
Issue, offer and allot 8.89% Optionally Convertible Redeemable Preference Shares to Tata Steel Limited, on private placement basis.	80,57,26,976	80,47,09,926	10,17,050	99.87	0.13
Shifting of the Registered Office of the Company from the National Capital Territory of Delhi to the State of Maharashtra.	80,47,36,315	80,47,22,074	14,241	99.99	0.00
Insertion of a new Article in the Articles of Association of the Company.	80,57,27,010	80,57,22,592	4,418	99.99	0.00

None of the business proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

7. MATERIAL SUBSIDIARY COMPANIES

There is no material non-listed subsidiary company requiring appointment of an Independent Director of the Company on the Board of Directors of such non-listed subsidiary company.

8. MEANS OF COMMUNICATION

Timely sharing and disclosure of consistent, comparable, relevant and reliable information on the Company's performance is at the core of its Corporate Governance Policy. Steps taken by the Company in this regard are given below:

Financial Results

The Company publishes financial results in "Business Standard" (English), and "Business Standard" (Hindi) Newspapers. The results are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also uploaded on the website of the Company at www.tatasteelbsl.co.in immediately after the Board Meetings.

Annual Report

The Annual Report containing, *inter alia*, Audited Annual Accounts, Consolidated Financial Statements, Board's Report, Management Discussion and Analysis and other regulatory reports is circulated to the Members and others entitled thereto. The Annual Reports for previous years are also available on the website of the Company at www.tatasteelbsl.co.in

9. GENERAL SHAREHOLDERS' INFORMATION

Date of Annual General Meeting: Friday, September 6, 2019

Time:	4:00 p.m.(IST)
Venue:	Lakshimpat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016.
Financial Year:	April 1, 2018 to March 31, 2019
Dates of Book Closure:	Saturday, August 31, 2019 to Friday, September 6, 2019 (both days inclusive) for the purpose of 36th Annual General Meeting of the Company to be held on September 6, 2019
Dividend payment date:	No dividend has been declared for financial year 2018-19.
Listing of Shares & Stock Code:	The Equity Shares of the Company are listed on the following Stock Exchanges: (1) BSE Ltd. (Stock Code: 500055) (2) National Stock Exchange of India Ltd. (Stock Code: TATASTLBSL)

Annual Listing Fees

The Annual Listing Fees for the financial year 2019-20 have been paid on due dates to both the Stock Exchanges i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

Market Price Data

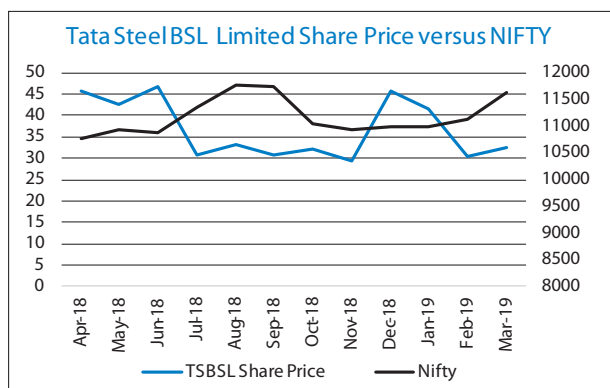
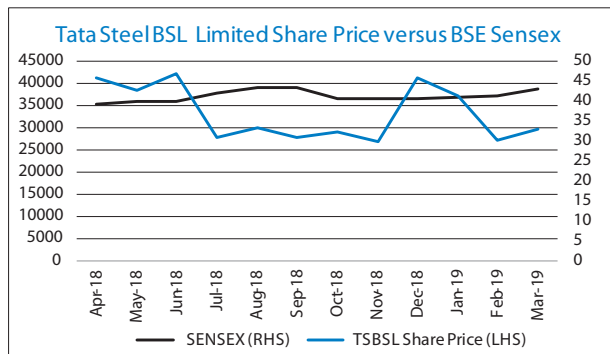
The High and Low of the share price of the Company at NSE and BSE during each month from April 2018 to March 2019 are given below:

(Face value of each Equity Share: ₹ 2)

Date	BSE		NSE	
	High	Low	High	Low
April, 2018	45.75	21.55	45.60	21.60
May, 2018	42.60	21.00	42.60	21.10
June, 2018	46.90	28.60	46.90	28.90
July, 2018	30.70	21.70	30.75	21.60
August, 2018	33.35	26.55	33.35	26.45
September, 2018	30.75	22.90	30.75	22.90
October, 2018	32.30	22.45	32.00	22.30
November, 2018	29.80	26.00	29.50	26.10
December, 2018	45.80	26.10	45.75	26.30
January, 2019	41.30	29.00	41.40	29.00
February, 2019	30.15	26.00	30.35	26.00
March, 2019	32.85	27.05	32.50	27.30

Share price performance in comparison to broad based indices

NSE Nifty and BSE Sensex based on share price on March 31, 2019



Share Transfer System

Pursuant to SEBI Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and D&CC/FITTC/CIR-18/2003 dated 12.02.2003, M/s. RCMC Share Registry Pvt. Ltd., which is already the Depository Interface of the Company for both National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), has been appointed as Registrar and Transfer Agents ('RTA') w.e.f. 31.03.2003 for all the work related to share registry in terms of both physical and electronic holdings.

During the financial year 2018-19, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. Therefore, to enable us to serve our Members better, we request our Members whose shares are in physical mode to dematerialise such shares and to update their bank accounts and email ids with their respective Depository Participant ('DP').

Share transactions in electronic form can be effected in a simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the DP with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers.

Shareholders should communicate with RCMC Share Registry Pvt. Ltd., the Company's RTA quoting their Folio Number or Depository Participant ID ('DP ID') and Client ID number for any queries to their securities.

Distribution of Shareholding as on March 31, 2019

Shareholding of value of ₹	Shareholders		Shareholding		
	Number	% of total	Number	Amount	% to total
UPTO TO 5000	97,915	92.70	3,85,48,605	77,097,210	3.53
5001 TO 10000	4,036	3.82	1,50,66,953	3,01,33,906	1.38
10001 TO 20000	1,958	1.85	1,46,99,478	2,93,98,956	1.34
20001 TO 30000	575	0.54	72,04,169	1,44,08,338	0.66
30001 TO 40000	340	0.32	61,47,777	1,22,95,554	0.56
40001 TO 50000	191	0.18	43,94,707	87,89,414	0.40
50001 TO 100000	313	0.30	1,10,78,495	2,21,56,990	1.01
100001 and Above	295	0.28	99,62,99,584	1,99,25,99,168	91.12
Total	1,05,623	100.00	1,09,34,39,768	2,18,68,79,536	100.00

Dematerialisation of Shares and Liquidity

109,07,55,276 equity shares of the Company's paid up equity share capital have been dematerialized up to March 31, 2019. Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI.

To enable us to serve our shareholders better, we have requested Members whose shares are in physical mode to dematerialize such shares and to update their bank accounts and e-mail ids with their respective DPs.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

As on March 31, 2019, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.

Details of utilization of money raised through preferential allotment of Preference Shares

During the year, the Company has issued and allotted 1070,00,00,000 11.09% Non-Convertible Redeemable Preference Shares ('NCRPS') and 900,00,00,000 8.89% Optionally Convertible Redeemable Preference Shares ('OCRPS') to Tata Steel Limited on Private Placement basis. The proceeds of the issue were utilized for repayment of Inter Corporate Deposit ('ICD') of Bamnival Steel Limited. The details of utilization of proceeds are given as under:

Total proceeds from 11.09% Non-Convertible Redeemable Preference Shares	₹ 10,700,00,00,000
Less: Repayment of ICDs	₹ 10,690,11,90,137
Unutilised amount as on March 31, 2019	₹ 9,88,09,863
Total proceeds from 8.89% Optionally Convertible Redeemable Preference Shares	₹ 9,000,00,00,000
Less: Repayment of ICDs	₹ 8,994,49,67,882
Unutilised amount as on March 31, 2019	₹ 5,50,32,118

Commodity Price Risk, Foreign Exchange Risk and Hedging Activities

The Company inherently faces risks arising out of raw material price volatility which impacts its profitability and cash flows. However, steel prices over the long term tend to track underlying raw material prices thus providing a natural hedge to the business. Further, the Company secures its iron ore requirement from Tata Steel Limited's captive iron ore mines and manage raw material price volatility.

In addition to address the short term volatility, the Company tries to buy part of its raw materials on annual fixed price basis.

Further, to manage the raw material sourcing, the Company has a dedicated procurement team with understanding of international commodity markets including raw material required for steel industry operations. This experienced team works closely with key raw material producers across the globe and is tasked with developing a reliable and lowest cost supply chain. The team carries out a risk assessment of the supply chain and works consciously towards mitigating the risk of any disruption in supply chain. It ensures there is adequate diversification in terms of vendors, geographies etc. and also carries out risk assessment of vendors with regards reliability of supply, financial strength etc. The team also has a Value In Use ('VIU') optimization framework in place and closely monitors and analyses price movements in grades of raw materials to arrive at the most effective source and cost of supply.

Exposure of the Company to commodity and commodity risk faced by the Company throughout the year:

- Total exposure of the listed entity to commodities: ₹5,525 crores (Approx.).
- Exposure to the listed entities to various commodities (based on materiality).

Commodity Name	Exposure in INR towards the particular commodity (crores)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Coal	4,918	38,59,970 (Tonnes)	NIL	NIL	NIL	NIL	NIL
Limestone & Dolomite (Fluxes)	243	18,49,157 (Tonnes)	NIL	NIL	NIL	NIL	NIL
Refractories Materials	195		NIL	NIL	NIL	NIL	NIL

Plant locations

Tata Steel BSL Sahibabad Plant	Tata Steel BSL Khopoli Plant	Tata Steel BSL Angul Plant	Tata Steel BSL Hosur Plant
Tata Steel BSL Limited 23, Site-IV, Sahibabad Industrial Area, Distt: Ghaziabad-201010 Uttar Pradesh	Tata Steel BSL Limited Village - Nifan, Savroli, Taluka- Khalapur, Near Khopoli, Distt.: Raigad-410203 Maharashtra	Tata Steel BSL Limited P.O. Shibapur, Meramandali, Distt.: Dhenkanal-759121 Odisha	Tata Steel BSL Limited Plot No-104/3, SIPCOT Industrial Complex SIPCOT Phase - 1 Hosur-635 126 Tamil Nadu

Transfer of unclaimed amounts to Investor Education and Protection Fund

Pursuant to the provisions of the Act, read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the shares pertaining to which dividend remains unclaimed/unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is mandatorily required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remains unclaimed and whose shares are liable to be transferred to the IEPF. The investors have been advised to claim the un-encashed dividends lying in the Unpaid Dividend Accounts of the Company on or before October 3, 2018 to avoid transfer of the same to the IEPF.

During the year under review, the Company has credited ₹1,82,537/- (Rupees One Lakh Eighty Two Thousand Five Hundred and Thirty Seven Only) to the IEPF in respect of the unpaid/unclaimed dividend amount relating to the Final Dividend declared in 2010-11.

Any person whose unclaimed dividend and shares pertaining thereto has been transferred to the IEPF can claim their due amount from the IEPF Authority by making an electronic application in e-Form IEPF-5. Upon submitting a duly completed form, shareholders are required to take a print of the same and send physical copy duly signed along with requisite documents as specified in the form to the Nodal Officer, at the Registered Office of the Company. The form can be downloaded from the website of the Ministry of Corporate Affairs at www.iepf.gov.in

Designated e-mail id for investor services

To serve the investors better and as required under Regulation 46(2)(j) of the Listing Regulations, the Company has a dedicated e-mail address for investor complaints: tsbsl@tatasteelbsl.co.in which is continuously monitored by the Company's Compliance Officer.

Nomination Facility

As per the provisions of the Act, facility for making nomination is available to the Members in respect of shares held by them. Nomination forms can be obtained from the Company's RTA by Members holding shares in physical form.

Members holding shares in electronic form may obtain Nomination forms from their respective DPs.

Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so.

Change in Particulars

Members are advised to ensure that details with regard to their address, bank details, email ids, nomination and power of attorney are updated regularly with the RTA/DP.

Update of bank details for remittance of dividend/cash benefits in electronic form

SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 ('Circular') to all listed companies requires them to update bank details of their shareholders holding shares in demat mode and/or physical form, to enable usage of the electronic mode of remittance i.e., National Automated Clearing House ('NACH') and National Electronic Fund Transfer ('NEFT'), for distributing dividends and other cash benefits to the shareholders.

The Circular further states that in cases where either the bank details such as Magnetic Ink Character Recognition ('MICR') and Indian Financial System Code ('IFSC'), amongst others, that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the Bank, the Companies or its RTA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

Regulation 12 of the Listing Regulations allows the Company to pay dividend by cheque or 'payable at par' warrants, where payment by electronic mode is not possible.

Shareholders may kindly note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment/delay in transit and more.

They are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

- In case of holdings in dematerialised form - By contacting their DP and giving suitable instructions to update the bank details in their demat account.
- In case of holdings in physical form - By informing the Company's RTA i.e., RCMC Share Registry Pvt. Ltd, through a signed request letter with details such as their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type,

Bank Account Number allotted by their banks after implementation of Core Banking Solutions ('CBS') the 9 digit MICR Code Number and the 11 digit IFSC Code. This letter should be supported by a cancelled cheque bearing the name of the first shareholder.

Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

10. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

- Aggregate Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – 2 shareholders holding 21 shares.
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year – Nil.
- Number of shareholders to whom shares were transferred from suspense account during the year – Nil.
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year – 2 shareholders holding 21 shares.

The voting right on these shares shall remain frozen till the rightful owner(s) of such shares claim(s) the shares.

11. DISCLOSURES

- The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large.
- During the year, NSE and BSE imposed a fine of ₹9,53,474/- and ₹9,53,475.40/- respectively for non-compliance of the requirement of Regulation 33 of the Listing Regulations. Apart from the said non-compliance, there were no other instances of non-compliance by the Company nor have any penalties or strictures been imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- The Company does not have any material subsidiary as defined under the Listing Regulations.
- The Company has complied with the requirements of Schedule V of the Listing Regulations.
- The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and 46(2)(i)(b) of the Listing Regulations as applicable with regard to corporate governance except as under:

The gap between Audit Committee Meeting held on February 14, 2018 and July 11, 2018 exceeded 120 days. Hence, the same was not in line with the Corporate Governance norms as prescribed under the Listing Regulations.

The aforesaid compliance gap had occurred due to time taken by the newly re-constituted Board and New Management to acclimatize and have a complete hold over Company's operations, pursuant to the Order dated May 15, 2018 passed by NCLT under the Insolvency and Bankruptcy Code, 2016 ('IBC').

- f) The Company has issued formal appointment letters to all Independent Directors and the appointments of Independent Directors are in compliance with Regulation 25(1) and (2) of the Listing Regulations.
- g) Management Discussion and Analysis is annexed to the Board's Report to the Members and forms part of the Annual Report.
- h) During FY 2018-19, CARE withdrew the 'D' rating assigned to the Company's working capital facilities and Non – Convertible Debentures ('NCD') as the Company had repaid the bank facilities and NCDs pursuant to the Resolution Plan approved under the CIRP Process of IBC.

Further, during FY 2018-19, CARE assigned following credit ratings:

S N	Bank Facilities	Rating
1.	Long-term Bank Facilities -Term Loan	CARE AA; Stable (Double A; Outlook: Stable)
2.	Long-term / Short-term Bank Facilities - Fund based / Non-Fund based	CARE AA; Stable / CARE A1+ (Double A; Outlook: Stable /A One Plus)

12. OTHER PRACTICES

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations.

- (i) The positions of the Chairman and Managing Director of the Board of the Company are held by separate individuals.
- (ii) The Internal Auditor reports to the Audit Committee.

13. VIGIL MECHANISM

For FY 2018-19, the Company had in place, a Whistle Blower Policy ("Policy") establishing a vigil mechanism, which provides a formal mechanism to the Directors and employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the codes of conduct or policy of the Company.

The mechanism provided for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provided direct access to the Chairman of the Audit Committee in exceptional cases.

During FY 2018-19, the Company received eighty-eight (88) whistle blower complaints out of which seventy three (73) cases are resolved and fifteen (15) cases are under investigation. No person was denied access to the Chairman of the Audit Committee.

14. MD AND CFO CERTIFICATION

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the MD and CFO have given appropriate certifications to the Board of Directors.

15. ADDRESS FOR CORRESPONDENCE:

Registered Office:	Corporate Office:	Registrar and Transfer Agent:
Ground Floor, Plot No. 1 & 2, Mira Corporate Suites, Ishwar Nagar, Mathura Road, New Delhi-110 065. Tel: 91-11-3919 4000 Fax: 91-11-4101 0050 E-mail: tsbsl@tatasteelbsl.co.in Website: www.tatasteelbsl.co.in	Ground & First Floor Jasmine Tower, 31, Shakespeare Sarani Kolkata- 700071 Tel: 91-33-40859600	RCMC Share Registry Pvt. Ltd. B -25/1, First Floor, Okhla Industrial Area Phase II, New Delhi -110 020 Tel: 91-11-2638 7320, 2638 7321 Fax: 91-11-2638 7322 Email: investor.services@rcmcdelhi.com Website: www.rcmcdelhi.com

16. DISCLOSURES IN RELATION TO SEXUAL HARASSMENT AT WORKPLACE

The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given as under:

- number of complaints filed during the financial year – Nil;
- number of complaints disposed of during the financial year – Nil;
- number of complaints pending as on end of the financial year- Nil.

17. TOTAL FEES PAID TO STATUTORY AUDITORS

Total fees for all services paid or payable by the Company and its subsidiaries during the financial year 2018-19, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part was ₹7,73,08,463/- including the audit fees of 2017-18, paid during current financial year.

18. GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, amongst others, to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far, are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs.

Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of their Folio No.

19. DETAILS OF CORPORATE POLICIES/ CODES

Particulars	Web Links
Corporate Social Responsibility and Sustainability Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/CSR%20and%20Sustainability%20Policy.pdf
Policy on determination of Material Subsidiaries	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Material%20Subsidiaries%20Policy.pdf
Policy on Appointment and Removal of Directors	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Policy%20on%20appointment%20and%20removal%20of%20Directors.pdf
Policy on Remuneration of Directors, KMPs and other employees	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Remuneration%20Policy%20of%20directors%20KMPs%20&%20Employees.pdf
Vigil Mechanism Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Vigil%20Mechanism%20%20Policy.pdf
Tata Code of Conduct	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/CodeOfConduct/TATA%20Code%20of%20Conduct.pdf
Related Party Transaction Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Related%20Party%20Transactions%20Policy.pdf
Familiarization programme of Independent Directors	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/OtherImpDocuments/Familiarisation%20Programme%20for%20Independent%20Directors.pdf

20. CONFIRMATION OF THE BOARD FOR INDEPENDENT DIRECTORS

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Tata Code of Conduct for its employees including the Managing Director and the Whole-time Directors. The Code is available on the Company's website at www.tatasteelbsl.co.in. I confirm that the Company has in respect of the financial year ended March 31, 2019, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them. For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31, 2019.

Mumbai
April 17, 2019

sd/-
Rajeev Singhal
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Tata Steel BSL Limited
(Formerly known as Bhushan Steel Limited)
Ground Floor, Mira Corporate Suites Plot No 1 & 2,
Ishwar Nagar, Mathura Road, New Delhi - 110065

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tata Steel BSL Limited** having CIN: L74899DL1983PLC014942 and having registered office at Ground Floor, Mira Corporate Suites Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi - 110065 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Date of appointment in Company
1.	03083605	Mr. T.V. Narendran	11/07/2018
2.	02719570	Mr. Rajeev Singhal	18/05/2018
3.	00237914	Mr. Anand Sen	18/05/2018
4.	00004989	Mr. Koushik Chatterjee	11/07/2018
5.	02792753	Mr. Krishnava Satyaki Dutt	18/05/2018
6.	00501029	Ms. Neera Saggi	07/06/2018
7.	00918431	Mr. Shashi Kant Maudgal	07/06/2018
8.	00470254	Mr. Srikumar Menon	09/08/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

New Delhi
April 17, 2019

sd/-
Nitesh Latwal
Partner
ACS No.: A32109
C P No.: 16276

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Tata Steel BSL Limited
(Formerly known as Bhushan Steel Limited)

1. We have examined the compliance of the conditions of Corporate Governance by **Tata Steel BSL Limited** ('formerly known as 'Bhushan Steel Limited') ('Company'), for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019 except that there was no meeting of Audit Committee held during the quarter ended on June 30, 2018.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PI & Associates
Practicing Company Secretaries

sd/-
Nitesh Latwal
Partner
ACS No. 32109
M.No. 16276

New Delhi
April 17, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

The following discussion and analysis should be read in conjunction with Tata Steel BSL Limited's ('**TSBSL** or **Company**') standalone/consolidated financial statements and related notes for the year ended March 31, 2019 included in this annual report.

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Macroeconomic Conditions

Global economic growth peaked at 3.6% level during 2018 and is likely to slow down marginally to 3.5% in 2019 mainly due to US-China trade tensions coupled with softer momentum in Europe, Russia, the Middle East and North Africa region. As the economic cycle matures in developed markets, global growth will rely increasingly on emerging markets and developing economies

Global Steel Industry

According to the World Steel Association, global crude steel production reached 1808.6 MnT in 2018, up by 4.6% compared to 2017. Crude steel production increased in all regions except in the EU, which saw a 0.3% contraction. With highest ever annual production, China remained the world's largest crude steel producer in 2018 and its crude steel production reached 928.3 MnT in 2018, up by 6.6% as against 2017. China's share in global crude steel production increased from 50.3% in 2017 to 51.3% in 2018. Crude steel production in India, increased by 4.9% over the previous year, making India the second largest crude steel producing country.

In March 2018, the United States ('**U.S.**') announced trade restrictions in the form of high import tariffs (25% on steel), and the trade dynamics changed globally. To keep up with the trade restrictions, many key steel producing and consuming nations such as the European Union, Mexico, Canada and India imposed various restrictions on their steel imports due to fear of oversupply of steel in their domestic markets.

The depreciating currency of Turkey and erstwhile Russia also changed the trade dynamics, making the market overly competitive.

Indian Economy

The Indian economy witnessed a strong growth of more than 8% in Q1 FY19. However, it slowed down in Q2 and Q3 FY19, primarily due to weaker rural sector. High oil prices combined with a weakening rupee dampened the demand in general. Going forward, stable investment growth with gradual pickup in private investment would continue to support the economy. In addition, consumption growth is expected to improve on various policy measures for farmers, unorganized sector and government employees. According to the Reserve Bank of India ('**RBI**') forecast, India's economy is estimated to grow by 7% in FY19 and 7.3% in FY20.

Indian Steel Industry

FY18 has been a mixed year for Indian steel industry. While there was a significant improvement in the demand in H1, H2 witnessed a sharp dip due to global sentiments. Amidst all this, India became the second highest steel producer surpassing Japan. The only country ahead of India is China, which produces more than 50% of the world's steel.

The Indian steel sector has seen many consolidations in FY19 as a result of the IBC process. This move will make the sector more stable and competitive. Going forward various Government initiatives and policies are impacting the industry in many positive ways. The Prime Minister's

vision of 'Make in India' with an objective of nation building is encouraging domestic manufacturing.

The World Steel Association has projected Indian steel demand to grow at 7% in 2019 while globally, steel demand has been projected to grow by 1.3% in 2019.

B. OUTLOOK

The global real GDP growth is projected to slow down from 3.2% in 2018 to 2.9% in 2019 and 2.8% in 2020 and 2021.

The period of above-trend global growth is over. Tighter financial conditions, policy uncertainty, market volatility and event risk are all hurting business sentiment and investment. Headwinds are not sufficiently forceful to trigger a recession in 2019. Lower commodity prices also offer short-term respite (albeit not for producers), but 2020 onwards will be more vulnerable.

US

Budget stimulus is supportive of 2019 but further fiscal and monetary tightening will lean down the economy. Policy uncertainty is the prime concern at the moment.

Fed funds forecast to peak at 3.25% in 2020, marginally and temporarily above its estimated long-run equilibrium of 2.75%.

China

As per consensus, China's economic situation in 2019 is likely to worsen due to accumulated problems in real estate, manufacturing and financial sectors. It is expected that stimulus measures will likely be introduced to sustain the economy and cope with the trade war impact. Further, machinery output is likely to remain at mild growth.

Crude steel demand in real terms (assuming no unreported steel production) is expected to be flat in 2019 and to decline 2.0% in 2020. Upside risks remain if the stimulus measures are stronger than anticipated.

Domestic Outlook for Indian Steel Industry

As per the World Steel Association, the Indian economy would continue to grow at 7% in next couple of years. Gradual rise in investments is expected with continuation of ongoing projects, while pre-election measures will boost the consumption in FY20.

Industry growth is likely to moderate marginally in FY20 due to high base, and manufacturing capacity utilization likely to remain at ~75% levels. Initiatives such as cash transfer for small and marginal farmers are likely to boost rural economy.

India is likely to remain a preferred destination for foreign direct investment ('**FDI**') with consistent improvements in Ease of Doing Business ('**EoDB**') ranking.

C. OPPORTUNITIES AND THREATS

Opportunities:

- The construction sector has witnessed a consistent revival during 2018, mainly supported by government spending on infrastructure. The construction sector is likely to maintain its current momentum with gradual rise in investment. GST rate cuts in the real estate sector are expected to boost demand.

- The Capital Goods sector growth has improved significantly in 2018 with rising manufacturing capacity utilization and infrastructure investments which have boosted demand for construction and earthmoving equipment. The Renewable energy segment is also witnessing strong demand with several new projects being launched due to strong government focus. The Sector is likely to witness nearly similar level of demand in the next couple of years (EME: 10-11%; MHE: ~11% in 2019; 6-7% in 2020; Transformers: ~7%; Renewables: 7-8%; Heavy Machinery: 1-2%).
- Consumer durables growth in 2018 was driven by segments like air-conditioners, refrigerators and furniture supported by lowering of GST and hike in import duty. Demand is likely to normalize to ~7% in coming years (Refrigerators: 8-9%; Washing Machines: 9-10%; Air Conditioners: 12-13%; Ceiling Fans: 2-3%).
- On-going freight corridor and metro rail projects will continue to support the demand in railway sector, along with the electrification of 16,540 track kms. by 2022 at an estimated outlay of ₹121.3 billion.

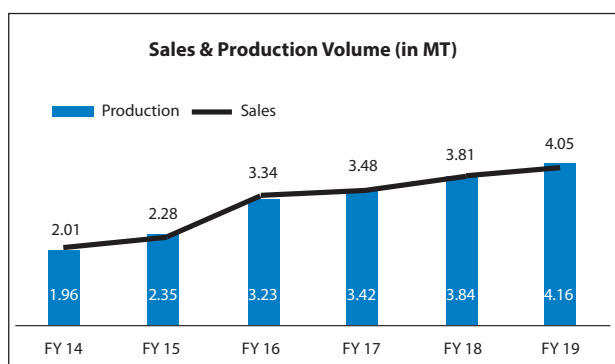
Threats:

- The Automotive sector grew at a healthy rate in 2018. However, demand fell recently, especially in the Passenger Vehicle segment. While research agencies are projecting 8-10% growth in next couple of years, automotive manufacturers are slightly bearish with projections of 6-7% growth.
- The Packaging segment (drums and barrels) demand is expected to remain stable with continuation of exports growth.

D. FINANCIAL PERFORMANCE

The Company is engaged in Steel business. Brief performance of the Company is as follows:

(₹ crore)			
Particulars	FY 19	FY 18	Change
Turnover	20,891.60	17,404.43	3,487.17
PBDIT	3,931.00	2,299.94	1,631.06
Interest and Financial Charges	3,752.18	6,304.90	-2,552.72
Depreciation	1,441.74	1,785.67	-343.93
Profit / (Loss) After Tax	1,713.09	(24,813.47)	26,526.56



- During FY19, the saleable steel production stood at 4.16 million tons which is 8.33% higher than FY18. The Company also registered an increase in sales by 6.29%.

- Further, there was an increase in revenue by 20.04% over FY18. This was largely compensated by an increase in raw material prices.

Financial Performance and State of Affairs (standalone):

During the year, the Company recorded a net profit of ₹1,713.09 crore (previous year: Loss of ₹24,813.47 crore). The basic earnings per share was at ₹17.45 and diluted earnings per share were at ₹1.05 for FY19.

The analysis of major items of the financial statements is given below:

a) Net sales and other operating income

(₹ crore)			
	FY 19	FY 18	Change (%)
Sale of Products	19,860	16,761	18.49
Other Operating Income	1,031	644	60.09
Total income from operations	20,892	17,404	20.04

During the year, the overall turnover was higher due to better market conditions, which led to higher sales quantity with better realizations.

b) Raw materials consumed

(₹ crore)			
	FY 19	FY 18	Change (%)
Raw materials consumed	11,603	9,915	17.02

During the year, raw material consumption increased by 17% due to increase in production of crude steel by 9.5%, and increase in raw material prices.

c) Employee benefits expense

(₹ crore)			
	FY 19	FY 18	Change (%)
Employee benefits expense	363	358	1.40

The employee cost has increased marginally on account of yearly increments in salaries.

d) Depreciation and amortization expense

(₹ crore)			
	FY 19	FY 18	Change (%)
Depreciation and amortization expense	1,442	1,786	(19.26)

The decrease in depreciation charge of ₹344 crore is primarily on account of impairment charge of PPE of ₹18,718 crore booked during FY18. Further, such fall has been offset by an increase in depreciation on account of change in useful life estimates.

e) Other Expenses

(₹ crore)			
	FY 19	FY 18	Change (%)
Other Expenses	5,399	4,556	18.50

Other expenses were higher compared to last year due to increase in production leading to higher consumption of stores and spares,

high power rate and higher operating expenses. The decrease in rental expenses is on account of shifting of the corporate office and discontinuance of certain rental premises.

The details of other expenses are as below:

(₹ crore)			
	FY 19	FY 18	Change (%)
Consumption of stores and spares	1,307.45	809.03	61.61
Packing material consumed	75.21	63.98	17.55
Power and fuel	1,176.38	972.29	20.99
Rent	817.50	917.17	-10.87
Repairs and Maintenance	74.32	99.00	-24.93
Selling and Distribution	926.38	875.16	5.85
Allowance for expected credit losses	59.55	112.41	-47.02
Contractual manpower costs	334.24	235.72	41.79
Other Expenses	627.78	470.85	33.32
Total Other Expenses	5,398.81	4,555.61	18.50

f) **Finance costs and Net Finance Costs**

(₹ crore)			
	FY 19	FY 18	Change (%)
Finance Costs	3,752	6,305	-40.49
Net Finance Costs	3,639	6,276	-42.02

The corporate insolvency resolution process ('CIRP Process') under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company in FY18. Total amount of loans (including interest) which were outstanding during FY18 were approximately ₹58,000 crore with an interest rate varying from 9% to 20% including penal interest.

Tata Steel Limited acquired the Company through its wholly-owned subsidiary Bamnival Steel Limited ('BNPL') on May 18, 2018 ('Acquisition').

The existing debts of the Company were settled by paying ₹35,200 crore. Therefore, the loan amount has decreased significantly YoY resulting in decline in finance cost.

g) **Exceptional Items**

(₹ crore)			
	FY 19	FY 18	Change (%)
Exceptional Items	2,976	(23,345)	112.7

Exceptional items in FY19 include the following: -

- Pursuant to the CIRP Process and implementation of the resolution plan, there has been a gain of ₹3,159.27 crore
- Provision for impairment on property, plant and equipment and other assets: ₹183.26 crore.

Exceptional items in FY18 include an impairment charge of ₹20,997.35 crore against property, plant and equipment and other assets. It also includes prior period items of ₹2,019.11 crore.

h) **Fixed Assets**

(₹ crore)			
	FY 19	FY 18	Change (%)
Property, Plant and Equipment ('PPE')	29,154	30,362	-3.98
Capital work-in-progress	1,154	1,180	-2.20
Other Intangible assets	0.17	0.11	54.55

During the year, PPE were impaired by ₹52.19 crore and the depreciation is ₹1,441.74 crore. Further, during the year there is an addition of ₹287.28 crore out of which ₹274.24 crore were capitalized from CWIP.

i) **Investments**

(₹ crore)			
	FY 19	FY 18	Change (%)
Investment in Subsidiary, JVs and Associates	0.15	0.15	-
Other non-current Investments	1.01	1.08	-6.48
Current investments	1,594.90	-	100.00
Total Investments	1,596.06	1.23	99.92

During the year, the Company has made fresh investments in mutual funds. As at March 31, 2019, the balance of investments in mutual funds amounted to ₹1,594.90 crore.

j) **Inventories**

(₹ crore)			
	FY 19	FY 18	Change (%)
Raw Material	1,700	1,691	0.53
Finished Goods and WIP	1,963	1,726	13.73
Stores, Spares and consumables	919	608	51.15
Total Inventory	4,582	4,025	13.84

Increase in raw material inventory was due to increase in commodity prices in FY19 and increase in volumes was due to production ramp up. Further, stores and spares inventory has increased on account of planned repairs & maintenance in plant and machinery.

k) **Trade Receivables**

(₹ crore)			
	FY 19	FY 18	Change (%)
Gross Debtors	880	1,390	-36.69
Less: Provision for doubtful Debts	183	170	7.65
Net Debtors	697	1,220	-42.87

The decrease in sundry debtors in FY19 as compared to FY18 is mainly due to introduction of channel financing facilities to the retail customers and receivable purchase programs across other segments. Further, the Company has remodeled its credit management policies resulting to reduction in the credit period extended to the customers and credit sales.

I) Cash Flow

	(₹ crore)		
	FY 19	FY 18	Change (%)
Net Cash Flow from Operating Activities	5,800	1,789	224.20
Net Cash Flow from investing Activities	-1,617	-645	150.70
Net Cash Flow from financing Activities	-4,500	-675	566.67
Net increase / (decrease) in cash and cash equivalents	-317	469	-167.59

The cash operating profit before working capital changes and direct taxes was ₹3,900 crore as compared to ₹2,373 crore during the previous year.

The cash outflow from investing activities was ₹1,617 crore as compared to ₹645 crore during the previous year. The outflow during the year broadly represents investment in mutual funds.

The net cash outflow from financing activities was ₹4,500 crore as compared to ₹675 crore during previous year, broadly due to net repayment of borrowings and interest paid in FY19.

E. KEY FINANCIAL RATIOS

The details of changes in the key financial ratios as compared to previous year are stated below:-

	FY 19	FY 18	Change (%)
Debtors Turnover ¹ (Days)	16.74	28.78	-42%
Inventory Turnover (Days)	138.62	132.32	5%
Interest Coverage Ratio ² (Times)	0.66	0.08	713%
Current Ratio ³ (Times)	1.91	0.11	1694%
Debt Equity Ratio (Times)	0.93	-*	-*
Net Debt Equity (Times)	0.83	-*	-*
Return on Net Worth %	9.35	-*	-*
EBITDA Margin ⁴ %	18.18	12.67	44%
Net Profit Margin ⁵ %	8.20	-142.57	-106%

*The debt-equity ratio/ net debt equity ratio/ return on net worth of FY18 have been marked “-” as the Company was under the CIRP Process, the ratios are not comparable.

- Debtor Turnover Ratio** – The fall is primarily on account of introduction of channel financing facilities across the distributor segment and discounting arrangements across the other segments. Further, the fall is on account of higher sales in FY19.
- Interest Coverage Ratio** – Improved primarily on account of higher operating profits and reduction of finance cost on account of reduction in external borrowings.
- Current Ratio** – Improved primarily on account of reduction in the current liabilities due to reduction in current portion of long term borrowings and short term borrowings (due to repayments).
- EBITDA Margin** – Improved primarily on account of higher operating profits.

- Net Profit Margin** – Improved primary on account of exceptional gains (compared to exceptional losses in FY18), higher operational profits and reduced depreciation and finance cost.

F. OPERATIONAL EXCELLENCE: BE1 PROGRAMME

Steel manufacturing is a complex value chain with performance dependency on multiple external and internal factors – starting from the quality of raw-material to converting them into high-quality steel and ensuring seamless supply to the customers across the globe. Therefore, long term sustainability of the company requires structured and accelerated operational excellence and synergies with Tata Steel Limited (the ultimate parent company of TSBSL) and other group companies.

The Company has adopted three-tier integration strategy i.e., excellence, elevate, and expand. In Phase 1, the Company is working towards stabilization of the plant, debottlenecking of existing facilities, raise it to the best demonstrated performance, and realize synergies. In Phase 2, the company plans to achieve benchmark performance in all areas to achieve rated capacity and generate strong cash flows. In Phase 3, the Company plans to initiate strategic capital investments to ensure sustainable returns for the stakeholders.

In view of this, within one and half months of the Acquisition in July 2018, the Company launched an accelerated performance improvement plan and named it “**Be1: Alag Pehchan, Uchi Udhan**” to achieve benchmark levels in operational excellence and customer focus with a deep change management agenda encompassing employee engagement and capability build. The most important objective of the program was to ensure execution certainty and quicker value delivery, without losing focus on long term objectives. To do this, the IMPACT Centre (IC) methodology along with the D0-D4 stage gate approach (based on degree of hardness) was leveraged to drive this program. This methodology provides a structured mechanism to approach improvement initiatives, while aiming to ensure program rigor, visibility and ownership. This methodology also takes the improvement agenda to the shop-floor, thus increasing employee involvement in improvement activities and thereby driving change bottom-up.

The program started with focus on engagement, with 50+ Aspiration Driven Transformation and Awareness workshops conducted across the departments. 1000+ employees were engaged in these workshops to create a collective vision for the program and company. Under the program, 13 ICs were rapidly setup and stabilized across the entire value chain laying down the culture for continuous improvement, ownership, and drive. In the 9 months since launch, these ICs are working on more than 500 ideas including synergy initiatives across the value chain.

G. MARKET SEGMENT AND PRODUCT WISE PERFORMANCE

The Company has no other segments apart from steel business, details of which have been included in the financial performance. Hence, no separate details segment wise are being reported.

Post the Acquisition, many improvement projects have been undertaken at TSBSL. The Company produced 4.14 MTPA of crude steel which is higher than 10% over FY18. Further there are plans to sweat all the assets and reach higher levels of capacity utilization. The other thrust areas are i) To produce value added grades; ii) Develop new customers and markets; iii) Value creation through synergy initiatives with parent organization.

Automotive and Industrial Products and Projects

- TSBSL grew its presence in the automotive segment by increasing the customer base and initiating commercial supplies to additional Auto OEMs. In order to deliver value to its key customers, the Company developed steel for outer panel applications using hot rolled steel from its Integrated Steel Plant at Angul. The Company successfully developed value added and High Strength steels, thereby increasing its product portfolio and offerings to its customers.
- The Company continued to be the supplier of choice for appliance makers, growing its market share to 50%. The Company successfully increased its market presence in value added and niche products such as Hardened and Tempered Steel, capturing close to 55% of domestic market share. New segments such as solar helped to increase Galume sales by 70% over FY18. Color coated sales increased by 30% through new product development such as food grade PPGI for cold storage and opening of new geographies. 20% of LPG cylinders manufactured in the country used steel from Tata Steel BSL Limited.

Distribution

- Sales under the distribution vertical grew in FY19 over the previous year.
- For the first time, an organized distributor network was setup with appointment of distributors for each product category
- Marketing and Sales processes of Tata Steel were imbibed and embedded along with interaction and training of people.
- Post product improvements and operating philosophy alignment, segment specific brands like Tata Steelium, Tata Shaktee and Tata Kosh were launched. This helped the Company in value creation and also lent enhanced reach through established 2 Tier distribution network.
- E-Platforms, like MJunction were used for the first time for auctioning arising material which led to higher operational efficiency and transparency along with improved realizations.

Tubes and Large Dia Pipes

- TSBSL has maintained its leadership position in Precision Tubes business for Automotive segment with 25% Share of Business ('SOB'). To enable growth in FY20, emphasis for the next year is on building capacity in high end precision tubes, enhancing the service center capacity and increasing Share of Business in Passenger Vehicles and Light and Medium Commercial Vehicles.
- TSBSL has been focusing on Oil and Gas segment and water pipe line projects in domestic and exports market to improve its share in the Pipe segment.
- TSBSL has launched specific brands like Tata Structura and Tata Pipes in order to improvise its distributorship strategies across the tubes and pipe segments.

Export

- TSBSL has developed a network of long-term customers and markets across the globe and has been consistently exporting upstream products like, Hot Rolled Coils and downstream products like Galvanized, Galume, Color Coated, Tubes and Pipes, Hardened

and Tempered steel across the globe. In FY20, the Company will be focusing on downstream exports by increasing its presence in Europe, Africa, South East Asia and Latin America, and creating market for high-end HRC exports like structural steel. In this journey, successful approval from SIRIM, Malaysia has opened a new market for the Company for structural grade Hot Rolled Coils.

- The Company has a policy of exporting approximately 10% of its sales volume across various products to its strategic key customers and international markets.
- Depending on the market conditions, i.e. the demand and supply, international steel prices and requirements, the Company flexes its volume throughout the year

H. PRODUCT DEVELOPMENT:

In FY19, TSBSL has taken a step ahead by developing high-end products for its customers viz;

- 11 skin panels approved from indigenous Hot Rolled Coils at one of its major automotive customers;
- Color coated for export, Galvanize for HVAC, HandT and HTSS;
- Product approval for API X 70 for line pipe segment;
- Increase in production of value added grades (Scarfig grades, MC, HC, peritectic) as per requirement of the market.

I. ENVIRONMENT

As a responsible steel producing company, TSBSL is totally committed to the environment. With improved environmental practices, compliance with key statutory commitments has increased considerably with further plans to achieve the level of industry standards. TSBSL is committed to building a culture of zero tolerance on environmental degradation. This is supported by various key initiatives with capital investments on projects like Commissioning of Coke Dry Quenching ('CDQ') #2, dedusting cars of Coke Oven Battery ('COB') 1, Electrostatic Precipitators of sinter plants, control of SOx and NOx at power plants, revamping of bag filters, and commissioning of Effluent Treatment Plant ('ETP') 3.

J. SAFETY

As a Tata Steel Group company, The Company is committed to "ZERO FATALITY". With this goal in mind, TSBSL ensured that there is 100 % usage of PPEs, resulting in a sharp drop in First aid incidents.

Other initiatives taken to inculcate the importance of safety were: Usage of specialized Personal Protective Equipments like fire resistant jackets, competency building across various levels by imparting the safety leadership training, introduction of key policies on safety and their implementation, and formation of safety governance committees and sub-committees at all locations.

It is always imperative to minimize safety risks, and this is being done by introduction of specialized vendors for scaffolding, working at heights, and elimination of hydra cranes; Contractors safety management (Contract Leaders Awareness Program on Safety); imparting training to employees; Implementation of Positive Isolation; establishment and awareness of road safety management and development of heavy vehicles parking places.

TSBSL has chosen IT as the key enabler to take the Safety journey forward, by Introduction of "Ensafe" - an online platform to monitor the overall safety progress of the organization.

K. RISKS AND CONCERNS

Global Steel Demand after a contraction of -3.0% reported in 2015, is continuously growing and in 2019 the demand for steel is expected to remain on the positive side. While the robustness of steel demand recovery seen in 2017 was carried forward to 2018, risks have also increased. Rising trade tensions and volatile currency movements are increasing uncertainty in the global steel industry. For year 2019, it is forecasted that the global steel demand will grow by 1.3% reaching to 1,735 MnT in 2019.

Imports and export remained steady where India remains a net importer of 1Mn T. Higher imports will further put pressure on domestic prices. The significant rise in thermal coal production does support the rising steel production in the country, which particularly finds application in Sponge Iron industry. However, its availability to the steel sector has also been scarce, as the government continues to prioritize power plants for their supplies. There has been an upsurge in imported coal sourcing. The coal-based steel, power and aluminum plants continue to face supply-related issues due to unavailability of adequate railway rakes. The government is also taking measures to resolve the logistic issue for smooth supply of raw materials.

The announcement of trade war truce between the United States and China eased the trade tensions between the two countries in the short term. For now, US will postpone rising tariffs on Chinese imports for a fixed period of time while China pledged to purchase more US goods among others making trade war truce a win-win situation for both countries.

A recent World Steel Association study of India, conducted in collaboration with the Indian Steel Association and the support of Indian member companies, identifies the construction sector as a pan-India steel demand driver on the back of strong infrastructure development and housing demand, especially affordable housing. Projects like industrial corridors (connecting existing industrial cities and develop manufacturing sectors) and Sagarmala (connecting states through waterways) will increase India's connectivity, reducing logistical costs of transportation across Indian states. The Smart Cities initiatives will further boost urban infrastructure investment.

In FY19, TSBSL focused on stabilizing operations, logistics and streamlining raw material sourcing, enabling best ever performance across all product lines. Through better financial prudence in working capital and credit management, the Company saw significantly strong business performance in all quarters.

During the year under review, your Company was under the CIRP Process until May 18, 2018 and a resolution professional was appointed by the NCLT to manage the Company's operations as a going concern. A new management was appointed on May 18, 2018. In accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the new management has on best effort basis and considering the complexity of the operations, including challenges in implementing the Resolution Plan, put in place a framework of risk management to identify and mitigate risks to the strategic objectives of the Company.

L. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively. The foundation of Internal Financial Controls ('**IFC**') lies in the Tata Code of Conduct ('**TCoC**'), policies and procedures adopted by the Management, corporate strategies, annual business planning process, management reviews, management system certifications and the risk management framework.

During the year under review, the Company was under the CIRP Process until May 18, 2018 and a resolution professional was appointed by the NCLT to manage the Company's operations as a going concern. A new management was appointed on May 18, 2018. The new management has on best effort basis and considering the complexity of the operations, including challenges in implementing the Resolution Plan, put in place a framework for Internal Financial Controls.

M. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

With an employee strength of ~ 5700, the Company strives to become an "Employer of Choice". To achieve this goal, the Company's HR Policies and Practices are being geared up. Safety is of utmost importance and deployment of safe practices has been done with a view to develop safe behavior as well as safe workplace. The leadership has been a role model and has provided all the support to develop good HR practices, so that employees are nurtured well and are positively engaged.

In order to bring about Transparency, Uniformity and Consistency, several policies have been developed for the employees, which have been well received and have provided an empowered environment to employees. A cadre of professionals is being built for which recruitment has been done from several institutions of repute. For social security, all employees have been covered under insurance and contractor employees have been provided "Suraksha Scheme". Employees are now being evaluated through a Performance Monitoring System ('**PMS**') and accordingly rewarded. This has brought about fairness and transparency.

For enhancing data integrity and providing better employee experience, a cloud based HR Information System with Employee Self Service has been put in place.

Industrial Relations during the year were harmonious. The Company is in the process of cultural integration in which good policies of the Organization are encouraged and retained while best policies are being formulated.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
- We have determined the matters described below to be the key audit matters to be communicated in our report:

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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..

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Accounting treatment for the effects of the Resolution Plan</p> <p>(a) Refer Note 43 to the standalone financial statements for the details regarding the resolution plan implemented in the company pursuant to a corporate insolvency resolution process concluded during the year under Insolvency and Bankruptcy Code, 2016.</p> <p>On 17 May 2018, prior to the implementation of the Resolution Plan, the Company had outstanding credit facilities from several financial institutions, aggregating to Rs. 6,054,746.50 lakhs. The Company also had accrued dues amounting to Rs. 110,627.58 lakhs towards operational creditors.</p> <p>Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of Resolution Plan was a complex exercise.</p> <p>Further, comprehending the provisions of the Resolution Plan and determining the appropriateness of the accounting treatment thereof, more particularly the accounting treatment of derecognition of liabilities, required significant judgment and estimates, including consideration of accounting principles to be applied for presentation of difference between carrying amount of novated debt and consideration paid therefor.</p> <p>Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the financial statements as a whole and materiality thereof.</p> <p>(b) Refer Note 43 to the standalone financial statements.</p> <p>Prior to the approval of the Resolution Plan on 15 May 2018, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.</p>	<p>(a) We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the financial statements:</p> <ul style="list-style-type: none"> Reviewed management's process for review and implementation of the Resolution Plan. Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements. Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis. Verified the underlying documents supporting the receipt and payment of funds as per the Resolution Plan. Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors. Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan. <p>(b) We have performed the following procedures to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:</p> <ul style="list-style-type: none"> Verified the underlying documents related to litigations and other correspondences with the statutory authorities.

Key audit matter	How our audit addressed the key audit matter
<p>The Company had also made certain payments to the relevant authorities in respect of those litigations which were presented as recoverable under “Other non-current assets” in the standalone financial statements.</p> <p>The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.</p> <p>The application of significant judgment in the aforementioned matters required substantial involvement of senior personnel on the audit engagement including individuals with expertise in accounting of financial instruments</p>	<ul style="list-style-type: none"> • Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management in developing the accounting estimates. • Assessed management’s estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether: <ul style="list-style-type: none"> o The method of measurement used is appropriate in the circumstances; and o The assumptions used by management are reasonable in light of the measurement principles of Ind AS. • Determined whether the methods for making estimates have been applied consistently. • Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.

Information other than the Financial Statements and Auditor’s Report thereon

6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. The Annual 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance..

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.

- 8. 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.
- 9. 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

- 10. 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 Standards on Auditing 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.
- 11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 system 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.
12. 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on Other Legal and Regulatory Requirements**
15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 17 April 2019 as per Annexure B expressed unmodified opinion;
 - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 32A to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandio & Co LLP

Chartered Accountants
Firm's Registration No.: 001076N/N500013

sd/-

Neeraj Sharma

Partner

Membership No.: 502103

Place: Mumbai

Date: 17 April 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF TATA STEEL BSL LIMITED (FORMERLY KNOWN AS BHUSHAN STEEL LIMITED), ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year by engaging an outside expert and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties:
- title deeds to freehold land with gross carrying amount and net carrying amount of Rs. 1,265.55 lakhs and Rs. 1,265.55 lakhs respectively were not readily available.
 - title deeds to building with gross carrying amount and net carrying amount of Rs.245.24 lakhs and Rs. 164.83 lakhs respectively were not readily available.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year (by engaging the outside expert) and discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) As mentioned in note 43 to the standalone financial statements, pursuant to the implementation of the Resolution Plan, there are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) On 15 May 2018, the National Company Law Tribunal ('NCLT') has approved the terms of the Resolution Plan submitted by Tata Steel Limited, pursuant to which debts owed by the Company as at that date have been partially settled through repayment and balance amount has been novated by the financial creditors to the Company's immediate holding company, which has been subsequently been waived off. Accordingly, the Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) Pursuant to the initiation of Corporate Insolvency Resolution Process and the requirements of Section 25(2)(j) of The Insolvency and Bankruptcy Code, 2016 ('IBC'), the Resolution Professional appointed by the NCLT identified certain transactions covered under Sections 43 to 51 and 66 of the IBC. These transactions were submitted with NCLT and crystallisation of amount / future course of action will be carried out based on the judgement/order of NCLT. Further, based on the information and explanations provided to us, certain former key management personnel of the Company are subject matter of investigations by the Government Authorities and during the year, certain information has been requested from the Company in this regard. The investigations are currently underway and the Company is yet to get any orders or directions in this respect from the Government Authorities till the balance sheet date. Except these transactions, no fraud by the Company or on the Company by its officers or employees has been noticed during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has made preferential allotment/ private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/private placement of fully/partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: Mumbai
Date: 17 April 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF TATA STEEL BSL LIMITED (FORMERLY KNOWN AS BHUSHAN STEEL LIMITED) ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 the Company's business, including adherence to the 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: Mumbai
Date: 17 April 2019

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2019

(₹ in Lacs)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3A	2,915,441.02	3,036,155.81
(b) Capital work-in-progress	3B	115,414.24	117,965.24
(c) Intangible assets	4	17.06	10.65
(d) Investments in subsidiaries and associates	6A	15.00	15.00
(e) Financial assets			
(i) Investments	6A	100.87	107.67
(ii) Loans	6B	4,646.28	7,265.35
(iii) Other financial assets	6C	44,594.86	46,666.61
(f) Other non-current assets	8	77,103.03	80,836.20
(g) Income tax assets	9	3,181.98	2,900.20
Total non-current assets		3,160,514.34	3,291,922.73
II Current assets			
(a) Inventories	10	458,188.14	402,519.54
(b) Financial assets			
(i) Investments	6A	159,490.28	-
(ii) Trade receivables	11	69,701.21	121,957.81
(iii) Cash and cash equivalents	12	27,741.72	59,421.01
(iv) Other balances with bank	13	12,689.66	32,352.42
(v) Loans	6B	5,152.86	9,173.73
(vi) Derivative assets	7	214.07	-
(vii) Other financial assets	6C	9,465.89	6,801.22
(c) Other current assets	8	55,427.43	60,010.95
Total current assets		798,071.26	692,236.68
Total assets		3,958,585.60	3,984,159.41
EQUITY & LIABILITIES			
I Equity			
(a) Equity share capital	14	21,868.80	4,530.30
(b) Other equity	15	1,809,422.38	(2,610,536.30)
Total equity		1,831,291.18	(2,606,006.00)
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	1,697,230.74	70,652.60
(ii) Other financial liabilities	16C	5,788.97	3,940.04
(b) Provisions	18	5,679.77	5,632.08
(c) Deferred income	19	227.69	266.18
Total non-current liabilities		1,708,927.17	80,490.90
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	-	1,381,286.08
(ii) Trade payables	16B		
- total outstanding dues of micro enterprises and small enterprises	16B	1,254.42	1,001.59
- total outstanding dues of creditors other than micro enterprises and small enterprises	16B	307,642.43	129,511.22
(iii) Derivative liabilities	7	4,141.57	-
(iv) Other financial liabilities	16C	68,231.66	4,952,780.37
(b) Other current liabilities	17	36,803.14	44,364.11
(c) Provisions	18	294.03	731.14
Total current liabilities		418,367.25	6,509,674.51
Total equity and liabilities		3,958,585.60	3,984,159.41
The accompanying notes forming part of the financial statements	1-45		

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

For and on behalf of the Board of Directors

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Neeraj Sharma
Partner
Membership No. 502103

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

sd/-
Mr. Anand Sen
Director (DIN: 00237914)

sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)

sd/-
Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lacs)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
I Revenue			
(a) Revenue from operations	20	2,089,160.35	1,740,442.76
(b) Other income	21	13,244.07	9,508.06
Total income		2,102,404.42	1,749,950.82
II Expenses			
(a) Raw materials consumed	22	1,160,305.46	991,528.83
(b) Purchases of finished, semi-finished and other products	23	685.44	712.03
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(27,818.05)	(2,789.63)
(d) Excise duty		-	39,187.18
(e) Employee benefit expense	25	36,250.56	35,757.62
(f) Finance costs	26	375,217.88	630,489.74
(g) Depreciation and amortisation expense	27	144,173.92	178,566.53
(h) Other expenses	28	539,881.00	455,561.25
Total expenses		2,228,696.21	2,329,013.55
III Loss before exceptional items and tax (I-II)		(126,291.79)	(579,062.73)
IV Exceptional items	29	297,600.67	(2,334,467.77)
V Profit/(loss) before tax (III+IV)		171,308.88	(2,913,530.50)
VI Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		-	(432,183.47)
Total tax expenses		-	(432,183.47)
VII Profit/(loss) for the year (V-VI)		171,308.88	(2,481,347.03)
VIII Other comprehensive income/(loss)			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement gains/(losses) on post employment defined benefit plans		523.83	(273.27)
(ii) Fair value changes of investments in equity shares		(6.80)	11.90
(b) Income tax relating to items that will not be reclassified to profit or loss		-	(31.98)
(c) Items that will be reclassified to profit or loss		-	-
(d) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(loss)		517.03	(293.35)
IX Total comprehensive income/(loss) for the year (VII+VIII)		171,825.91	(2,481,640.38)
X Earnings per share	30		
Basic (₹)		17.45	(1,095.45)
Diluted (₹)		1.05	(1,095.45)
The accompanying notes forming part of the financial statements	1-45		

As per our report of even date attached.

For **Walker Chandiook & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Neeraj Sharma
Partner
Membership No. 502103

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)

For and on behalf of the Board of Directors

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

sd/-
Mr. Anand Sen
Director (DIN: 00237914)

sd/-
Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2019**
(A) Equity share capital

(₹ in Lacs)

	Balance as at April 1, 2018	Changes during the period (Refer sub-note (a))	As at March 31, 2019
Equity Shares of ₹ 2 each issued, subscribed and fully paid.	4,530.30	17,338.50	21,868.80

(₹ in Lacs)

	Balance as at April 1, 2017	Changes during the period	As at March 31, 2018
Equity Shares of ₹ 2 each issued, subscribed and fully paid.	4,530.30	-	4,530.30

(a) For details of changes made during the period, Refer Note - 14

(B) Other equity

(₹ in Lacs)

	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital contribution	Equity instruments at fair value through other comprehensive income	Total Equity
As at April 01, 2018	693.34	72,576.10	36,512.50	527,837.59	(3,248,222.53)	-	-	66.70	(2,610,536.30)
Profit for the year	-	-	-	-	171,308.88	-	-	-	171,308.88
Other Comprehensive income/(loss)	-	-	-	-	523.83	-	-	(6.80)	517.03
Transactions with owners in their capacity as owners	-	-	-	-	-	1,729,582.05	2,518,550.72	-	4,248,132.77
Transfers within equity	-	-	(36,512.50)	36,512.50	-	-	-	-	-
As at March 31, 2019	693.34	72,576.10	-	564,350.09	(3,076,389.82)	1,729,582.05	2,518,550.72	59.90	1,809,422.38

(₹ in Lacs)

	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital contribution	Equity instruments at fair value through other comprehensive income	Total Equity
As at April 01, 2017	693.34	72,576.10	36,512.50	527,837.59	(766,570.25)	-	-	54.80	(128,895.92)
Loss for the year	-	-	-	-	(2,481,347.03)	-	-	-	(2,481,347.03)
Other Comprehensive income/(loss)	-	-	-	-	(305.25)	-	-	11.90	(293.35)
As at March 31, 2018	693.34	72,576.10	36,512.50	527,837.59	(3,248,222.53)	-	-	66.70	(2,610,536.30)

As per our report of even date attached.

 For **Walker Chandio & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

 sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

For and on behalf of the Board of Directors

 sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

 sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

 sd/-
Neerar Sharma
Partner
Membership No. 502103

 sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

 sd/-
Mr. Anand Sen
Director (DIN: 00237914)

 sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

 Place: Mumbai
Date: April 17, 2019

 sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)

 sd/-
Mr. Sanjib Nanda
Chief Financial Officer

 sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lacs)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
A Cash flow from operating activities				
Profit/(loss) before taxes		171,308.88		(2,913,530.50)
Adjustments for :				
Depreciation & amortisation expenses	144,173.88		178,566.53	
Provisions (retirement benefit)	(389.42)		1,856.46	
Finance cost	375,217.88		630,489.74	
Exceptional items	(297,600.67)		2,319,923.49	
Gain on fair valuation of mutual funds	(8,478.77)		-	
Gain on cancellation of forwards, swaps and options	3,927.50		-	
Interest income / dividend income	(2,884.47)		(2,908.81)	
Loss/ (profit) on sale of fixed assets	26.69		207.95	
Provision for doubtful debts / bad debts written off	7,760.49		11,234.31	
Other non-cash items	(3,062.21)		11,416.85	
		218,690.90		3150,786.52
Operating profit before working capital changes		389,999.78		237,256.02
Adjustments for:				
Trade & other receivables	50,971.27		19,029.43	
Inventories	(55,668.60)		(87,627.77)	
Loans and advances	(11,620.96)		(27,236.35)	
Trade payables/ other current liabilities	206,611.90		37,813.59	
		190,293.61		(58,021.10)
Cash generated from operations		580,293.39		179,234.92
Direct taxes paid		(281.78)		(345.03)
Net cash generated from operating activities		580,011.61		178,889.89
B Cash flow from investing activities:				
Sale of Property, plant and equipment/transfer of assets	28.51		224.62	
Purchase of property, plant and equipment	(35,439.82)		(31,399.91)	
Purchase/sale of current investments	(151,011.52)		-	
Interest received (finance income)	2,968.85		1,099.19	
Long term fixed deposits placed/ (realised)	2,071.73		(5,031.49)	
Movement other bank balances	19,662.76		(29,359.81)	
Dividend income	1.35		2.70	
Net cash used in investing activities		(161,718.14)		(64,464.70)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C Cash flow from financing activities:		
Proceeds from borrowings	5,057,369.43	44,758.54
Repayment of borrowings	(6,252,317.76)	-
Repayment of finance lease obligations	(4,519.58)	-
Interest paid	(1,236,393.37)	(112,241.30)
Proceeds from preference share capital	1,970,000.00	-
Proceeds from equity share capital	15,888.50	-
Unclaimed dividend	0.02	-
Net cash used in financing activities	(449,972.76)	(67,484.76)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(31,679.29)	46,940.43
Opening cash and cash equivalents	59,421.01	12,480.58
Closing cash and cash equivalents (Refer note no 12)	27,741.72	59,421.01

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

For and on behalf of the Board of Directors

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Neeraj Sharma
Partner
Membership No. 502103

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Mr. Srikumar Menon
Independent Director (DIN: 00470254)

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Mr. Anand Sen
Director (DIN: 00237914)

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Mr. Koushik Chatterjee
Director (DIN: 00004989)

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. Rajeew Singhal
Managing Director (DIN: 02719570)

sd/-
Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

ACCOUNTING POLICIES UNDER IND AS

STANDALONE FINANCIAL STATEMENTS OF TATA STEEL BSL LIMITED FOR THE YEAR ENDED MARCH 31, 2019

1. Company information and basis of preparation

TATA Steel BSL Limited ("the Company") is a public limited Company incorporated in India with its registered office in Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi-110065, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is the 3rd largest secondary steel producer with an overall steel producing capacity of 5.6 million tonne per annum. The Company has presence across the entire value chain of steel manufacturing. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled and coated steel, cold rolled full hard, galvanised coils and sheets, high tensile steel strips, colour coated tiles, precision tubes etc. The Company has the unique facilities of producing cold roll and sheets up to a width of 1700 mm and galvanised coil and steel up to a width of 1350 mm.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, as amended time to time.

Basis of preparation

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

- certain assets and liabilities that are required to be carried at fair values by Ind AS; and
- property, plant & equipment which have been fair valued at the transition date (i.e. 01 April 2015) as 'deemed cost' upon transition to Ind AS.

The financial statements are presented in INR and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

These are standalone financial statements (the 'financial statements') for the year ended March 31, 2019 were approved by the Board of Directors and approved for issue on August 09, 2018. The Company has also prepared consolidated financial statements for the year ended 31 March 2019 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on 09 August 2018.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset /liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. Having regard to the nature of business being carried out by the Company the Company has determined its operating cycle as twelve months. The Company classifies all other assets/liabilities as non-current.

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

b) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This

recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment and capital work in progress are stated at cost/, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

c) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided on a straight line basis to the cost/deemed cost of property, plant and equipment and intangible assets, including those held under finance leases to their residual value. Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, revised.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

	Estimated useful life (years)
Buildings	Upto 60 years*
Roads	30 years
Plant and Machinery	Upto 40 years*
Railway Sidings	Upto 30 years*
Vehicles	8 to 10 years
Furniture, Fixtures and Office Equipment	5 to 10 years
Computer Software	3 years

* for these class of assets useful lives are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Based on the technical evaluation carried by a chartered engineer and internal assessments made, the Company believes that useful lives mentioned above are best representative of the period over which the Company expects to use the assets.

d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

e) Impairment of non-financial assets

The Company, at each balance sheet date, reviews carrying values of its property plant and equipment and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount being higher of fair value less costs to sell and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

f) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. Cost is ascertained on a weighted average basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business based on market price at the balance sheet date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale.

Spare parts including other items are carried on weighted average basis.

g) Revenue Recognition

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction is measured using appropriate methods which include input and output methods.

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, as a practical expedient, the incremental costs of obtaining a contract are recognized as an expense when incurred if the amortisation period of the asset otherwise would have been one year or less.

The costs to fulfil a contract are recognized as an asset if the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

h) Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the balance sheet date.

For foreign currency loans taken before 31 March 2016 for, adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31 March 2016, exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit or loss are also recognised in other comprehensive income or statement of profit or loss, respectively).

i) Income Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits (including Minimum Alternative tax (MAT) credit) and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer

probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j) Employee benefits

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Company's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare Fund are made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Defined benefits plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

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

Other long term benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the

unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

k) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease, all other leases are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised

as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

m) Earnings per share

Basic earnings per equity share is computed by dividend net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost i.e. purchase cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

p) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

q) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company

recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

s) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

iii. Investments in equity instruments of subsidiaries, joint ventures and associates - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

Investments in equity instruments - Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Compound Financial Instrument

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will

be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Derivative financial instruments

In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t) Accounting standards or amendments in the accounting standards adopted on/from April 1, 2018:

Ind-AS 115, "Revenue from Contracts with Customers" issued on March 28, 2018, which provides a unified five step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are met rather than based on the transfer of risks and rewards. Ind-AS 115 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue.

The standard supersedes the erstwhile standard, viz., Ind-AS 18 "Revenue" and Ind-AS 11 "Construction Contracts". Ind-AS 115 clarifies how to identify a performance obligation, determine whether a company is a principal or an agent. The Company's revenue is predominantly derived from the single performance obligation to transfer steel products under arrangements in which the transfer of risks and rewards of ownership and the fulfilment of the Company's performance obligation occur at the same time. As part of the adoption process, the Company established revised processes and controls and assessed its performance obligations underlying the revenue recognition, estimation of variable considerations including rebates, customized products and principal versus agent considerations. Henceforth, the adoption of this standard did not have a material impact on the standalone financial statements of the Company. The additional required disclosures are presented in Note 20 of the financial statements.

Appendix B of Ind AS 21, Foreign currency transactions and advance consideration issued on March 28, 2018- which provides a guidance about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Company adopted the following amendments which did

not have any material impact on the standalone financial statements of the Company.

u) Recent accounting pronouncements effective for annual periods beginning on or after April 1, 2019:-**Ind AS 116, Leases:**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases which will replace Ind-AS 17 "Leases". This new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard is effective for annual periods beginning on or after April 1, 2019. An initial review and assessment of the Company's lease arrangements indicates that most of these arrangements will meet the definition of a lease under Ind-AS 116.

The company is in the process of evaluating the impact of Ind-AS 116 on its financial statement. It is expected that the application of Ind-AS 116 shall have a significant impact on the financial statements of the company.

Ind-AS 12, Income taxes:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under Ind-AS 12. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements

Ind-AS 109, Financial Instruments:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

Ind-AS 23, Borrowing Costs:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

NOTES TO FINANCIAL STATEMENTS

3A. Property, plant and equipment

Particulars	(₹ in Lacs)							Total	
	Freehold land	Leasehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles		Office equipments
Gross carrying amount as at April 01, 2018	68,651.35	-	1,700,123.36	85,650.38	3,564,284.54	4,928.28	2,169.97	918.57	5,426,726.45
Addition during the year	-	-	3,776.01	-	24,389.79	123.71	41.67	396.78	28,727.96
Sold/discarded during the year	-	-	-	-	52.08	-	77.47	-	129.55
Adjustment during the year (refer sub-note (iii))	-	-	-	-	(2.42)	-	-	-	(2.42)
Gross carrying amount as at March 31, 2019	68,651.35	-	1,703,899.37	85,650.38	3,588,619.83	5,051.99	2,134.17	1,315.35	5,455,322.44
Accumulated impairment & depreciation as at April 01, 2018	9,211.61	-	749,575.13	75,085.52	1,553,243.53	1,645.86	1,248.60	560.39	2,390,570.64
Depreciation for the year	-	-	30,643.40	996.38	111,821.03	329.70	237.94	137.45	144,165.90
Impairment for the year	-	-	-	-	3,251.37	1,889.11	-	78.75	5,219.23
Disposals	-	-	-	-	12.03	-	62.32	-	74.35
Adjustment during the year (refer sub-note (iii))	-	-	-	-	-	-	-	-	-
Accumulated impairment & depreciation as at March 31, 2019	9,211.61	-	780,218.53	76,081.90	1,668,303.90	3,864.67	1,424.22	776.59	2,539,881.42
Net carrying amount as on April 01, 2018	59,439.74	-	950,548.23	10,564.86	2,011,041.01	3,282.42	921.37	358.18	3,036,155.81
Net carrying amount as on March 31, 2019	59,439.74	-	923,680.84	9,568.48	1,920,315.93	1,187.32	709.95	538.76	2,915,441.02

NOTES TO FINANCIAL STATEMENTS

Property, plant and equipment (contd...)

Particulars	(₹ in Lacs)								Total
	Freehold land	Leasehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	
Gross carrying amount as at April 01, 2017	84,107.26	205,937.18	1,031,791.49	85,650.38	4,101,376.83	4,902.16	2,276.90	852.30	5,516,894.50
Addition during the year	179.72	-	146.47	-	77,856.62	26.12	84.28	66.27	78,359.48
Sold/discarded during the year	-	-	-	-	495.92	-	191.21	-	687.13
Adjustment during the year (refer sub-note (iii))	(15,635.63)	(205,937.18)	668,185.40	-	(614,452.99)	-	-	-	(167,840.40)
Gross carrying amount as at March 31, 2018	68,651.35	-	1,700,123.36	85,650.38	3,564,284.54	4,928.28	2,169.97	918.57	5,426,726.45
Accumulated impairment & depreciation as at April 01, 2017	-	-	73,510.15	10,852.97	253,696.43	1,108.07	918.42	399.09	340,485.13
Depreciation for the year	-	-	35,811.71	5,422.49	136,230.04	537.79	396.86	161.30	178,560.19
Impairment for the year	9,211.61	-	590,860.30	58,810.06	1,212,897.93	-	-	-	1,871,779.90
Disposals	-	-	-	-	187.90	-	66.68	-	254.58
Adjustment during the year (refer sub-note (iii))	-	-	49,392.97	-	(49,392.97)	-	-	-	-
Accumulated impairment & depreciation as at March 31, 2018	9,211.61	-	749,575.13	75,085.52	1,553,243.53	1,645.86	1,248.60	560.39	2,390,570.64
Net carrying amount as at April 01, 2017	84,107.26	205,937.18	958,281.34	74,797.41	3,847,680.40	3,794.09	1,358.48	453.21	5,176,409.37
Net carrying amount as on March 31, 2018	59,439.74	-	950,548.23	10,564.86	2,011,041.01	3,282.42	921.37	358.18	3,036,155.81

NOTES TO FINANCIAL STATEMENTS

3B. Capital work in progress

Capital work in progress (CWIP) as at March 31, 2019 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 115,414.24 lacs (March 31, 2018 ₹ 117,965.24 lacs). This includes expenditure capitalised and comprises of direct material cost, labour charges, supervision charges.

₹ 7,113.45 lacs (March 31, 2018 ₹ 12,051.23 lacs) of borrowing costs has been capitalised during the year on qualifying capital work in progress using a capitalisation rate of 9.81% (March 31, 2018: 10.22%)

(i) Net carrying value of plant and machinery comprises of:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Asset held under finance leases		
Cost	75,406.25	75,406.25
Accumulated depreciation	19,050.00	9,525.00
	56,356.25	65,881.25
Owned assets	1,863,959.69	1,945,159.76
	1,920,315.94	2,011,041.01

(ii) Adjustment during the respective year includes:

FY 2018-19

No significant adjustments have been made to property, plant and equipment during the current financial year.

FY 2017-18

- a) Capitalisation of exchange losses amounting to ₹ 38,096.78 lacs.
- b) Reclassification of leasehold land amounting to ₹ 205,937.18 lacs as an operating lease (including write off on account of prior period error net of cumulative amortisation, amounting to ₹ 187,365.38 lacs). For details of adjustment in leasehold land, refer note 29.
- c) Reclassifications of items of property plant and equipment between classes of assets.

(iii) For details of capital commitments, refer note 32.

(iv) Property, plant and equipment are pledged against borrowings, the details relating to which have been described in **Note 16A** pertaining to borrowings.

(v) During the year, based on an assessment of external market conditions relating to input costs and final product realisation and evaluation of physical working conditions for items of property, plant and equipment, certain assets located in Sahibabad & certain corporate assets were found to possess indicators of impairment.

During the current year, considering the existence of such impairment indicators, the Company has recognised an impairment loss of ₹ 5,219.23 lacs. The same has been presented as an exceptional item in the statement of profit and loss. Refer **Note 29** for details of exceptional items. The impairment loss was recognised based on recoverable amount of such assets (being NIL), determined as fair value less cost of disposal. The fair value measurement is categorised within level 3 of fair value hierarchy and was determined using scrap value of relevant assets, based on experience of management.

During the current year, the Company identified some projects classified as capital work in progress in earlier years, where active development had ceased for prolonged periods and accordingly recognised an impairment charge amounting to ₹ 18,747.98 lacs. Further, the Company identified capital expenditure amounting to ₹ 23,478.12 lacs incurred on some projects in earlier years, which was recognised as an impairment charge in the previous year and reversed such charge during the current year. The net reversal of impairment charge, amounting to ₹ 4,730.14 lacs, has been presented as an exceptional item in the statement of profit and loss. Refer **Note 29** for details of exceptional items.

During the previous year, the Company had recognised an impairment loss against property, plant and equipment including capital work in progress aggregating to ₹ 1,911,279.90 lacs.

NOTES TO FINANCIAL STATEMENTS

4. Intangible assets

(₹ in Lacs)

Particulars	Software costs	Other intangible assets	Total
Cost as at April 01, 2018	60.86	978.59	1,039.45
Addition during the year	14.43	-	14.43
Sold/discarded during the year	-	-	-
Adjustment during the year	-	-	-
Gross carrying amount as at March 31, 2019	75.29	978.59	1,053.88
Accumulated amortisation as at April 01, 2018	50.21	978.59	1,028.80
Amortisation during the year	8.02	-	8.02
Disposals	-	-	-
Adjustment during the year	-	-	-
Accumulated amortisation as at March 31, 2019	58.23	978.59	1,036.82
Net carrying value as at April 01, 2018	10.65	-	10.65
Net carrying value as at March 31, 2019	17.06	-	17.06

(₹ in Lacs)

Particulars	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2017	57.61	978.59	1,036.20
Addition during the year	3.25	-	3.25
Sold/discarded during the year	-	-	-
Adjustment during the year	-	-	-
Cost as at March 31, 2018	60.86	978.59	1,039.45
Accumulated amortisation as at April 01, 2017	43.87	978.59	1,022.46
Amortisation during the year	6.34	-	6.34
Disposals	-	-	-
Adjustment during the year	-	-	-
Accumulated amortisation as at March 31, 2018	50.21	978.59	1,028.80
Net carrying value as at April 01, 2017	13.74	-	13.74
Net carrying value as at March 31, 2018	10.65	-	10.65

NOTES TO FINANCIAL STATEMENTS

5. Leases

The Company has taken certain land, buildings, plant and machinery under operating and/or finance leases. The following is a summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company.

A Operating leases:

Significant leasing arrangements include lease of land for periods ranging between 70 to 90 years renewable on mutual consent, lease of transit house/guest house and assets dedicated for use under long term arrangements. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

Future minimum lease payments under non-cancellable operating leases are as below:

Minimum lease payments	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	705.54	1,052.73
Later than one year but not later than five years	3,368.17	3,348.17
Later than five years	3,496.94	4,437.31
	7,570.65	8,838.21

During the period ended March 31, 2019, total operating lease rental expense recognised in the statement of profit and loss was ₹ 81,749.88 lacs, (March 31, 2018: ₹ 91,716.73 lacs). This includes ₹ 80,084.80 lacs (March 31, 2018: ₹ 76,584.41 lacs) which comprises of consideration for non lease elements made under certain supply arrangement and consideration for lease element which can not be separated.

B Finance leases:

The Company entered into sale and leaseback arrangement for oxygen plant in earlier years. The terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognised with corresponding finance lease obligation.

The minimum lease payments and minimum lease payments excluding future finance charges in respect of arrangements classified as finance leases is as below:

Particulars	(₹ in Lacs)			
	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments	Minimum lease payments less future finance charges	Minimum lease payments	Minimum lease payments less future finance charges
Not later than one year	18,367.35	5,583.18	20,160.00	15,422.31
Later than one year but not later than five years	88,163.27	54,753.91	92,160.00	32,290.78
Later than five years	20,627.36	18,859.38	46,000.00	38,361.81
Total future minimum lease commitments	127,157.98	79,196.47	158,320.00	86,074.90
Less - Future finance charges	47,961.51	-	72,245.10	-
	79,196.47	79,196.47	86,074.90	-

NOTES TO FINANCIAL STATEMENTS
6. Financial assets
A. Investments

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(I) Non-current investments		
i) Investments in equity instruments of subsidiaries, associates and joint ventures at cost		
a) Investment in subsidiaries		
Bhushan Steel (Australia) Pty Limited - 47,369,796 (March 31, 2018: 47,369,796) equity shares of AUD 1 each fully paid up - unquoted	24,441.85	24,441.85
Less: impairment	(24,441.85)	(24,441.85)
	-	-
Bhushan Steel Madhya Bharat Limited - 49,990 (March 31, 2018: 49,990) equity shares of ₹ 10/- each fully paid up - Unquoted	5.00	5.00
Bhushan Steel (Orissa) Limited - 49,990 (March 31, 2018: 49,990) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
Bhushan Steel (South) Limited - 50,000 (March 31, 2018: 50,000) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
Total investment in subsidiaries	15.00	15.00
b) Investment in associates		
Jawahar Credit & Holdings Private Limited - 8,643,742 (March 31, 2018: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (refer sub-note (iii))	940.31	940.31
Less: impairment	(940.31)	(940.31)
Bhushan Capital & Credit Services Private Limited - 8,643,742 (March 31, 2018: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (refer sub-note (iii))	940.31	940.31
Less: impairment	(940.31)	(940.31)
Total investment in associates	-	-
Investments in subsidiaries and associates	15.00	15.00
ii) Other non-current investment in equity instruments at fair value through other comprehensive income		
Bhushan Energy Limited - 65,000,000 (March 31, 2018: 65,000,000) equity shares of ₹ 10 each fully paid up - unquoted	-	-
Andal East Coal Company Private Limited - 330,000 (March 31, 2018: 330,000) equity shares of ₹ 10/- each fully paid up - unquoted (refer sub-note (iii) below)	-	-
Tata Steel Limited - 13,500 (March 31, 2018: 13,500) equity shares of ₹ 10/- each fully paid up - quoted	70.31	77.07
Bhushan Buildwell Private Limited - 4,900 (March 31, 2018: 4,900) equity shares of ₹ 10/- each fully paid up - Unquoted	24.74	24.75
Saraswat Co-operative Bank Limited - 2,500 (March 31, 2018: 2,500) equity shares of ₹ 10/- each fully paid up - unquoted	0.82	1.07
Bhushan Steel Bengal Limited - 50,000 (March 31, 2018: 50,000) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	4.78
Total other investment	100.87	107.67
Aggregate carrying amount and market value of quoted investments	70.31	77.07
Aggregate carrying amount of unquoted investments		
- In Subsidiaries	15.00	15.00
- In Joint venture	-	-
- In Associates	-	-
- In Others	30.56	30.60
Aggregate amount of impairment in value of investments	26,322.47	26,322.47

NOTES TO FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(II) Current investments		
a. Investment carried at fair value through profit or loss		
Investment in mutual funds - Unquoted		
Tata Mutual Fund	17,679.15	-
Reliance Liquid Fund	20,096.70	-
Aditya Birla Sunlife Liquid Fund	21,439.92	-
DSP Liquidity Plan - Growth	7,698.70	-
Axis Liquid Fund - Growth	8,694.28	-
ICICI Prudential Liquid Fund - Growth	10,249.52	-
Invesco India Liquid Fund - Growth	13,222.97	-
Kotak Liquid Scheme - Growth	5,203.75	-
SBI Mutual Fund - Growth	10,107.04	-
UTI Liquid Cash Plan - Growth	17,849.77	-
Sundaram Money Fund - Growth	12,706.63	-
Baroda Pioneer Money Fund - Growth	3,096.48	-
HDFC Liquid Fund - Growth	6,341.46	-
L & T Liquid Fund - Growth	5,103.91	-
	159,490.28	-

Notes:

- (i) Refer note 39B for determination of fair values of current & non-current investments.
- (ii) The Company held investment in equity shares of Andar East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 145.50 lacs which had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of ₹ Nil upon initial recognition.
- (iii) Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) was being shown as promoter of Jawahar Credit & Holdings Private Limited ("JCHPL") and M/s Bhushan Capital & Credit Services Private Limited ("BCCSPL"). The Company has written to JCHPL, BCCSPL and the Registrar of Companies(Delhi) to de-classify the Company as a promoter therein.

B. Loans

Non-current (unsecured, considered good unless otherwise stated)

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Security deposits (refer sub-note (i))	4,625.74	7,151.62
(b) Loans to employees	20.54	113.73
(c) Other loans		
- Balances - credit impaired	523.75	523.75
Less: allowance for expected credit losses	(523.75)	(523.75)
	-	-
	4,646.28	7,265.35

NOTES TO FINANCIAL STATEMENTS
Current (unsecured, considered good unless otherwise stated)

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Security deposits (refer sub-note (i))		
- Unsecured, considered good	5,000.36	8,946.27
- Balances - credit impaired	15,151.94	9,000.00
Less: allowance for expected credit losses	(15,151.94)	(9,000.00)
	5,000.36	8,946.27
(b) Loans to employees	152.50	227.46
(c) Inter corporate deposits		
- Balances - credit impaired	760.00	760.00
Less: allowance for expected credit losses	(760.00)	(760.00)
	-	-
	5,152.86	9,173.73

C. Other financial assets
Non-current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Recoverable for coal block (refer sub-note (i))		
- Unsecured, considered good	41,456.43	41,456.45
- Unsecured, considered doubtful	14,833.52	14,833.51
Less: allowance for expected credit losses	(14,833.52)	(14,833.51)
	41,456.43	41,456.45
(b) Earmarked bank balances (refer sub-note (ii))	3,138.43	5,210.16
	3,138.43	5,210.16
	44,594.86	46,666.61

(i) For details of coal block advance, refer note 32C.

(ii) Non-current earmarked bank balances represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies and as margin money against issue of bank guarantees. Earmarked bank balances includes interest accrued but not due.

Current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Other financial assets		
- Unsecured, considered good	9,465.89	6,801.22
- Unsecured, considered doubtful	517.00	-
Less: allowance for credit losses	(517.00)	-
	9,465.89	6,801.22
	9,465.89	6,801.22

NOTES TO FINANCIAL STATEMENTS

7. Derivative instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
a) Derivative assets		
Forward forex contracts	214.07	-
Total derivative assets	214.07	-
b) Derivative liabilities		
Forward forex contracts	4,141.57	-
Total derivative liabilities	4,141.57	-

8. Other assets

Non-current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Capital advances		
Unsecured, considered good	8,162.34	8,658.89
Unsecured, considered doubtful	673.00	-
Less: provision for doubtful balances	(673.00)	-
	8,162.34	8,658.89
(b) Balances with statutory authorities		
Unsecured, considered good	49,588.11	52,128.17
Unsecured, considered doubtful	31,651.06	14,487.08
Less: provision for doubtful balances	(31,651.06)	(14,487.08)
	49,588.11	52,128.17
(c) Prepaid lease payments for operating leases	19,161.95	19,010.11
(d) Prepaid expenses	189.81	428.03
(e) Other advances	0.82	611.00
Total (a+b+c+d+e)	77,103.03	80,836.20

Current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Balances with statutory authorities	20,019.46	12,310.12
(b) Prepaid lease payments for operating leases	231.37	394.19
(c) Prepaid expenses	737.41	1,135.50
(d) Advance to suppliers	34,336.25	46,099.71
(e) Other advances	102.94	71.43
Total (a+b+c+d+e)	55,427.43	60,010.95

NOTES TO FINANCIAL STATEMENTS

9. Income tax assets

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Advance tax and tax deducted at source receivable (net of tax provisions)	3,181.98	2,900.20
	3,181.98	2,900.20

10. Inventories

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Raw materials	170,045.57	169,120.90
(b) Finished and semi-finished goods	196,304.65	172,552.04
(c) Stores and spares	83,251.65	56,325.77
(d) Others	8,586.27	4,520.83
	458,188.14	402,519.54
Included above, goods-in-transit:		
(i) Raw materials	31,290.01	79,671.67
(ii) Stores and spares	2,739.07	353.96
	34,029.08	80,025.63

(i) Value of inventories above is stated after provisions (net of reversal) ₹ 977.15 lacs (March 31, 2018: ₹ 37.78 lacs) for write-downs to net realisable value and provision for slow moving and obsolete items.

11. Trade receivables

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Trade receivables considered good - secured;	-	-
Trade receivables considered good - unsecured	71,779.82	123,929.30
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	16,266.72	15,088.51
	88,046.54	139,017.81
Less: allowance for expected credit losses	(18,345.33)	(17,060.00)
	69,701.21	121,957.81

(i) For details of receivables from related parties, refer note 36.

(ii) Trade receivables relate to Company's contracts with its customers, are non-interest bearing and are generally on credit terms not exceeding 12 months.

(iii) The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

(iv) Movement in allowance for credit losses of receivables is as follows:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	17,060.00	6,071.06
Charge in statement of profit & loss	1,285.33	11,240.75
Release to statement of profit & loss	-	(251.81)
Balance at the end of the year	18,345.33	17,060.00

NOTES TO FINANCIAL STATEMENTS

(v) Ageing of trade receivables and credit risk arising there from is as below:

(₹ in Lacs)

Particulars	As at March 31, 2019			Net carrying amount net of impairment provision
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	
Amount not yet due	43,096.79	0%	62.15	43,034.64
Less than three months overdue	19,544.36	2%	354.41	19,189.95
Between three to six month overdue	3,118.76	12%	368.76	2,750.00
Between six month to one year overdue	6,720.94	75%	5,013.95	1,706.99
Greater than one year overdue	15,565.69	81%	12,546.06	3,019.63
Balance at the end of the year	88,046.54		18,345.33	69,701.21

(₹ in Lacs)

Particulars	As at March 31, 2018			Net carrying amount net of impairment provision
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	
Amount not yet due	96,998.57	1%	563.77	96,434.80
Less than three months overdue	18,041.85	4%	782.04	17,259.81
Between three to six month overdue	2,802.33	47%	1,304.75	1,497.58
Between six month to one year overdue	11,906.09	43%	5,140.47	6,765.62
Greater than one year overdue	9,268.97	100%	9,268.97	-
Balance at the end of the year	139,017.81		17,060.00	121,957.81

(vi) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2019 to be ₹ 88,046.54 lacs (March 31, 2018: ₹ 139,017.81 lacs), which after consideration of allowance for expected credit losses, is the fair value of trade receivables. The Company's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2019 and March 31, 2018.

(vii) There are no outstanding receivable debts due from directors or other officers of the Company.

12. Cash and cash equivalents

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Cash in hand	13.88	18.42
(b) Cheques in hand	62.49	-
(c) Balance with banks		
- In current accounts	27,665.35	51,717.17
- Deposits with original maturity of less than three months	-	7,685.42
	27,741.72	59,421.01

NOTES TO FINANCIAL STATEMENTS
13. Other balances with banks

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
a) Earmarked balances with banks		
- Unpaid dividend	9.05	10.89
- Deposit with original maturity of more than three months but less than twelve months	12,680.61	32,341.53
	12,689.66	32,352.42

- (i) Earmarked balances with bank represent balances held for unpaid dividends and margin money/fixed deposits against issue of bank guarantees.
- (ii) Short-term deposits are made for varying periods between three to twelve months, depending on the immediate cash requirements of the company, and earned interest at the respective short-term deposit rates.

14. Equity share capital

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Authorised:		
46,500,000,000 Ordinary equity shares of ₹ 2 each (March 31, 2018: 400,000,000)	930,000.00	8,000.00
	930,000.00	8,000.00
Issued:		
1,097,530,242 Ordinary equity shares of ₹ 2 each (March 31, 2018: 230,605,220)	21,950.60	4,612.10
	21,950.60	4,612.10
Subscribed and Paid up:		
1,093,439,768 Ordinary equity shares of ₹ 2 each (March 31, 2018: 226,514,746)	21,868.80	4,530.30
	21,868.80	4,530.30

a) Reconciliation of number of shares outstanding and the amount of share capital:

(₹ in Lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
Shares outstanding at the beginning of the year	226,514,746	4,530.30	226,514,746	4,530.30
Shares issued during the year (Refer sub-note (i))	866,925,022	17,338.50	-	-
Shares outstanding at the end of the year	1,093,439,768	21,868.80	226,514,746	4,530.30

- i) During the year, the Company has issued 866,925,022 shares at the face value of ₹ 2/- per share by way of private placement of shares.

b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder.

NOTES TO FINANCIAL STATEMENTS

c) Details of the shareholders holding more than 5% share in the Company

(₹ in Lacs)

Particulars	As at March 31, 2019	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
1. Bamnival Steel Limited	794,428,986	72.65%

(₹ in Lacs)

Particulars	As at March 31, 2018	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
1. Shri Brij Bhushan Singal	31,247,969	13.80%
2. Shri Neeraj Singal	49,835,628	22.00%
3. Bhushan Infrastructure Private Limited	12,101,188	5.34%

d) Details of shares held by the holding company

(₹ in Lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up				
1. Bamnival Steel Limited	794,428,986	72.65%	-	-

15. Other equity

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
a) Capital redemption reserve		
Balance as at the beginning of the period	693.34	693.34
Changes during the year	-	-
Balance as at the end of the period	693.34	693.34
b) Securities premium		
Balance as at the beginning of the period	72,576.10	72,576.10
Changes during the year	-	-
Balance as at the end of the period	72,576.10	72,576.10
c) Debenture redemption reserve		
Balance as at the beginning of the period	36,512.50	36,512.50
Changes during the year	(36,512.50)	-
Balance as at the end of the period	-	36,512.50
d) General reserve		
Balance as at the beginning of the period	527,837.59	527,837.59
Changes during the year	36,512.50	-
Balance as at the end of the period	564,350.09	527,837.59
e) Retained earnings		
Balance as at the beginning of the period	(3,248,222.53)	(766,570.25)
Profit/(Loss) during the year	171,308.88	(2,481,347.03)
Remeasurement of defined employee benefit plans	523.83	(305.25)
Balance as at the end of the period	(3,076,389.82)	(3,248,222.53)

NOTES TO FINANCIAL STATEMENTS

f) Equity component of compound financial instruments

The compound financial instrument relate to the Optionally Convertible Redeemable Preference shares (OCRPS) and Non Convertible Redeemable Preference Shares (NCRPS) issued by the company.

A. Details of authorised, issued, subscribed and paid-up capital

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Authorised:		
22,000,000 Preference shares of ₹ 100 each (March 31, 2018: 20,500,000)	22,000.00	20,500.00
12,000,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	1,200,000.00	-
12,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	1,200,000.00	-
	2,422,000.00	28,500.00
Issued:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	1,070,000.00	-
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	900,000.00	-
	1,970,000.00	-
Subscribed and Paid up:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	1,070,000.00	-
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	900,000.00	-
	1,970,000.00	-

B. Reconciliation of number of shares outstanding:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Shares outstanding at the beginning of the year	-	-
Shares issued during the year (refer sub-note (I))	10,700,000,000	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	10,700,000,000	-

I. During the year, the Company has issued 107,000,00,000 shares at the face value of ₹ 10 per share by way of private placement of shares.

Optionally Convertible Redeemable Preference shares

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Shares outstanding at the beginning of the year	-	-
Shares issued during the year (refer sub-note (I))	9,000,000,000	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,000,000,000	-

I. During the year, the Company has issued 9,000,000,000 shares at the face value of ₹ 10/- per share by way of private placement of shares.

C. Rights, preferences and restrictions attached to the preference shares

The Company has preference shares having a par value of ₹ 10/- per share. Preference shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

The Company declares and pays dividend in Indian rupees. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. However, the holders of the preference shares shall be paid dividend on a non-cumulative basis.

NOTES TO FINANCIAL STATEMENTS

The preference shares shall be non-participating in the surplus funds and also in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.

For terms of redemption, refer sub-note (iii) of Note 16A - Borrowings.

D. Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Equity shares reserved for issue under option	2,947,920,079	-

E. Terms of conversion attached to Optionally Convertible Redeemable Preference shares

OCRPS shall be convertible into equity shares at the option of Tata Steel Limited, the holder, within a period of 18 months from the date of allotment at a price determined on the relevant date i.e. February 08, 2019 being ₹ 30.53.

F. Details of the shareholders holding more than 5% preference shares in the Company

Non Convertible Redeemable Preference Shares

(₹ in Lacs)

Particulars	As at March 31, 2019	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	10,700,000,000	100.00%

Optionally Convertible Redeemable Preference shares

(₹ in Lacs)

Particulars	As at March 31, 2019	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	9,000,000,000	100.00%

G. Equity component of compound financial instruments

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance as at the beginning of the period	-	-
Transactions with owners in their capacity as owners	1,729,582.05	-
Balance as at the end of the period	1,729,582.05	-

H. Capital contribution

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance as at the beginning of the period	-	-
Transactions with owners in their capacity as owners	2,518,550.72	-
Balance as at the end of the period	2,518,550.72	-

NOTES TO FINANCIAL STATEMENTS

I. Equity instruments at fair value through other comprehensive income

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance as at the beginning of the period	66.70	54.80
Other comprehensive (loss)/income recognised during the period	(6.80)	11.90
Balance as at the end of the period	59.90	66.70
Total other equity	1,809,422.38	(2,610,536.30)

J. Description of the nature of reserves existing in the company:-

Capital redemption reserve - The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier year.

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

Debenture redemption reserve - The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. Since, the debentures were redeemed during the current year, hence ₹ 36,512.50 lacs appearing in the debenture redemption reserve was transferred to general reserve.

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

Retained earnings - Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Equity component of compound financial instruments - The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) & Non Convertible Redeemable Preference shares (NCRPS) during the financial year ended March 31, 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS & OCRPS as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OCRPS & NCRPS and the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

Capital contribution - During the year, post implementation of the resolution plan dated May 18, 2018, Bamnival Steel Limited (Holding Company), in its capacity as the promoter of the company, had waived off novated debts (reduced by the cost of novation) amounting to ₹ 25,18,550.72 lacs. The Company recognised such waiver as a capital contribution made during the year as an item of 'Other equity'. Refer Note 43 for details of accounting of resolution plan.

Other comprehensive income - The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity instruments are derecognised.

NOTES TO FINANCIAL STATEMENTS

16. Financial liabilities

A. Borrowings

Non - current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Secured		
(i) Debentures	-	144,033.14
(ii) Term loans from banks		
- Indian rupees loans (refer sub-note (ii))	1,384,542.07	2,388,001.53
- Foreign currency loans	-	890,260.91
(iii) Term loans from financial institutions	-	62,130.89
(iv) Finance lease obligation	79,196.47	85,054.98
	1,463,738.54	3,569,481.45
(b) Unsecured		
(i) Term loans from banks		
- Indian rupees loans	-	9,765.00
- Foreign currency loans	-	314.38
(ii) Liability component of compound financial instruments	239,075.38	-
(iii) From others	-	3,229.91
	239,075.38	13,309.29
Less: Current maturities of long term borrowings classified under 'other financial liabilities'	-	3,497,735.75
Less: Current maturities of finance lease obligation classified under 'other financial liabilities'	5,583.18	14,402.39
	1,697,230.74	70,652.60

Current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Secured		
(i) Working capital facilities from banks		
- Indian rupees loans	-	1,095,415.10
- Foreign currency loans	-	36,983.47
(ii) Borrowing against bills discounted	-	4,726.31
(iii) Bills of exchange payable-foreign currency	-	8,373.16
	-	1,145,498.04
(b) Unsecured		
(i) From bank		
- Foreign currency loans	-	87.07
(ii) Preference shares (redeemable on demand)	-	235,700.97
	-	235,788.04
	-	1,381,286.08

- (i) Rupee term loans as at March 31, 2019 amounting to ₹ 1,384,542.07 lacs are secured by a charge on all of the Company's immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan shall be payable across 18 half yearly installments starting from March 2022. The interest rate on such term loans is 0.55% spread over MCLR.
- (ii) Working capital facilities are secured by hypothecation of stock & book debts.

NOTES TO FINANCIAL STATEMENTS

- (iii) During the current year, the Company has issued 11.09% Non-Convertible Redeemable Preference Shares (“NCRPS”) and 8.89% Optionally Convertible Redeemable Preference Shares (“OCRPS”) to Tata Steel Limited (“TSL”), on private placement basis. The NCRPS and OCRPS are redeemable at par value at maturity, i.e. 20 years from the date of allotment. The Company has an option to early redeem the NCRPS and OCRPS at 3 monthly intervals from the date of allotment. OCRPS shall be convertible into equity shares at the option of TSL within a period of 18 months from the date of allotment at ₹ 30.53 per share.
- (iv) Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process (“CIRP”) under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal (“NCLT”) dated July 26, 2017. On May 15, 2018, the NCLT approved the terms of the Resolution Plan submitted by Tata Steel Limited (“TSL”). The accounting for the borrowings was carried out considering the terms of such Resolution Plan. Refer Note 43 for details of effect of resolution plan & its accounting thereof. As all the borrowings were settled on May 17, 2018, the details of security in respect of such borrowings are not given.
- v) The Company has disclosed its finance lease obligation after offsetting the amount receivable from the lessor amounting to ₹ 1,019.92 lacs.

B Trade payables

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 33)	1,254.42	1,001.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	307,642.43	129,511.22
	308,896.85	130,512.81

- (i) The Company considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2019 to be ₹ 308,896.85 lacs (March 31, 2018: ₹130,512.81 lacs), which is the fair value of trade payables.

C Other financial liabilities
Non-current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Deferred sales tax payable	4,385.37	3,940.04
(b) Other payables	1,403.60	-
	5,788.97	3,940.04

Current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Current maturities of long term borrowings	-	3,497,735.75
(b) Current maturities of finance lease obligation	5,583.18	14,402.39
(c) Interest accrued on borrowings	-	1,336,913.48
(d) Liability for capital goods	48,986.83	88,379.30
(e) Security deposits	707.27	508.35
(f) Dues to directors	3.92	3,384.86
(g) Dues to officers	-	11.83
(h) Unclaimed dividend	9.04	10.89
(i) Other payables	12,941.42	11,433.52
	68,231.66	4,952,780.37

17. Other liabilities
Current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Advances received from customers	12,807.39	3,506.63
(b) Statutory Dues	23,995.75	40,550.94
(c) Other liabilities	-	306.54
	36,803.14	44,364.11

- (i) The advances received from customers represents contract liability balances outstanding as at the respective dates. The advances received from customers outstanding as at April 1, 2018 were fully recognized as revenue during the year ended March 31, 2019 upon satisfaction of the associated performance obligations.

NOTES TO FINANCIAL STATEMENTS

18. Provisions

Non-current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
- Gratuity (refer note 35)	3,416.59	3,466.98
- Compensated absences	2,263.18	2,165.10
	5,679.77	5,632.08

Current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
- Compensated absences	294.03	731.14
	294.03	731.14

19. Deferred income

Non-current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Deferred income	227.69	266.18
	227.69	266.18

20. Revenue from operations

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Sale of products to customers	1,986,010.95	1,676,061.67
(b) Other operating revenue		
Other sales to customers	77,551.46	52,559.65
Export and other incentives (refer sub-note (i))	25,597.94	11,821.44
	2,089,160.35	1,740,442.76

(i) This includes amount recognised on account of Maharashtra Package Scheme of Incentives, 1993 amounting to ₹ 14,332.48 lacs. Refer Note 45 for further details.

Geographical information

Geographical information, by region, of the Company's revenue from operations, has been disclosed below and represents Tata Steel BSL's most significant regional markets.

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) India	1,786,943.08	1,393,410.89
(b) Asia excluding India	177,654.52	209,501.41
(c) Europe	83,694.64	69,301.00
(d) Rest of world	40,868.11	68,229.46
	2,089,160.35	1,740,442.76

NOTES TO FINANCIAL STATEMENTS

Details of performance obligation associated with revenue recognition

Satisfaction of performance obligations:-

The Company's revenue is derived from the single performance obligation to transfer primarily steel products under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Additionally, the Company identifies when goods have left its premises, not when the customer receives the goods. Therefore, the Company estimates, based on its historical experience, the amount of goods in-transit when the transfer of control occurs at the destination and defers the revenue recognition.

In case of export sales, for delivery conditions whereby the Company arranges the logistics of the goods to its premises, the Company charges the freight on actual basis (actuals as levied by the transporter). In this case, the Company acts as an agent in arranging such logistics services. Hence, revenue from such services are netted off with the expenses as levied by the transporter.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates in each reporting period.

21. Other income

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Finance income on:		
- Fixed deposits	2,508.09	784.09
- Others	375.03	2,122.02
(b) Net Gain / (loss) on sale/fair valuation of investments	8,478.77	-
(c) Dividend income on - long term investments	1.35	2.70
(d) Liabilities written back	89.91	4,920.00
(e) Miscellaneous income	1,790.92	1,679.25
	13,244.07	9,508.06

22. Raw materials consumed

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Cost of raw materials consumed	1,163,663.41	994,455.85
Less: Expenses transferred to capital work in progress	(3,357.95)	(2,927.02)
	1,160,305.46	991,528.83

NOTES TO FINANCIAL STATEMENTS

23. Purchases of finished, semi-finished steel & other products

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of stock in trade	685.44	712.03
	685.44	712.03

24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Closing stock		
- Finished goods	196,304.65	172,552.04
- Work-in-progress	-	-
- Others	8,586.27	4,520.83
	204,890.92	177,072.87
Opening stock		
- Finished goods	172,552.04	61,430.45
- Work-in-progress	-	103,484.14
- Others	4,520.83	9,368.65
	177,072.87	174,283.24
Net increase [(b) - (a)]	(27,818.05)	(2,789.63)

25. Employee benefit expense

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages (refer sub-note (i))	35,310.67	34,485.56
Contribution to provident and other funds	1,013.49	1,423.42
Staff welfare expenses	707.69	783.39
	37,031.85	36,692.37
Less: expenses transferred to capital work in progress	(781.29)	(934.75)
	36,250.56	35,757.62

(i) Contractual manpower costs for the year ended March 31, 2018 amounting to ₹ 23,572.43 lacs have been reclassified from employee benefits expense to other expenses [sub-head - contractual manpower costs] to provide more relevant information.

26. Finance cost

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest on borrowings	380,969.12	636,731.20
(b) Other borrowing cost	1,362.21	5,809.77
	382,331.33	642,540.97
Less: expenses transferred to capital work in progress	(7,113.45)	(12,051.23)
	375,217.88	630,489.74

27. Depreciation and amortisation expenses

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Depreciation on tangible assets	144,165.90	178,560.19
(b) Amortisation of intangible assets	8.02	6.34
	144,173.92	178,566.53

NOTES TO FINANCIAL STATEMENTS
28. Other expenses

(₹ in Lacs)

Particulars	Year ended March	Year ended
	31, 2019	March 31, 2018
(a) Consumption of stores, spares and consumables	130,745.05	80,902.70
(b) Packing material consumed	7,521.02	6,398.17
(c) Purchase of power and consumption of fuel	117,638.28	97,228.76
(d) Rent (refer sub-note (iii))	81,749.88	91,716.73
(e) Insurance charges	3,224.93	1,504.44
(f) Rates and taxes	935.31	2,900.93
(g) Repairs and maintenance:		
Building	718.20	193.33
Machinery	6,714.27	9,704.87
(h) Payment to auditors:		
Audit fees	350.00	350.00
Tax audit fee	35.00	35.00
Out-of-pocket expenses	47.57	-
For other services	3.06	-
(i) Freight and handling charges	89,093.63	80,387.21
(j) Commission, discounts and rebates	3,544.60	7,129.19
(k) Loss on sale of property, plant and equipment	26.69	207.95
(l) Bad debts written off	-	245.37
(m) Allowance for expected credit losses	5,954.63	11,240.75
(n) Contractual manpower costs (refer sub-note (i))	33,423.92	23,572.43
(o) Miscellaneous expenses (refer sub-note (ii))	58,352.87	48,854.37
(p) Excise duty on closing stock	-	(6,836.78)
	540,078.91	455,735.42
Less: expenses transferred to capital work in progress	(197.91)	(174.17)
	539,881.00	455,561.25

- (i) Contractual manpower costs for the year ended March 31, 2018 amounting to ₹ 23,572.43 lacs have been reclassified from employee benefits expense to other expenses [sub-head - contractual manpower costs] to provide more relevant information.
- (ii) Miscellaneous expenses includes losses on account of foreign exchange fluctuation amounting to ₹ 5,765.57 lacs (March 31, 2018: ₹ 1,786.59 lacs).
- (iii) Rent includes ₹ 80,084.80 lacs (March 31, 2018: ₹ 76,584.41 lacs) which comprises of consideration for both non lease elements and lease element paid under certain supply arrangement which can not be separated.

29. Exceptional items

(₹ in Lacs)

Particulars	Year ended March	Year ended March
	31, 2019	31, 2018
(a) Effects of implementation of resolution plan (refer sub-note - (i))	315,927.27	-
(b) Provision for impairment on property, plant and equipment and other assets (refer sub-note - (ii))	(18,326.60)	(2,075,901.76)
(c) Provision for impairment on financial assets	-	(23,833.52)
(d) Other exceptional items	-	(234,732.49)
	297,600.67	(2,334,467.77)

i) Effects of implementation of resolution plan (refer Note 43 for details of effects of resolution plan)

Pursuant to CIRP proceedings & implementation of resolution plan, there has been a gain of ₹ 315,927.27 lacs on account of the following:-

- (a) Operational creditors extinguishment - ₹ 55,212.35 lacs,
- (b) Redemption of preference shares & waiver of related interest obligation - ₹ 242,557.34 lacs,
- (c) Extinguishment of dues towards financial creditors on account of pledged shares invocation - ₹ 18,157.58 lacs.

NOTES TO FINANCIAL STATEMENTS

ii) Provision for impairment on property, plant & equipment and other assets

- (a) Provision for impairment of property, plant and equipment - ₹ 5,219.23 lacs [refer Note - 3]
- (b) Provision for impairment of certain non-current advances - ₹ 17,837.52 lacs.
- (c) Net reversal of provision for impairment made in earlier year - ₹ 4,730.14 lacs [refer Note - 3]

iii) Exceptional items recognised in previous year financial statements

- (A) Provision for impairment on property, plant & equipment and other assets includes:
 - (a) Provision for impairment of property, plant and equipment (including CWIP) - ₹ 1,911,279.90 lacs.
 - (b) Derecognition of Minimum Alternate Tax credit ₹ 80,605.55 lacs.
 - (c) Provision for impairment of investment in associates – Bhushan Energy Limited and others ₹ 36,880.62 lacs.
 - (d) Certain non-current advances ₹ 47,135.93 lacs.
- (B) Provision for impairment on financial assets of ₹23,833.52 lacs comprises:
 - (a) Expenditure incurred on development of deallocated coal mines of ₹ 14,833.52 lacs; and
 - (b) Security deposits given to Bhushan Energy Limited of ₹9,000.00 lacs.
- (C) Other exceptional items for the year ended March 31, 2018 include prior period items of ₹ 201,909.65 lacs comprising of the following:
 - (a) Amortisation of leasehold land accounted as operating lease - The Company has taken land properties on operating lease in earlier years, which prior to year ended March 31, 2018 were accounted as finance lease. Upon change in their classification as operating lease, the cumulative effect of amortisation from inception until the year ended March 31, 2017 has been recognised in previous year's profit or loss in 'exceptional items'. Further, these leasehold land properties were recognised at fair value on transition to Ind AS as on April 01, 2015 and such fair valuation adjustment has also been reversed in previous year's profit or loss in 'exceptional items'.
 - (b) Accounting effect of oxygen plant accounted as finance lease - The Company entered into sale and leaseback arrangement for oxygen plant in earlier years which was accounted as operating lease. However, the terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognised with corresponding finance lease obligation. Cumulative effect of reversal of operating lease rentals and booking of depreciation and finance cost from inception until the year ended March 31, 2017 has been recognised in previous year's profit or loss in 'exceptional items'.

30. Earning per share

Basic and diluted earning per share ("EPS") amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company (including the potential savings/expenses that would result from the conversion of the dilutive potential ordinary share) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Profit/ (loss) after tax (₹ in lacs)	171,308.88	(2,481,347.03)
Add:- income that would result from the conversion of the dilutive potential ordinary share (₹ in lacs)	38,026.38	-
(b) Profit/(loss) after tax to be considered for computation of Diluted Earnings Per Share (DEPS) (₹ in lacs)	209,335.26	(2,481,347.03)
(c) Weighted average number of equity shares - Basic (Nos.)	981,808,327	226,514,746
Add:- weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares (refer sub note (i))	18,937,586,654	-
(d) Weighted average number of equity shares - Diluted (Nos.)	19,919,394,981	226,514,746
Earning Per Share		
Basic (₹ / share) [(a)/(c)]	17.45	(1,095.45)
Diluted (₹ / share) [(b)/(d)]	1.05	(1,095.45)
Face value per share (₹)	2.00	2.00

NOTES TO FINANCIAL STATEMENTS

(i) The dilution is on account of:-

Potential equity shares which may be issued on account of conversion option that exists in the Optionally Convertible Redeemable Preference Shares (OCRPS). OCRPS shall be convertible into equity shares at the option of the investor (being Tata Steel Limited) within a period of 18 months from the date of allotment at ₹ 30.53 per share, and,

Potential equity shares which could have been issued on account of conversion option that existed in the Inter-Corporate Deposits (ICD) taken from Bamnival Steel Limited. ICD was convertible into equity shares at the option of the investor (being Bamnival Steel Limited) within a period of 18 months from the date of issue of ICD at face value of equity share, i.e., ₹ 2 per share. The dilution impact has been considered for the period in which the ICD was outstanding, i.e., May 18, 2018 to March 19, 2019.

31. Tax expenses

(a) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:**

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Profit / (loss) before tax	171,308.88	(2,913,530.50)
At India's statutory income tax rate of 34.944% (March 31, 2018: 34.944%)	59,862.18	(1,018,104.10)
(a) Deferred tax assets on losses and unabsorbed depreciation not recognised	154,165.39	237,190.56
(b) Income exempt from tax/items not deductible	31,180.62	145,764.22
(c) Deferred taxes (assets)/liabilities relating to earlier years recognised during the year	(246,042.88)	207,161.48
(d) Impact of change in tax rate	-	(4,195.63)
(e) Others	834.70	-
	-	(432,183.47)
	-	(432,183.47)

(i) Finance Act, 2018, changed the statutory tax rate applicable for Indian companies having turnover of more than ₹25,000 lacs from 34.608% to 34.944% (including surcharge and cess) from assessment year 2019-20. The Company has accordingly re-measured deferred tax balances expected to reverse in future periods based on the revised applicable rate.

(b) **Movement of deferred tax liability from beginning to end of financial year is as follows:**

Particulars	(₹ in Lacs)				
	As at April 01, 2017	Provided during the year	As at March 31, 2018	Provided during the year	As at March 31, 2019
Deferred tax liability:					
(a) Related to property plant & equipment	1,016,844.08	(546,748.46)	470,095.62	28,265.63	498,361.25
(b) Investments carried at Fair value through profit or loss	-	-	-	258.65	258.65
Total deferred tax liability	1,016,844.08	(546,748.46)	470,095.62	28,524.28	498,619.90
Deferred tax assets:					
(a) Accumulated business loss and unabsorbed depreciation	539,986.23	(319,165.99)	220,820.24	217,729.29	438,549.53
(b) Provision for doubtful debts	2,101.07	3,860.37	5,961.44	449.15	6,410.59
(c) Amount deductible on payment basis	41,436.83	159,464.17	200,901.00	(195,330.10)	5,570.90
(d) Others	1,168.46	41,244.48	42,412.94	5,675.94	48,088.88
Total deferred tax assets	584,692.59	(114,596.97)	470,095.62	28,524.28	498,619.90
Mat credit entitlement	80,605.55	(80,605.55)	-	-	-
Deferred tax liability (net)	351,545.94	(351,545.94)	-	-	-
Recognised in profit or loss as 'tax expenses'	-	(432,183.47)	-	-	-
Recognised in profit or loss as 'exceptional item'	-	80,605.55	-	-	-
Recognised in OCI	-	31.98	-	-	-
Total	-	(351,545.94)	-	-	-

NOTES TO FINANCIAL STATEMENTS

- (i) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 321,093.41 lacs as at March 31, 2019 (March 31, 2018: ₹ 478,031.47 lacs), where it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the company.
- (ii) In the previous financial year ended March 31, 2018, the Company had unused tax credit (MAT) of ₹ 80,605.55 lacs for which no assets has been recognised.
- (iii) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

(₹ in Lacs)		
Particulars	Year of expiry	Amount
Unabsorbed depreciation	No expiry	918,879.95
		918,879.95

32. Commitments and contingencies

A. Contingent liabilities

(₹ in Lacs)		
Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Sales Tax	-	120,810.98
(b) Excise Duty/Custom duty/ Service Tax	-	70,296.19
(c) Entry Tax	-	47,507.68
(d) Income Tax	-	280,427.52
(e) Water Conservation Fund	-	15,075.12
(f) Others	-	13,150.49
	-	547,267.98

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 18, 2018 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been legally advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. July 26, 2017, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies (presented under Other Assets - Non current) continue to subsist.

B. Commitments

(₹ in Lacs)		
Particulars	As at	As at
	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8,975.50	27,660.66
	8,975.50	27,660.66

NOTES TO FINANCIAL STATEMENTS

C. Other matters

The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Company which were under development. Subsequently, the Government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks. De-allocated coal block amounting to ₹ 56,289.95 lacs includes expenditure incurred of ₹ 14,833.52 lacs and advance given of ₹ 41,456.44 lacs. During the previous year, Company has provided provision for expenses incurred. In the opinion of the management, the Company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company has filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the Company had filed a Writ Petition bearing No 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Union of India and other. The Counter Affidavit(s) were filed by Union of India in November 2016 and subsequent thereto pleadings were completed.

On May 24, 2018 the above matter came up for hearing before Hon'ble Delhi High Court. Vide office Memorandum dated March 20, 2018, New Patrapara Coal Block has been earmarked for allotment to Odisha Government. Court has directed Union of India to file status report on land acquisition status/proceedings upto 10 days prior to next date of hearing, i.e., September 27, 2018.

On September 27, 2018, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that whether the Company should be awarded interest on the money lying deposited, the rate of interest and the period for which it is payable, would be subject to the final outcome of the proceedings.

On February 07, 2019, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that Union of India had sought time to obtain specific instructions as to time schedule which would be adhered to for disbursement of compensation amount. The Union of India shall file specific undertaking outlining the amounts payable to the Company and also the last date by which the amount could be disbursed. Thereafter matter was adjourned to May 07, 2019.

33. Dues to micro, small and medium enterprises

The dues to micro, small and medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due to micro, small and medium enterprises	1,648.20	1,040.52
- Interest due	6.93	46.73
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) 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 the MSMED Act 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	6.93	46.73
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

34. Segment reporting

The business activity of the company falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Ministry of Corporate Affairs is not considered applicable.

35. Employee benefits

Defined Contribution Plans - general description

Provident Fund:

During the year, the Company has recognised ₹ 666.61 Lacs (2017-18: ₹ 615.41 Lacs) as contribution to Employee Provident Fund in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS

Defined Benefit Plans - general description

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service at the time of separation from the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(a) Reconciliation of fair value of plan assets and defined benefit obligation: (₹ in Lacs)

Particulars	Gratuity (Funded)
March 31, 2018	
Fair value of plan assets	1,905.82
Defined benefit obligation	5,372.80
Net asset/ (liability) as at March 31, 2018	(3,466.98)
March 31, 2019	
Fair value of plan assets	2,054.86
Defined benefit obligation	5,471.45
Net asset/ (liability) as at March 31, 2019	(3,416.59)

(b) Changes in the present value of the defined benefit obligation are, as follows: (₹ in Lacs)

Particulars	Gratuity (Funded)
Defined benefit obligation as at April 01, 2017:	4,399.63
Current service cost	539.92
Interest expense	331.73
Past service cost	-
Benefits paid	(176.49)
Actuarial (gain)/ loss on obligations - OCI	278.01
Defined benefit obligation as at March 31, 2018	5,372.80
Current service cost	606.14
Interest expense	414.24
Past service cost	-
Benefits paid	(380.57)
Actuarial (gain)/ loss on obligations - OCI	(541.16)
Defined benefit obligation as at March 31, 2019	5,471.45

(c) Changes in the fair value of plan assets are, as follows: (₹ in Lacs)

Particulars	Gratuity (Funded)
Fair value of plan assets as at April 01, 2017:	1,792.42
Contribution by employer	150.00
Benefits paid	(176.49)
Return on plan assets	139.89
Fair value of plan assets as at March 31, 2018	1,905.82
Contribution by employer	400.00
Benefits paid	(380.57)
Return on plan assets	129.61
Fair value of plan assets as at March 31, 2019	2,054.86

NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

Break up of fair value of plan assets	As at	As at
	March 31, 2019	March 31, 2018
- SBI Life	741.66	827.29
- LIC	753.35	609.18
- PNB Metlife	389.92	363.90
- Trust	169.93	105.45
Total fair value of plan assets	2,054.86	1,905.82

(d) Amount recognised in statement of profit and loss:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Current service cost	606.14	539.92
Past service cost	-	-
Net interest expense	267.30	196.58
Remeasurement of net benefit liability/ asset	-	-
Amount recognised in statement of profit and loss	873.43	736.50

(e) Amount recognised in other comprehensive income:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Actuarial (gain)/ loss on obligations		
Actuarial (gain)/ loss arising from change in demographic assumptions	(730.27)	-
Actuarial (gain)/ loss arising from change in financial assumptions	(23.85)	(36.15)
Actuarial (gain)/ loss arising from change in experience adjustment	212.96	314.16
Return on plan assets (excluding amounts included in net interest expense)	17.33	(4.74)
Amount recognised in other comprehensive income for year ended	(523.83)	273.27

The principal assumptions used in determining gratuity for the Company's plans are shown below:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Discount rate (in %)	7.81%	7.71%
Salary escalation (in %)	5.00%	5.00%
Rate of return on plan assets (in %)	6.80%	7.80%
Retirement age (in years)	60.00	60.00
Expected average remaining working lives of employees (in years)*	22.52	23.00
Expected contribution for the next annual reporting period (₹ in Lacs)	922.40	870.13

* Mortality rates inclusive of provision for disability - 100% of IALM (2006-08)

NOTES TO FINANCIAL STATEMENTS

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Gratuity

(₹ in Lacs)

Assumptions	As at March 31, 2019		As at March 31, 2019		As at March 31, 2019	
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(231.43)	250.39	256.09	(238.47)	Not material	Not material

(₹ in Lacs)

Assumptions	As at March 31, 2018		As at March 31, 2018		As at March 31, 2018	
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(103.87)	108.54	110.86	(106.94)	Not material	Not material

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation (gratuity):

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Within the next twelve months (next annual reporting period)	617.96	1,104.87
Between two and five years	1,328.99	2,272.97
Between five and ten years	1,319.46	1,377.79
Beyond ten years	3,776.40	1,457.51
Total expected payments	7,042.81	6,213.15

36 Related party transaction & balances

A Names of related parties having transactions during the year and description of relationship

(i) Entity having significant influence over the ultimate holding company

Tata Sons Private Limited

(ii) Ultimate holding company

Tata Steel Limited

(iii) Holding company ("Parent Company")

Bamnipal Steel Limited

(iv) Subsidiary companies:

Indian subsidiaries

Bhushan Steel (Orrisa) Ltd.
Bhushan Steel Madhya Bharat Ltd.
Bhushan Steel (South) Ltd.

Overseas subsidiaries

Bhushan Steel (Australia) PTY Ltd.
Step-down subsidiaries:-
Bowen Energy PTY Ltd., Australia
Bowen Coal PTY Ltd.
Bowen Consolidated PTY Ltd.

The Company's related parties principally consist of its ultimate holding company - (Tata Steel Limited including its subsidiaries, associates and joint ventures), subsidiaries, associates, joint ventures and entity having significant influence over the ultimate holding company (Tata Sons Private Limited). The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended/ as at March 31, 2019 & March 31, 2018.

NOTES TO FINANCIAL STATEMENTS

Transactions	Year ended	Ultimate Holding Company	Parent Company	Subsidiary companies	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Other related parties	Grand Total
Remuneration and perks (refer sub-note E)	March 31, 2019	-	-	-	-	210.66	-	-	-	210.66
	March 31, 2018	-	-	-	-	1,332.35	38.84	-	-	1,371.19
Directors sitting fees	March 31, 2019	-	-	-	-	17.05	-	-	-	17.05
	March 31, 2018	-	-	-	-	6.03	1.60	-	-	7.63
Allotment of shares	March 31, 2019	-	15,888.58	-	-	-	-	-	-	15,888.58
	March 31, 2018	-	-	-	-	-	-	-	-	-
Issue of preference shares	March 31, 2019	1,970,000.00	-	-	-	-	-	-	-	1,970,000.00
	March 31, 2018	-	-	-	-	-	-	-	-	-
Capital contribution received	March 31, 2019	-	2,518,550.72	-	-	-	-	-	-	2,518,550.72
	March 31, 2018	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit received	March 31, 2019	-	3,597,369.42	-	-	-	-	-	-	3,597,369.42
	March 31, 2018	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit repaid	March 31, 2019	-	3,597,369.42	-	-	-	-	-	-	3,597,369.42
	March 31, 2018	-	-	-	-	-	-	-	-	-
Interest paid (refer sub-note C)	March 31, 2019	-	231,623.50	-	-	-	-	-	-	231,623.50
	March 31, 2018	-	-	-	-	-	-	-	-	-
Novation Loan received	March 31, 2019	-	10,000.00	-	-	-	-	-	-	10,000.00
	March 31, 2018	-	-	-	-	-	-	-	-	-
Novation loan repaid	March 31, 2019	-	10,000.00	-	-	-	-	-	-	10,000.00
	March 31, 2018	-	-	-	-	-	-	-	-	-
Purchase of goods/ services (refer sub-note D)	March 31, 2019	39,737.37	-	-	-	-	-	-	351,844.30	391,581.67
	March 31, 2018	-	-	-	58,929.01	-	-	470.24	-	59,399.25
Dividend received	March 31, 2019	1.35	-	-	-	-	-	-	-	1.35
	March 31, 2018	-	-	-	-	-	-	-	-	-
Sales of goods/ services	March 31, 2019	17,710.84	-	-	-	-	-	-	6,739.83	24,450.67
	March 31, 2018	-	-	-	-	-	-	3.48	-	3.48
Balances										
Advance to supplier	March 31, 2019	-	-	-	-	-	-	-	22.21	22.21
	March 31, 2018	-	-	-	-	-	-	-	-	-
Payable (refer sub-note D)	March 31, 2019	7,035.27	-	1,279.42	-	3.92	-	-	167,797.36	176,115.96
	March 31, 2018	-	-	1,303.42	-	-	-	-	-	1,303.42
Receivables	March 31, 2019	102.50	-	-	-	-	-	-	-	102.50
	March 31, 2018	-	-	-	-	-	-	-	-	-
Preference shares (refer sub-note B)	March 31, 2019	1,970,000.00	-	-	-	-	-	-	-	1,970,000.00
	March 31, 2018	-	-	-	-	-	-	-	-	-
Advance from customers	March 31, 2019	-	-	-	-	-	-	-	53.71	53.71
	March 31, 2018	-	-	-	-	-	-	-	-	-
Dividend receivables	March 31, 2019	6.48	-	-	-	-	-	-	-	6.48
	March 31, 2018	-	-	-	-	-	-	-	-	-

B. The Preference shares outstanding include -

- Liability component of preference shares - ₹ 240,417.95 lacs
- Equity component of preference shares - ₹ 1,729,582.05 lacs

NOTES TO FINANCIAL STATEMENTS

- C. The interest paid excludes interest accrued on the compound financial instruments (being preference shares) amounting to ₹ 657.43 lacs as the same represents unwinding of interest considered in statement of profit and loss during the year on account of accounting for compound financial instruments in accordance with Ind-AS 32. The same does not represent cash outflow in respect of interest expense payable to the holder of such instrument (being Tata Steel Limited).
- D. Purchase of goods/services and payables includes:-
- Purchases of goods from TS Global Procurement Pte Limited amounting to ₹ 347,901.37 lacs and
 - Amount payable to TS Global Procurement Pte Limited amounting to ₹ 167,512.51 lacs respectively.
- E. During the year, the Company has recognised an amount of ₹ 210.66 lacs (March 31, 2018 : ₹ 1,332.35 lacs) as remuneration to key management personnel. The details of such remuneration is as below:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(i) Short-term employee benefits	210.66	1,332.35
(ii) Post employment benefits	-	-
(iii) Other long-term benefits	-	-
Total expected payments	210.66	1,332.35

37 Significant accounting judgements, estimates and assumptions

Use of estimates and critical accounting judgements

In the preparation of financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Significant management judgments

(a) Evaluation of indicators for impairment of non-financial asset

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(b) Provisions & contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(c) Valuation of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(d) Classification of leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

NOTES TO FINANCIAL STATEMENTS

Significant management estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

(b) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

(c) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

(d) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(e) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value. Recoverable value is taken as higher of value in use and fair value less costs to sell.

38. Disclosure of interest in subsidiaries, joint arrangements and associates:

1) Disclosure of interest in the following subsidiaries:

	Name	Country of incorporation	Ownership interest of Tata Steel BSL Limited (%)	
			As at	As at
			March 31, 2019	March 31, 2018
(i)	Bhushan Steel (Orissa) Limited	India	99.98%	99.98%
(ii)	Bhushan Steel Madhya Bharat Limited	India	99.98%	99.98%
(iii)	Bhushan Steel (South) Limited	India	100.00%	100.00%
(iv)	Bhushan Steel (Australia) Pty Limited	Australia	90.97%	90.97%

2) Disclosure of interest in joint venture:

	Name	Country of incorporation	Ownership interest of Tata Steel BSL Limited (%)	
			As at	As at
			March 31, 2019	March 31, 2018
(i)	Andal East Coal Company Private Limited*	India	0.00%	0.00%

* The Company held investment in equity shares of Andal East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 145.50 lacs which had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of Nil upon initial recognition.

NOTES TO FINANCIAL STATEMENTS

3) Disclosure of interest in the following categories of associates:

Name	Country of incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2019	As at March 31, 2018
(i) Bhushan Energy Limited*	India	0.00%	0.00%
(ii) Bhushan Capital & Credit Services Private Limited	India	42.58%	42.58%
(iii) Jawahar Credit & Holdings Private Limited	India	39.65%	39.65%

* The Company held investment in Bhushan Energy Limited ('BEL') which was classified as an Associate till January 08, 2018. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 35,000.00 lacs which was disclosed under 'exceptional items' in statement of profit or loss. A corporate insolvency resolution proceedings (CIRP) under the Insolvency Bankruptcy Code 2016 was initiated against BEL vide order of National Company Law Tribunal (NCLT) dated January 08, 2018. Pursuant to this, the Company lost significant influence over BEL and its investment has henceforth been classified as FVTOCI.

39. Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value		
Investments measured at		
Fair value through other comprehensive income	100.87	107.67
Fair value through profit and loss	159,490.28	-
Derivative assets	214.07	-
Financial assets measured at amortised cost		
Trade receivables	69,701.21	121,957.81
Loans	9,799.14	16,439.08
Cash and cash equivalents	27,741.72	59,421.01
Other bank balances	12,689.66	32,352.42
Other financial assets	54,060.75	53,467.83
Total	333,797.70	283,745.82
Financial liabilities measured at fair value		
Derivative liabilities	4,141.57	-
Financial liabilities measured at amortised cost		
Borrowings (including interest accrued)	1,702,813.92	6,300,990.30
Trade payables	308,896.85	130,512.81
Other financial liabilities	68,437.45	107,668.79
Total	2,084,289.79	6,539,171.90

Transfer of financial assets

The Company transfers certain trade receivables under discounting arrangements with banks and financial institutions. Some of such arrangements do not qualify for de-recognition due to arrangements with banks providing them recourse against the Company in the event of principal debtors' defaults. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value of asset transferred	Carrying value of associated liability	Carrying value of asset transferred	Carrying value of associated liability
Trade receivables	-	-	4,726.31	4,726.31

NOTES TO FINANCIAL STATEMENTS

B Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	70.31	-	30.56	100.87
Fair value through profit and loss	159,490.28	-	-	159,490.28
Derivative assets	-	214.07	-	214.07
Liabilities at fair value				
Derivative liabilities	-	4,141.57	-	4,141.57
As at March 31, 2018				
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	77.07	-	30.60	107.67
Fair value through profit and loss	-	-	-	-

a. Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:-

- (i) In order to arrive at the fair value of unquoted investments in equity shares, the Company obtains independent valuations. However, for such investments held by Company as of reporting date, costs of such unquoted equity instruments has been considered as an appropriate estimate of fair value because of wide range of fair value measurements and cost represents the best estimate of fair value within that range.
- (ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

b. The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

Particulars	Unquoted equity shares
As at April 01, 2017	30.63
Change in fair value	(0.03)
As at March 31, 2018	30.60
Change in fair value	(0.04)
As at March 31, 2019	30.56

NOTES TO FINANCIAL STATEMENTS

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

(₹ in Lacs)		
As at March 31, 2019	Carrying value	Fair value
Loans given	9,799.14	9,799.14
Trade receivables	69,701.21	69,701.21
Cash and cash equivalents	27,741.72	27,741.72
Other balances with bank	12,689.66	12,689.66
Other financial assets	54,060.75	54,060.75
Borrowings	1,702,813.92	1,702,813.92
Trade payables	308,896.85	308,896.85
Other financial liabilities	68,437.45	68,437.45

(₹ in Lacs)		
As at March 31, 2018	Carrying value	Fair value
Loans given	16,439.08	16,439.08
Trade receivables	121,957.81	121,957.81
Cash and cash equivalents	59,421.01	59,421.01
Other balances with bank	32,352.42	32,352.42
Other financial assets	53,467.83	46,666.61
Borrowings	6,300,990.30	6,300,990.30
Trade payables	130,512.81	130,512.81
Other financial liabilities	107,668.79	107,668.79

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.
- (ii) Fair value of borrowings has been estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities.

40. Financial risk management

Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Particulars	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other balances with banks, loans and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities including trade payables	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR) and derivative assets and liabilities	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

NOTES TO FINANCIAL STATEMENTS

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Company provides for expected credit loss based on the following:

Particulars	Type of financial asset	Measurement
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher

In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Exposure to credit risk

The exposure of credit risk over the financial assets of the Company except trade receivables has been summarized below*:-

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
I. Low credit risk on financial reporting date		
Loans	9,799.14	16,439.08
Cash and cash equivalents	27,741.72	59,421.01
Other bank balances	12,689.66	32,352.42
Other financial assets	54,060.75	53,467.83
II. High credit risk		
Loans	16,435.69	10,283.75
Other financial assets	15,350.52	14,833.51
Total	136,077.48	186,797.60

*These represent gross carrying values of financial assets, without deduction for expected credit losses.

NOTES TO FINANCIAL STATEMENTS

Credit risk management policies

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets

i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset or the deposits are made to government authorities.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

As at March 31, 2019

(₹ in Lacs)				
Particulars	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	27,741.72	0.00%	-	27,741.72
Other bank balances	12,689.66	0.00%	-	12,689.66
Loans	26,234.83	62.65%	16,435.69	9,799.14
Other financial assets	69,411.27	22.12%	15,350.52	54,060.75

As at March 31, 2018

(₹ in Lacs)				
Particulars	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	59,421.01	0.00%	-	59,421.01
Other bank balances	32,352.42	0.00%	-	32,352.42
Loans	26,722.83	38.00%	10,283.75	16,439.08
Other financial assets	68,301.34	24.00%	14,833.51	53,467.83

(ii) Trade receivables

Refer Note 11 for details

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

NOTES TO FINANCIAL STATEMENTS

a) Financing arrangements

Undrawn borrowing facilities at the end of the reporting year to which the Company had access is ₹ 55,728 lacs (March 31, 2018: Nil)

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lacs)

As at March 31, 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	148,157.65	337,648.12	4,021,273.09	4,507,078.86
Trade payables	308,896.85	-	-	308,896.85
Derivative liabilities	4,141.57	-	-	4,141.57
Other financial liabilities	62,648.48	-	19,309.91	81,958.39
	523,844.55	337,648.12	4,040,583.00	4,902,075.67

(₹ in Lacs)

As at March 31, 2018	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	5,389,075.40	44,160.00	940,000.00	63,73,235.40
Trade payables	130,512.81	-	-	130,512.81
Other financial liabilities	89,763.70	-	17,905.09	107,668.79
	5,609,351.91	44,160.00	957,905.09	6,611,417.00

C Market risk

a) Foreign currency risk

Exposures to currency exchange rates primarily arise from the business transactions carried out by the Company in other than functional currency i.e. INR.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows. The amounts shown are those reported to key management personnel translated into INR at the closing exchange rate.

(i) Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows :

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Financial assets		
- USD	8,219.64	25,438.30
- EURO	409.15	1,798.12
- AED	33.88	-
	8,662.67	27,236.42
Financial liabilities		
- USD	177,826.67	784,643.30
- EURO	890.65	277,999.12
- GBP	39.18	69.07
- JPY	15.90	1,437.70
	178,772.40	1,064,149.19

NOTES TO FINANCIAL STATEMENTS

The following table summarises the volatility in the following exchange rates during the year.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
INR/USD	6.82%	1.50%
INR/ EUR	7.26%	2.00%
INR/GBP	8.82%	5.00%
INR/ JPY	9.32%	5.00%
INR/AED	9.17%	N.A.

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Had the respective foreign currencies strengthened against the INR by the aforementioned percentage of market volatility, then this would have had the following impact on profit/loss & equity:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
- USD	(11,559.48)	(11,388.07)
- EURO	(34.98)	(5,524.02)
- GBP	(3.46)	(3.45)
- JPY	(1.48)	(71.88)
- AED	3.11	-
Total	(11,596.29)	(16,987.42)

(₹ in Lacs)

If the respective functional currencies had depreciated against the INR by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2019 and March 31, 2018, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Variable rate borrowing	1,384,542.07	5,848,441.33
Other borrowings#	318,271.85	452,548.97
Total borrowings	1,702,813.92	6,300,990.30
Amount disclosed under other current financial liabilities (Refer Note - 16C)	5,583.18	4,849,051.62
Amount disclosed under borrowings (Refer Note - 16A)	1,697,230.74	1,451,938.68

(₹ in Lacs)

Other borrowings of the Company include such borrowings which do not carry a variable interest rate and hence not exposed to the interest rate volatility.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2018 100 bps)	13,845.42	58,484.41
Interest rates – decrease by 100 basis points (March 31, 2018 100 bps)	(13,845.42)	(58,484.41)

(₹ in Lacs)

* Holding all other variables constant

NOTES TO FINANCIAL STATEMENTS

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Company is not an active investor in equity markets; It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at 31st March, 2019 is ₹ 100.87 lacs (2018 – ₹ 107.67 lacs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

41. Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Total debts	1,515,581.93	6,281,461.97
Total equity	1,831,291.18	(2,606,006.00)
Net debt to equity ratio	0.83	-

(b) Dividend - During the year ended March 31, 2019, no dividend has been recognized as distributions to equity shareholders (March 31, 2018: Nil)

42. In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 the required information is given as under:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
I. Loans and advances in the nature of loans:		
A) To Subsidiary Companies	-	-
B) To Associates /Joint Venture	-	-
C) To Firms/Companies in which directors are interested	-	-
D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act	-	-
II. Investment by the loanee (as detailed above) in the shares of TSBSL and its subsidiaries	-	-
Total	-	-

NOTES TO FINANCIAL STATEMENTS

43. The corporate insolvency resolution process ("CIRP") was initiated pursuant to a petition filed by one of its financial creditors, State Bank of India ("SBI") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). SBI filed the petition before the National Company Law Tribunal, Principal Bench, New Delhi ("Adjudicating Authority") vide Company Petition No. (IB)-201 (PB)/2017 on July 03, 2017. The Adjudicating Authority admitted the said petition and the CIRP for the Company commenced on July 26, 2017. The CIRP culminated into the approval of the Resolution Plan submitted by Tata Steel Ltd ("TSL") by the Adjudicating Authority vide its order dated May 15, 2018 ("Order").

Accordingly, keeping in view the Order dated May 15, 2018:

- i. On May 18, 2018 ("Effective Date"), Bamnival Steel Limited, (wholly owned subsidiary of TSL) ("BNPL") deposited ₹ 3,513,258 lacs, for subscription to equity shares of the Company, payment of CIRP cost and employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.
 - ii. The reconstituted board of directors in its meeting held on May 17, 2018 approved allotment of 794,428,986 fully paid equity shares of ₹ 2 each to BNPL, aggregating to ₹ 15,888.58 lacs, representing 72.65% of the equity share capital of the Company.
 - iii. The remaining amount of ₹ 3,497,369.42 lacs was treated as Inter Corporate Deposits.
 - iv. Out of the amount received from BNPL, ₹ 3,258 lacs were utilised towards payment of CIRP cost and employee related dues. The balance amount of ₹ 3,510,000 lacs were paid to the Financial Creditors between May 18, 2018 to May 31, 2018.
 - v. The financial creditors invoked the pledge created in their favor by the erstwhile promoters of the Company over 67,654,810 equity shares of the Company held by them ("Pledged Shares"). The market value of Pledged Shares amounted to ₹ 18,157.58 lacs and, the same has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
 - vi. The eligible financial creditors were further allotted 72,496,036 equity shares at face value of ₹ 2 each aggregating to ₹ 1,449.92 lacs.
 - vii. After adjusting the amounts as mentioned in para no. v and vi above, the balance due to Financial Creditors, amounting to ₹ 2,528,550.72 lacs were novated to BNPL for an aggregate consideration of ₹ 10,000 lacs. BNPL, in its capacity as the promoters of TSBSL, has waived off the debts less cost of novation, and the same has been considered as capital contribution. Refer Note 14 for details of other equity.
 - viii. 10% Redeemable Cumulative Preference shares of ₹ 100 each amounting to ₹ 242,557.39 lacs were redeemed for a total sum of ₹ 4,700/- only. Gain arising out of redemption of such preference shares has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
 - ix. In respect of Operational Creditors, the Company has provided for liabilities based on the amount of claims admitted pursuant to CIRP. Further, the Company has proposed to pay an amount of ₹ 120,000 lacs to Operational Creditors, in the manner mentioned in the Resolution Plan, within 12 months from the closing date (May 18, 2018) i.e. on or before May 17, 2019. Accordingly, the Company has recognized a gain of ₹ 55,212.35 lacs on account of extinguishment of such financial liabilities as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
44. Goods and Service Tax ("GST") has been implemented with effect from July 1, 2017 and therefore, Revenue from Operations for the year ended March 31, 2018 & March 31, 2019 are net of GST. Revenue from operations and expenses for the year ended March 31, 2018 (till June 30, 2017) being inclusive of excise duty are not comparable with corresponding figures of year ended March 31, 2019.
45. The Company is eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme the Company has obtained eligibility certificate from Directorate of Industries. As per the Scheme the Company has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2019 amounts to ₹ 4,385.37 lacs (March 31, 2018: ₹ 3,940.04 lacs). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST & claim refunds of the same. During the year, the Company has recognised ₹ 14,332.48 lacs as an income (Refer Note 20) on account of such scheme.

As per our report of even date attached.

For **Walker Chandiook & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Neeraj Sharma
Partner
Membership No. 502103

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)

For and on behalf of the Board of Directors

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

sd/-
Mr. Anand Sen
Director (DIN: 00237914)

sd/-
Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

INDEPENDENT AUDITOR’S REPORT

To the Members of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of certain subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.
5. We have determined the matter(s) described below to be the key audit matters to be communicated in our report:

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of certain subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Accounting treatment for the effects of the Resolution Plan</p> <p>(a) Refer Note 43 to the consolidated financial statements for the details regarding the resolution plan implemented in the Holding Company pursuant to a corporate insolvency resolution process concluded during the year under Insolvency and Bankruptcy Code, 2016.</p> <p>On 17 May 2018, prior to the implementation of the Resolution Plan, the Holding Company had outstanding credit facilities from several financial institutions, aggregating to ₹ 6,054,746.50 lakhs. The Holding Company also had accrued dues amounting to ₹ 110,627.58 lakhs towards operational creditors.</p> <p>Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of Resolution Plan was a complex exercise.</p> <p>Further, comprehending the provisions of the Resolution Plan and determining the appropriateness of the accounting treatment thereof, more particularly the accounting treatment of derecognition of liabilities, required significant judgment and estimates, including consideration of accounting principles to be applied for presentation of difference between carrying amount of novated debt and consideration paid therefor.</p> <p>Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the financial statements as a whole and materiality thereof.</p> <p>(b) Refer Note 43 to the consolidated financial statements.</p> <p>Prior to the approval of the Resolution Plan on 15 May 2018, the Holding Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.</p>	<p>(a) We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the financial statements:</p> <ul style="list-style-type: none"> • Reviewed management's process for review and implementation of the Resolution Plan. • Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements. • Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis. • Verified the underlying documents supporting the receipt and payment of funds as per the Resolution Plan. • Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan. <p>(b) We have performed the following procedures to test the recoverability of payments made by the Holding Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:</p> <ul style="list-style-type: none"> • Verified the underlying documents related to litigations and other correspondences with the statutory authorities.

Key audit matter	How our audit addressed the key audit matter
<p>The Holding Company had also made certain payments to the relevant authorities in respect of those litigations which were presented as recoverable under "Other non-current assets" in the consolidated financial statements.</p> <p>The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.</p> <p>The application of significant judgment in the aforementioned matters required substantial involvement of senior personnel on the audit engagement including individuals with expertise in accounting of financial instruments.</p>	<ul style="list-style-type: none"> • Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management in developing the accounting estimates. • Assessed management's estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether: <ul style="list-style-type: none"> o The method of measurement used is appropriate in the circumstances; and o The assumptions used by management are reasonable in light of the measurement principles of Ind AS. • Determined whether the methods for making estimates have been applied consistently. • Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated 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 holding company has adequate internal financial controls system 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect(s) total assets of ₹ 7.04 lakhs and net assets of ₹ (94.53) lakhs as at 31 March 2019, total revenues of ₹ Nil and net cash inflows amounting to ₹ 7.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section

143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information reflect total assets of ₹ 1,302.38 lakhs and net assets of ₹ (1,620.91) lakhs as at 31 March 2019, total revenues of ₹ Nil and net cash outflows amounting to ₹ (43.07) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ Nil for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. On the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of certain subsidiaries, we report that three subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year. Further, as stated in paragraph 16, financial statements of two associate companies covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such companies have not paid or provided for any managerial remuneration during the year.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, covered under the Act, 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 32A to the consolidated financial statements;
- ii. the Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended 31 March 2019;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

sd/-

Neeraj Sharma

Partner

Membership No.: 502103

Place: Mumbai

Date: 17 April 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF TATA STEEL BSL LIMITED (FORMERLY KNOWN AS BHUSHAN STEEL LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Annexure A

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 the company's business, including adherence to the 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit

of IFCoFR includes obtaining an understanding of IFCoFR, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to three subsidiary companies, which are companies covered under the Act, whose financial statements/financial information reflect total assets of ₹ 7.04 lakhs and net assets of ₹ (94.53) lakhs as at 31 March 2019, total revenues of ₹ Nil and net cash inflows amounting to ₹ 7.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

sd/-
Neeraj Sharma
Partner
Membership No.: 502103

Place: Mumbai
Date: 17 April 2019

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2019

(₹ in Lacs)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3A	2,915,441.02	3,036,155.81
(b) Capital work-in-progress	3B	115,414.24	117,965.24
(c) Intangible assets	4	17.06	10.65
(d) Investments accounted using equity method	6A	-	-
(e) Financial assets			
(i) Investments	6A	100.87	107.67
(ii) Loans	6B	4,646.28	7,265.35
(iii) Other financial assets	6C	44,594.86	46,666.61
(f) Other non-current assets	8	77,103.02	80,836.20
(g) Income tax assets	9	3,181.98	2,900.20
Total non-current assets		3,160,499.33	3,291,907.73
II Current assets			
(a) Inventories	10	458,188.14	402,519.54
(b) Financial assets			
(i) Investments	6A	159,490.28	-
(ii) Trade receivables	11	69,701.21	121,957.81
(iii) Cash and cash equivalents	12	27,765.11	59,470.03
(iv) Other balances with bank	13	12,689.66	32,362.82
(v) Loans	6B	5,152.86	9,173.73
(vi) Derivative assets	7	214.07	-
(vii) Other financial assets	6C	9,465.89	6,801.22
(c) Other current assets	8	55,434.05	60,090.13
Total current assets		798,101.27	692,375.28
Total assets		3,958,600.60	3,984,283.01
EQUITY & LIABILITIES			
I Equity			
(a) Equity Share Capital	14	21,868.80	4,530.30
(b) Other Equity	15	1,810,128.78	(2,609,697.88)
(c) Non-controlling interests		(150.15)	(144.81)
Total equity		1,831,847.43	(2,605,312.39)
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	1,697,230.74	70,652.60
(ii) Other financial liabilities	16C	5,788.97	3,940.04
(b) Provisions	18	5,679.77	5,632.08
(c) Deferred income	19	227.69	266.18
Total non-current liabilities		1,708,927.17	80,490.90
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	713.77	1,382,011.30
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	16B	1,254.42	1,001.59
- total outstanding dues of creditors other than micro enterprises and small enterprises	16B	307,664.51	129,517.76
(iii) Derivative liabilities	7	4,141.57	-
(iv) Other financial liabilities	16C	66,954.54	4,951,478.60
(b) Other current liabilities	17	36,803.16	44,364.11
(c) Provisions	18	294.03	731.14
Total current liabilities		417,826.00	6,509,104.50
Total equity and liabilities		3,958,600.60	3,984,283.01
The accompanying notes forming part of the financial statements	1-45		

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

For and on behalf of the Board of Directors

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Neeraj Sharma
Partner
Membership No. 502103

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

sd/-
Mr. Anand Sen
Director (DIN: 00237914)

sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. Rajeev Singh
Managing Director (DIN: 02719570)

sd/-
Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lacs)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
I Revenue			
(a) Revenue from operations	20	2,089,160.35	1,740,442.76
(b) Other income	21	13,244.42	9,508.26
Total income		2,102,404.77	1,749,951.02
II Expenses			
(a) Raw materials consumed	22	1,160,305.46	991,528.83
(b) Purchases of finished, semi-finished and other products	23	685.44	712.03
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(27,818.05)	(2,789.63)
(d) Excise duty		-	39,187.18
(e) Employee benefit expense	25	36,250.56	35,757.62
(f) Finance costs	26	375,217.88	630,489.74
(g) Depreciation and amortisation expense	27	144,173.92	178,566.53
(h) Other expenses	28	540,005.58	455,632.81
Total expenses		2,228,820.79	2,329,085.11
III Loss before exceptional items and tax (I-II)		(126,416.02)	(579,134.09)
IV Exceptional items	29	297,600.67	(2,309,669.01)
V Profit/(loss) before tax (III+IV)		171,184.65	(2,888,803.10)
VI Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		-	(432,183.47)
Total tax expenses		-	(432,183.47)
VII Profit/ (loss) for the year (V-VI)		171,184.65	(2,456,619.63)
VIII Profit/(loss) for the year attributable to:			
Owners of the company		171,184.65	(2,456,588.85)
Non-controlling interests		(4.26)	(30.78)
IX Other comprehensive income/(loss)			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement gains/(losses) on post employment defined benefit plans		523.83	(273.27)
(ii) Fair value changes of investments in equity shares		(6.80)	11.90
(b) Income tax relating to items that will not be reclassified to profit or loss		-	(31.98)
(c) Items that will be reclassified to profit or loss			
Foreign currency translation differences		(13.14)	6.51
(d) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(loss)		503.89	(286.84)
X Total comprehensive income/(loss) for the year (VII+IX)		171,688.54	(2,456,906.47)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		171,688.54	(2,456,874.08)
Non-controlling interests		(5.34)	(32.39)
XI Earnings per share	30		
Basic (₹)		17.44	(1,084.52)
Diluted (₹)		1.05	(1,084.52)
XII The accompanying notes forming part of the financial statements	1-45		

As per our report of even date attached.

For **Walker Chandiook & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Neeraj Sharma
Partner
Membership No. 502103

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)

For and on behalf of the Board of Directors

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Independent Director (DIN: 02792753)

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Director (DIN: 00237914)

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Mr. Sanjib Nanda
Chief Financial Officer

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Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2019**

(A) Equity share capital

(₹ in Lacs)

Particulars	Balance as at April 1, 2018	Changes during the period (Refer sub-note (a))	As at March 31, 2019
Equity Shares of ₹ 2 each issued, subscribed and fully paid.	4,530.30	17,338.50	21,868.80

(₹ in Lacs)

Particulars	Balance as at April 1, 2017	Changes during the period	As at March 31, 2018
Equity Shares of ₹ 2 each issued, subscribed and fully paid.	4,530.30	-	4,530.30

(a) For details of changes made during the period, Refer Note - 14.

(B) Other equity

(₹ in Lacs)

Particulars	Capital redemption reserve	Securities premium reserves	Debenture redemption reserve	Capital reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital Contribution	Equity instruments at fair value through other comprehensive income	Foreign currency translation reserve	Non-controlling interests	Total Equity
As at April 01, 2018	693.34	72,576.10	36,512.50	1,942.03	527,837.59	(3,248,127.47)	-	-	66.70	(1,198.67)	(144.81)	(2,609,842.69)
Profit for the year	-	-	-	-	-	171,188.91	-	-	-	-	(4.26)	171,184.65
Other Comprehensive income/(loss)	-	-	-	-	-	523.83	-	-	(6.80)	(12.06)	(1.08)	503.89
Transaction with owners in their capacity as owners	-	-	-	-	-	-	1,729,582.05	2,518,550.72	-	-	-	4,248,132.77
Transfers within equity	-	-	(36,512.50)	-	36,512.50	-	-	-	-	-	-	-
As at March 31, 2019	693.34	72,576.10	-	1,942.03	564,350.09	(3,076,414.73)	1,729,582.05	2,518,550.72	59.90	(1,210.73)	(150.15)	1,809,978.62

(₹ in Lacs)

Particulars	Capital redemption reserve	Securities premium reserves	Debenture redemption reserve	Capital reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital Contribution	Equity instruments at fair value through other comprehensive income	Foreign currency translation reserve	Non-controlling interests	Total Equity
As at April 01, 2017	693.34	72,576.10	36,512.50	1,942.03	527,837.59	(791,233.37)	-	-	54.80	(1,206.79)	(112.42)	(151,617.01)
Loss for the year	-	-	-	-	-	(2,456,588.85)	-	-	-	-	(30.78)	(2,456,588.85)
Other Comprehensive income/(loss)	-	-	-	-	-	(305.25)	-	-	11.90	8.12	(1.61)	(293.35)
As at March 31, 2018	693.34	72,576.10	36,512.50	1,942.03	527,837.59	(3,248,127.47)	-	-	66.70	(1,198.67)	(144.81)	(2,609,842.69)

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Neerar Sharma
Partner
Membership No. 502103

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)

For and on behalf of the Board of Directors

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Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

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Director (DIN: 00237914)

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Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from operating activities		
Profit/(loss) before taxes	171,184.65	(2,888,803.10)
Adjustments for:		
Depreciation & amortisation expenses	144,173.88	178,566.53
Provisions (retirement benefit)	(389.42)	1,856.46
Share of Profit of Associates	-	12,081.86
Finance cost	375,217.88	630,489.74
Exceptional items	(297,600.67)	2,283,042.87
Gain on fair valuation of mutual funds	(8,478.77)	-
Gain on cancellation of forwards, swaps and options	3,927.50	-
Interest income / dividend income	(2,884.82)	(2,909.01)
Loss/ (profit) on sale of fixed assets	26.69	207.95
Provision for doubtful debts / bad debts written off	7,760.49	11,234.31
Other non-cash items	(3,083.49)	11,528.84
	218,669.27	3,126,099.55
Operating profit before working capital changes	389,853.92	237,296.45
Adjustments for:		
Trade & other receivables	50,971.27	(8,282.02)
Inventories	(55,668.60)	(87,627.77)
Loans and advances	(11,538.93)	-
Trade payables/other current liabilities	206,652.15	37,800.28
	190,415.89	(58,109.51)
Cash generated from operations	580,269.81	179,186.94
Direct taxes paid	(281.78)	(345.03)
Net cash generated from operating activities	579,988.03	178,841.91
B Cash flow from investing activities:		
Sale of property, plant and equipment/transfer of assets	28.51	224.62
Purchase of property, plant and equipment	(35,439.82)	(31,399.91)
Purchase/sale of current investments	(151,011.52)	-
Interest received (finance income)	2,969.20	1,099.39
Long term fixed deposits (realised)	2,071.73	(34,391.61)
Movement other bank balances	19,673.16	-
Dividend income	-	2.70
Net cash used in investing activities	(161,708.74)	(64,464.81)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C Cash flow from financing activities:		
Proceeds from borrowings	5,057,369.42	49,766.34
Repayment of borrowings	(6,252,329.20)	(5,007.80)
Repayment of finance lease obligations	(4,519.58)	-
Interest paid	(1,236,393.37)	(112,241.30)
Proceeds from preference share capital	1,970,000.00	-
Proceeds from equity share capital	15,888.50	-
Unclaimed dividend	0.02	(2.00)
Net cash used in financing activities	(449,984.21)	(67,484.76)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(31,704.92)	46,892.34
Opening cash and cash equivalents	59,470.03	12,577.69
Closing cash and cash equivalents (Refer note no 12)	27,765.11	59,470.03

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

For and on behalf of the Board of Directors

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Director (DIN: 00004989)

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)

sd/-
Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

ACCOUNTING POLICIES UNDER IND AS

CONSOLIDATED FINANCIAL STATEMENTS OF TATA STEEL BSL LIMITED FOR THE YEAR ENDED MARCH 31, 2019

1. Company information

TATA Steel BSL Limited ("the Company") is a public limited Company incorporated in India with its registered office in Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi-110065, India.. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is the 3rd largest secondary steel producer with an overall steel producing capacity of 5.6 million tonne per annum. The Company has presence across the entire value chain of steel manufacturing. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled and coated steel, cold rolled full hard, galvanised coils and sheets, high tensile steel strips, colour coated tiles, precision tubes etc. The Company has the unique facilities of producing cold roll and sheets upto a width of 1700 mm and galvanised coil and steel up to a width of 1350 mm.

Statement of compliance

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, as amended time to time.

Basis of preparation

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

- (a) certain assets and liabilities that are required to be carried at fair values by Ind AS; and
- (b) property, plant & equipment which have been fair valued at the transition date (i.e, 01 April 2015) as 'deemed cost' upon transition to Ind AS.

The financial statements are presented in INR and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

These are Consolidated financial statements (the 'financial statements') for the year ended March 31, 2019 were approved by the Board of Directors and approved for issue on August 09, 2018.

2. Significant accounting policies

The significant accounting policies applied by the Company (The 'Parent') & its subsidiaries (collectively referred to as 'the Group') in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of

voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

b) Investment in associates

Associates are those enterprises in which the Group has significant influence, but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost, from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset

transferred and where material, the results of associates are modified to confirm to the Group’s accounting policies.

c) Interests in joint arrangement

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements directly, the Group’s share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the Group’s share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group’s share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group’s share of the results of operations of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to confirm to the Group’s accounting policies.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset /liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. Having regard to the nature of business being carried out by the Group the Group has determined its operating cycle as twelve months. The Group classifies all other assets/liabilities as non-current.

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

e) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment and capital work in progress are stated at cost/, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for

its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

f) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided on a straight line basis to the cost/deemed cost of property, plant and equipment and intangible assets, including those held under finance leases to their residual value. Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, revised.

	Estimated useful life (years)
Buildings	Upto 60 years*
Roads	30 years
Plant and Machinery	Upto 38 years*
Railway Sidings	Upto 20 years*
Vehicles	8 to 10 years
Furniture, Fixtures and Office Equipment	5 to 10 years
Computer Software	3 years

* for these class of assets useful lives are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 . Based on the technical evaluation carried by a chartered engineer and internal assessments made, the Group believes that useful lives mentioned above are best representative of the period over which the Group expects to use the assets.

d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

h) Impairment of non-financial assets

The Group, at each balance sheet date, reviews carrying values of its property plant and equipment and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount being higher of fair value less costs to sell and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

i) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. Cost is ascertained on a weighted average basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business based on market price at the balance sheet date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale.

Spare parts including other items are carried on weighted average basis.

j) Revenue Recognition

A customer of the Group is a party that has contracted with the Group to obtain goods or services that are an output of the Group's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Group recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

At contract inception, the Group assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Group includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

The transaction price is allocated by the Group to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time

For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction is measured using appropriate methods which include input and output methods.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, as a practical expedient, the incremental costs of obtaining a contract are recognized as an expense when incurred if the amortisation period of the asset otherwise would have been one year or less.

The costs to fulfil a contract are recognized as an asset if the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

k) Foreign currencies

The Group's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the balance sheet date.

For foreign currency loans taken before 31 March 2016 for, adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31 March 2016, exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit or loss are also recognised in other comprehensive income or statement of profit or loss, respectively).

l) Income Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits (including Minimum Alternative tax (MAT) credit) and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Employee benefits

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Group's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare Fund are made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Defined benefits plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

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

Other long term benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

n) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease, all other leases are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

p) Earnings per share

Basic earnings per equity share is computed by dividend net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost i.e. purchase cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

s) Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

t) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Group operates in a single operating segment and geographical segment.

v) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).
- iii. **Investments in equity instruments** - Investments in equity instruments, where the Group has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Compound Financial Instrument

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value

of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Derivative financial instruments

In the ordinary course of business, the group uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

w) Accounting standards or amendments in the accounting standards adopted on/from April 1, 2018:

Ind-AS 115, "Revenue from Contracts with Customers" issued on March 28, 2018, which provides a unified five step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are met rather than based on the transfer of risks and rewards. Ind-AS 115 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue.

The standard supersedes the erstwhile standard, viz., Ind-AS 18 "Revenue" and Ind-AS 11 "Construction Contracts". Ind-AS 115 clarifies how to identify a performance obligation, determine whether a Group is a principal or an agent. The Group's revenue is predominantly derived from the single performance obligation to transfer steel products under arrangements in which the transfer of risks and rewards of ownership and the fulfilment of the Group's performance obligation occur at the same time. As part of the adoption process, the Group established revised processes and controls and assessed its performance obligations underlying the revenue recognition, estimation of variable considerations including rebates, customized products and principal versus agent considerations. Henceforth, the adoption of this standard did not have a material impact on the standalone financial statements of the Group. The additional required disclosures are presented in Note 20 of the financial statements.

Appendix B of Ind AS 21, Foreign currency transactions and advance consideration issued on March 28, 2018- which provides a guidance about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group adopted the following

amendments which did not have any material impact on the standalone financial statements of the Group.

x) Recent accounting pronouncements effective for annual periods beginning on or after April 1, 2019:-

Ind AS 116, Leases:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases which will replace Ind-AS 17 "Leases". This new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard is effective for annual periods beginning on or after April 1, 2019. An initial review and assessment of the Group's lease arrangements indicates that most of these arrangements will meet the definition of a lease under Ind-AS 116.

The Group is in the process of evaluating the impact of Ind-AS 116 on its financial statement. It is expected that the application of Ind-AS 116 shall have a significant impact on the financial statements of the Group.

Ind-AS 12, Income taxes:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under Ind-AS 12. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Group does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Group does not expect that the adoption of this amendment will have a material impact to its standalone financial statements

Ind-AS 109, Financial Instruments:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

Ind-AS 28, Investments in Associates and Joint Ventures:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 28 "Investments in Associates and Joint Ventures" in relation to long-term interests in associates and joint ventures. The amendment clarifies that an entity applies Ind-AS 109 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. This amendment is effective for

annual periods beginning on or after April 1, 2019. The Group does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

Ind-AS 103, Business Combinations:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 103, "Business Combinations". The amendment clarifies that when an entity obtains control of a business that is a joint operation, it shall need to remeasure the previously held interests in that business. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

Ind-AS 111, Joint Arrangements:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 111, "Joint Arrangements". The amendment

clarifies that when an entity obtains joint control of a business that is a joint operation, the entity shall not remeasure previously held interests in that business. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group does not expect that the adoption of this amendment will have a material impact to its standalone financial statements

Ind-AS 23, Borrowing Costs:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3A. Property, plant and equipment

Particulars	(₹ in Lacs)							Total	
	Freehold land	Leasehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles		Office equipments
Gross carrying amount as at April 01, 2018	68,651.35	-	1,700,123.36	85,650.38	3,564,284.54	4,928.28	2,169.97	918.57	5,426,726.45
Addition during the year	-	-	3,776.01	-	24,389.79	123.71	41.67	396.78	28,727.96
Sold/discarded during the year	-	-	-	-	52.08	-	77.47	-	129.55
Adjustment during the year (refer sub-note (iii))	-	-	-	-	(2.42)	-	-	-	(2.42)
Gross carrying amount as at March 31, 2019	68,651.35	-	1,703,899.37	85,650.38	3,588,619.83	5,051.99	2,134.17	1,315.35	5,455,322.44
Accumulated impairment & depreciation as at April 01, 2018	9,211.61	-	749,575.13	75,085.52	1,553,243.53	1,645.86	1,248.60	560.39	2,390,570.64
Depreciation for the year	-	-	30,643.40	996.38	111,821.03	329.70	237.94	137.45	144,165.90
Impairment for the year	-	-	-	-	3,251.37	1,889.11	-	78.75	5,219.23
Disposals	-	-	-	-	12.03	-	62.32	-	74.35
Adjustment during the year (refer sub-note (iii))	-	-	-	-	-	-	-	-	-
Accumulated impairment & depreciation as at March 31, 2019	9,211.61	-	780,218.53	76,081.90	1,668,303.90	3,864.67	1,424.22	776.59	2,539,881.42
Net carrying amount as on April 01, 2018	59,439.74	-	950,548.23	10,564.86	2,011,041.01	3,282.42	921.37	358.18	3,036,155.81
Net carrying amount as on March 31, 2019	59,439.74	-	923,680.84	9,568.48	1,920,315.93	1,187.32	709.95	538.76	2,915,441.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Property, plant and equipment (contd....)

Particulars	₹ in Lacs							Total	
	Freehold land	Leasehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles		Office equipments
Gross carrying amount as at April 01, 2017	84,107.26	205,937.18	1,031,791.49	85,650.38	4,101,376.83	4,902.16	2,276.90	852.30	5,516,894.50
Addition during the year	179.72	-	146.47	-	77,856.62	26.12	84.28	66.27	78,359.48
Sold/discarded during the year	-	-	-	-	495.92	-	191.21	-	687.13
Adjustment during the year (refer sub-note (iii))	(15,635.63)	(205,937.18)	668,185.40	-	(614,452.99)	-	-	-	(167,840.40)
Gross carrying amount as at March 31, 2018	68,651.35	-	1,700,123.36	85,650.38	3,564,284.54	4,928.28	2,169.97	918.57	5,426,726.45
Accumulated impairment & depreciation as at April 01, 2017	-	-	73,510.15	10,852.97	253,696.43	1,108.07	918.42	399.09	340,485.13
Depreciation for the year	-	-	35,811.71	5,422.49	136,230.04	537.79	396.86	161.30	178,560.19
Impairment for the year	9,211.61	-	590,860.30	58,810.06	1,212,897.93	-	-	-	1,871,779.90
Disposals	-	-	-	-	187.90	-	66.68	-	254.58
Adjustment during the year (refer sub-note (iii))	-	-	49,392.97	-	(49,392.97)	-	-	-	-
Accumulated impairment & depreciation as at March 31, 2018	9,211.61	-	749,575.13	75,085.52	1,553,243.53	1,645.86	1,248.60	560.39	2,390,570.64
Net carrying amount as at April 01, 2017	84,107.26	205,937.18	958,281.34	74,797.41	3,847,680.40	3,794.09	1,358.48	453.21	5,176,409.37
Net carrying amount as on March 31, 2018	59,439.74	-	950,548.23	10,564.86	2,011,041.01	3,282.42	921.37	358.18	3,036,155.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3B. Capital work in progress

Capital work in progress (CWIP) as at March 31, 2019 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 115,414.24 lacs (March 31, 2018 ₹ 117,965.24 lacs). This includes expenditure capitalised and comprises of direct material cost, labour charges, supervision charges.

₹ 7,113.45 lacs (March 31, 2018 ₹ 12,051.23 lacs) of borrowing costs has been capitalised during the year on qualifying capital work in progress using a capitalisation rate of 9.81% (March 31, 2018: 10.22%)

(i) Net carrying value of plant and machinery comprises of:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Asset held under finance leases		
Cost	75,406.25	75,406.25
Accumulated depreciation	19,050.00	9,525.00
	56,356.25	65,881.25
Owned assets	1,863,959.69	1,945,159.76
	1,920,315.94	2,011,041.01

(ii) Adjustment during the respective year includes:

FY 2018-19

No significant adjustments have been made to property, plant and equipment during the current financial year.

FY 2017-18

- a) Capitalisation of exchange losses amounting to ₹. 38,096.78 lacs.
- b) Reclassification of leasehold land amounting to ₹ 205,937.18 lacs as an operating lease (including write off on account of prior period error net of cumulative amortisation, amounting to ₹ 187,365.38 lacs). For details of adjustment in leasehold land, refer note 29.
- c) Reclassifications of items of property plant and equipment between classes of assets.

(iii) For details of capital commitments, refer note 32.

(iv) Property, plant and equipment are pledged against borrowings, the details relating to which have been described in **Note 16A** pertaining to borrowings.

(v) During the year, based on an assessment of external market conditions relating to input costs and final product realisation and evaluation of physical working conditions for items of property, plant and equipment, certain assets located in Sahibabad & certain corporate assets were found to possess indicators of impairment.

During the current year, considering the existence of such impairment indicators, the Group has recognised an impairment loss of ₹ 5,219.23 lacs. The same has been presented as an exceptional item in the statement of profit and loss. Refer **Note 29** for details of exceptional items. The impairment loss was recognised based on recoverable amount of such assets (being NIL), determined as fair value less cost of disposal. The fair value measurement is categorised within level 3 of fair value hierarchy and was determined using scrap value of relevant assets, based on experience of management.

During the current year, the Group identified some projects classified as capital work in progress in earlier years, where active development had ceased for prolonged periods and accordingly recognised an impairment charge amounting to ₹ 18,747.98 lacs. Further, the Group identified capital expenditure amounting to ₹ 23,478.12 lacs incurred on some projects in earlier years, which was recognised as an impairment charge in the previous year and reversed such charge during the current year. The net reversal of impairment charge, amounting to ₹ 4,730.14 lacs, has been presented as an exceptional item in the statement of profit and loss. Refer **Note 29** for details of exceptional items.

During the previous year, the Group had recognised an impairment loss against property, plant and equipment including capital work in progress aggregating to ₹1,911,279.90 lacs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
4. Intangible assets

(₹ in Lacs)

Particulars	Software Costs	Other intangible assets	Total
Cost as at April 01, 2018	60.86	978.59	1,039.45
Addition during the year	14.43	-	14.43
Sold/discarded during the year	-	-	-
Adjustment during the year	-	-	-
Gross carrying amount as at March 31, 2019	75.29	978.59	1,053.88
Accumulated amortisation as at April 01, 2018	50.21	978.59	1,028.80
Amortisation during the year	8.02	-	8.02
Disposals	-	-	-
Adjustment during the year	-	-	-
Accumulated amortisation as at March 31, 2019	58.23	978.59	1,036.82
Net carrying value as at April 01, 2018	10.65	-	10.65
Net carrying value as at March 31, 2019	17.06	-	17.06

(₹ in Lacs)

Particulars	Software Costs	Other intangible assets	Total
Cost as at April 01, 2017	57.61	978.59	1,036.20
Addition during the year	3.25	-	3.25
Sold/discarded during the year	-	-	-
Adjustment during the year	-	-	-
Cost as at March 31, 2018	60.86	978.59	1,039.45
Accumulated amortisation as at April 01, 2017	43.87	978.59	1,022.46
Amortisation during the year	6.34	-	6.34
Disposals	-	-	-
Adjustment during the year	-	-	-
Accumulated amortisation as at March 31, 2018	50.21	978.59	1,028.80
Net carrying value as at April 01, 2017	13.74	-	13.74
Net carrying value as at March 31, 2018	10.65	-	10.65

5. Leases

The Group has taken certain land, buildings, plant and machinery under operating and/or finance leases. The following is a summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Group.

A Operating leases:

Significant leasing arrangements include lease of land for periods ranging between 70 to 90 years renewable on mutual consent, lease of transit house/guest house and assets dedicated for use under long term arrangements. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Future minimum lease payments under non-cancellable operating leases are as below:

Minimum lease payments	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	705.54	1,052.73
Later than one year but not later than five years	3,368.17	3,348.17
Later than five years	3,496.94	4,437.31
	7,570.65	8,838.21

During the period ended March 31, 2019, total operating lease rental expense recognised in the statement of profit and loss was ₹ 81,749.88 lacs, (March 31, 2018: ₹ 91,716.73 lacs). This includes ₹ 80,084.80 lacs (March 31, 2018: ₹ 76,584.41 lacs) which comprises of consideration for non lease elements made under certain supply arrangement and consideration for lease element which can not be separated.

B Finance leases:

The Group entered into sale and leaseback arrangement for oxygen plant in earlier years. The terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognised with corresponding finance lease obligation.

The minimum lease payments and minimum lease payments excluding future finance charges in respect of arrangements classified as finance leases is as below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments	Minimum lease payments less future finance charges	Minimum lease payments	Minimum lease payments less future finance charges
Not later than one year	18,367.35	5,583.18	20,160.00	15,422.31
Later than one year but not later than five years	88,163.27	54,753.91	92,160.00	32,290.78
Later than five years	20,627.36	18,859.38	46,000.00	38,361.81
Total future minimum lease commitments	127,157.98	79,196.47	158,320.00	86,074.90
Less - Future finance charges	47,961.51	-	72,245.10	-
	79,196.47	79,196.47	86,074.90	-

6. Financial assets

A. Investments

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(I) Non-current investments		
i) Investments in equity instruments using equity method		
a) Investment in associates		
Jawahar Credit & Holdings Private Limited - 8,643,742 (March 31, 2018: 8,643,742) equity shares of ₹10/- each fully paid up - unquoted (refer sub-note (iii))	940.31	940.31
Less: share of loss	(940.31)	(940.31)
Bhushan Capital & Credit Services Private Limited - 8,643,742 (March 31, 2018: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (refer sub-note (iii))	940.31	940.31
Less: share of loss	(940.31)	(940.31)
Total investment in associates	-	-
Total investments in equity instruments using equity method	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
b) Other non-current investments in equity instruments at fair value through other comprehensive income		
Bhushan Energy Limited - 65,000,000 (March 31, 2018: 65,000,000) equity shares of ₹ 10 each fully paid up - unquoted	-	-
Andal East Coal Company Private Limited - 330,000 (March 31, 2018: 330,000) equity shares of ₹ 10/- each fully paid up - unquoted (refer sub-note (iii) below)	-	-
Tata Steel Limited - 13,500 (March 31, 2018: 13,500) equity shares of ₹10/- each fully paid up - quoted	70.31	77.07
Bhushan Buildwell Private Limited - 4,900 (March 31, 2018: 4,900) equity shares of ₹ 10/- each fully paid up - unquoted	24.74	24.75
Saraswat Co-operative Bank Limited - 2,500 (March 31, 2018: 2,500) equity shares of ₹ 10/- each fully paid up - unquoted	0.82	1.07
Bhushan Steel Bengal Limited - 50,000 (March 31, 2018: 50,000) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	4.78
Total other investment	100.87	107.67
Total investments (a+b)	100.87	107.67
Quoted Investments		
Aggregate carrying amount and market value of quoted investments	70.31	77.07
Aggregate carrying amount of unquoted investments	30.56	30.60
(II) Current investments		
Investment carried at fair value through profit or loss		
Investment in mutual funds - Unquoted		
Tata Mutual Fund	17,679.15	-
Reliance Liquid Fund	20,096.70	-
Aditya Birla Sunlife Liquid Fund	21,439.92	-
DSP Liquidity Plan - Growth	7,698.70	-
Axis Liquid Fund - Growth	8,694.28	-
ICICI Prudential Liquid Fund - Growth	10,249.52	-
Invesco India Liquid Fund - Growth	13,222.97	-
Kotak Liquid Scheme - Growth	5,203.75	-
SBI Mutual Fund - Growth	10,107.04	-
UTI Liquid Cash Plan - Growth	17,849.77	-
Sundaram Money Fund - Growth	12,706.63	-
Baroda Pioneer Money Fund - Growth	3,096.48	-
HDFC Liquid Fund - Growth	6,341.46	-
L & T Liquid Fund - Growth	5,103.91	-
	159,490.28	-

Notes:

- (i) Refer note 39B for determination of fair values of current & non-current investments.
- (ii) The Company held investment in equity shares of Andal East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 145.50 lacs which had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of ₹ Nil upon initial recognition.
- (iii) Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) was being shown as promoter of Jawahar Credit & Holdings Private Limited ("JCHPL") and M/s Bhushan Capital & Credit Services Private Limited ("BCCSPL"). The Company has written to JCHPL, BCCSPL and the Registrar of Companies(Delhi) to de-classify the Company as a promoter therein.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B. Loans

Non-current (unsecured, considered good unless otherwise stated)

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Security deposits (refer sub-note (i))	4,625.74	7,151.62
(b) Loans to employees	20.54	113.73
(c) Other loans		
- Balances - credit impaired	523.75	523.75
Less: allowance for expected credit losses	(523.75)	(523.75)
	-	-
	4,646.28	7,265.35

Current (unsecured, considered good unless otherwise stated)

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Security deposits (refer sub-note (i))		
- Unsecured, considered good	5,000.36	8,946.27
- Balances - credit impaired	15,151.94	9,000.00
Less: allowance for expected credit losses	(15,151.94)	(9,000.00)
	5,000.36	8,946.27
(b) Loans to employees	152.50	227.46
(c) Inter corporate deposits		
- Balances - credit impaired	760.00	760.00
Less: allowance for expected credit losses	(760.00)	(760.00)
	-	-
	5,152.86	9,173.73

C. Other financial assets

Non-current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Recoverable for coal block (refer sub-note (i))		
- Unsecured, considered good	41,456.43	41,456.45
- Unsecured, considered doubtful	14,833.52	14,833.51
Less: allowance for expected credit losses	(14,833.52)	(14,833.51)
	41,456.43	41,456.45
(b) Earmarked bank balances (refer sub-note (ii))	3,138.43	5,210.16
	3,138.43	5,210.16
	44,594.86	46,666.61

(i) For details of coal block advance refer note 32C.

(ii) Non-current earmarked bank balances represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies and as margin money against issue of bank guarantees. Earmarked bank balances includes interest accrued but not due.

Current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Other financial assets		
- Unsecured, considered good	9,465.89	6,801.22
- Unsecured, considered doubtful	517.00	-
Less: allowance for credit losses	(517.00)	-
	9,465.89	6,801.22
	9,465.89	6,801.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
7. Derivative instruments

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
a) Derivative assets		
Forward forex contracts	214.07	-
Total derivative assets	214.07	-
b) Derivative liabilities		
Forward forex contracts	4,141.57	-
Total derivative liabilities	4,141.57	-

8. Other assets
Non-current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Capital advances		
Unsecured, considered good	8,162.34	8,658.89
Unsecured, considered doubtful	673.00	-
Less: provision for doubtful balances	(673.00)	-
	8,162.34	8,658.89
(b) Balances with statutory authorities		
Unsecured, considered good	49,588.11	52,128.17
Unsecured, considered doubtful	31,651.06	14,487.08
Less: provision for doubtful balances	(31,651.06)	(14,487.08)
	49,588.11	52,128.17
(c) Prepaid lease payments for operating leases	19,161.94	19,010.11
(d) Prepaid expenses	189.81	428.03
(e) Other advances	0.82	611.00
Total (a+b+c+d+e)	77,103.02	80,836.20

Current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Balances with statutory authorities	20,023.53	12,311.72
(b) Prepaid lease payments for operating leases	231.37	394.19
(c) Prepaid expenses	737.41	1,135.50
(d) Advance to suppliers	34,336.24	46,099.71
(e) Other advances	105.50	149.01
Total (a+b+c+d+e)	55,434.05	60,090.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Income tax assets

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Advance tax and tax deducted at source receivable (net of tax provisions)	3,181.98	2,900.20
	3,181.98	2,900.20

10. Inventories

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Raw materials	170,045.57	169,120.90
(b) Finished and semi-finished goods	196,304.65	172,552.04
(c) Stores and spares	83,251.65	56,325.77
(d) Others	8,586.27	4,520.83
	458,188.14	402,519.54
Included above, goods-in-transit:		
(i) Raw materials	31,290.01	79,671.67
(ii) Stores and spares	2,739.07	353.96
	34,029.08	80,025.63

(i) Value of inventories above is stated after provisions (net of reversal) ₹ 977.15 lacs (March 31, 2018: ₹ 37.78 lacs) for write-downs to net realisable value and provision for slow moving and obsolete items.

11. Trade receivables

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	79,539.82	123,929.30
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	8,506.72	15,088.51
	88,046.54	139,017.81
Less: Allowance for expected credit losses	(18,345.33)	(17,060.00)
	69,701.21	121,957.81

(i) For details of receivables from related parties, refer note 36.

(ii) Trade receivables relate to Group's contracts with its customers, are non-interest bearing and are generally on credit terms not exceeding 12 months.

(iii) The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

(iv) Movement in allowance for credit losses of receivables is as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	17,060.00	6,071.06
Charge in statement of profit & loss	1,285.33	11,240.75
Release to statement of profit & loss	-	(251.81)
Balance at the end of the year	18,345.33	17,060.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(v) Ageing of trade receivables and credit risk arising there from is as below:

(₹ in Lacs)

Particulars	As at March 31, 2019			Net carrying amount net of impairment provision
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	
Amount not yet due	43,096.79	0%	62.15	43,034.64
Less than three months overdue	19,544.36	2%	354.41	19,189.95
Between three to six month overdue	3,118.76	12%	368.76	2,750.00
Between six month to one year overdue	6,720.94	75%	5,013.95	1,706.99
Greater than one year overdue	15,565.69	81%	12,546.06	3,019.63
Balance at the end of the year	88,046.54		18,345.33	69,701.21

(₹ in Lacs)

Particulars	As at March 31, 2018			Net carrying amount net of impairment provision
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	
Amount not yet due	96,998.57	1%	563.77	96,434.80
Less than three months overdue	18,041.85	4%	782.04	17,259.81
Between three to six month overdue	2,802.33	47%	1,304.75	1,497.58
Between six month to one year overdue	11,906.09	43%	5,140.47	6,765.62
Greater than one year overdue	9,268.97	100%	9,268.97	-
Balance at the end of the year	139,017.81		17,060.00	121,957.81

(vi) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2019 to be ₹ 80,286.54 lacs (March 31, 2018: ₹ 139,017.81 lacs), which after consideration of allowance for expected credit losses, is the fair value of trade receivables. The Group's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2019 and March 31, 2018.

(vii) There are no outstanding receivable debts due from directors or other officers of the Group.

12. Cash and cash equivalents

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Cash in hand	13.99	19.44
(b) Cheques in hand	62.49	-
(c) Balance with banks		
- In current accounts	27,678.07	51,765.17
- Deposits with original maturity of less than three months	10.56	7,685.42
	27,765.11	59,470.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Other balances with banks

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Earmarked balances with banks		
- Unpaid dividend	9.05	10.89
- Deposits with original maturity of less than three months	12,680.61	32,351.93
	12,689.66	32,362.82

(i) Earmarked balances with bank represent balances held for unpaid dividends and margin money/ fixed deposits against issue of bank guarantees

(ii) Short-term deposits are made for varying periods between three to twelve months, depending on the immediate cash requirements of the Group, and earned interest at the respective short-term deposit rates.

14. Equity share capital

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Authorised:		
46,500,000,000 Ordinary equity shares of ₹ 2 each (March 31, 2018: 400,000,000)	930,000.00	8,000.00
	930,000.00	8,000.00
Issued:		
1,097,530,242 Ordinary equity shares of ₹ 2 each (March 31, 2018: 230,605,220)	21,950.60	4,612.10
	21,950.60	4,612.10
Subscribed and Paid up:		
1,093,439,768 Ordinary equity shares of ₹ 2 each (March 31, 2018: 226,514,746)	21,868.80	4,530.30
	21,868.80	4,530.30

a) Reconciliation of number of shares outstanding and the amount of share capital:

Particulars	(₹ in Lacs)		(₹ in Lacs)	
	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
Shares outstanding at the beginning of the year	226,514,746	4,530.30	226,514,746	4,530.30
Shares issued during the year (refer sub-note (i))	866,925,022	17,338.50	-	-
Shares outstanding at the end of the year	1,093,439,768	21,868.80	226,514,746	4,530.30

i) During the year, the Company has issued 866,925,022 shares at the face value of ₹ 2 per share by way of private placement of shares.

b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
c) Details of the shareholders holding more than 5% share in the Company

(₹ in Lacs)

Particulars	As at March 31, 2019	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
1. Bamnival Steel Limited	794,428,986	72.65%

(₹ in Lacs)

Particulars	As at March 31, 2018	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
1. Shri Brij Bhushan Singal	31,247,969	13.80%
2. Shri Neeraj Singal	49,835,628	22.00%
3. Bhushan Infrastructure Private Limited	12,101,188	5.34%

d) Details of shares held by the holding company

(₹ in Lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up				
1. Bamnival Steel Limited	794,428,986	72.65%	-	-

15. Other equity

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
a) Capital redemption reserve		
Balance as at the beginning of the period	693.34	693.34
Changes during the year	-	-
Balance as at the end of the period	693.34	693.34
b) Securities premium reserve		
Balance as at the beginning of the period	72,576.10	72,576.10
Changes during the year	-	-
Balance as at the end of the period	72,576.10	72,576.10
c) Debenture redemption reserve		
Balance as at the beginning of the period	36,512.50	36,512.50
Changes during the year	(36,512.50)	-
Balance as at the end of the period	-	36,512.50
d) Capital reserve		
Balance as at the beginning of the period	1,942.03	1,942.03
Changes during the year	-	-
Balance as at the end of the period	1,942.03	1,942.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
e) General reserve		
Balance as at the beginning of the period	527,837.59	527,837.59
Changes during the year	36,512.50	-
Balance as at the end of the period	564,350.09	527,837.59
f) Retained earnings		
Balance as at the beginning of the period	(3,248,127.47)	(791,233.37)
Profit/(Loss) during the year	171,188.91	(2,456,588.85)
Remeasurement of defined employee benefit plans	523.83	(305.25)
Balance as at the end of the period	(3,076,414.73)	(3,248,127.47)

g) Equity component of compound financial instruments

The compound financial instrument relate to the Optionally Convertible Redeemable Preference shares (OCRPS) and Non Convertible Redeemable Preference Shares (NCRPS) issued by the company.

A. Details of authorised, issued, subscribed and paid-up capital

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Authorised:		
22,000,000 Preference shares of ₹ 100 each (March 31, 2018: 20,500,000)	22,000.00	20,500.00
12,000,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	1,200,000.00	-
12,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	1,200,000.00	-
	2,422,000.00	20,500.00
Issued:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	1,070,000.00	-
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	900,000.00	-
	1,970,000.00	-
Subscribed and Paid up:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2018: NIL)	1,070,000.00	-
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2018: NIL)	900,000.00	-
	1,970,000.00	-

B. Reconciliation of number of shares outstanding:

Non Convertible Redeemable Preference Shares

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Shares outstanding at the beginning of the year	-	-
Shares issued during the year (refer sub-note (I))	10,700,000,000	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	10,700,000,000	-

I. During the year, the Company has issued 10,700,000,000 shares at the face value of ₹ 10 per share by way of private placement of shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Optionally Convertible Redeemable Preference shares

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Shares outstanding at the beginning of the year	-	-
Shares issued during the year (refer sub-note (I))	9,000,000,000	-
Shares outstanding at the end of the year	9,000,000,000	-

I. During the year, the Company has issued 9,000,000,000 shares at the face value of ₹ 10/- per share by way of private placement of shares.

C. Rights, preferences and restrictions attached to the preference shares

The Company has preference shares having a par value of ₹ 10/- per share. Preference shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

The Company declares and pays dividend in Indian rupees. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. However, the holders of the preference shares shall be paid dividend on a non-cumulative basis.

The preference shares shall be non-participating in the surplus funds and also in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.

For terms of redemption, refer sub-note (iii) of Note 16A - Borrowings.

D. Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Equity shares reserved for issue under option	2,947,920,079	-

E. Terms of conversion attached to Optionally Convertible Redeemable Preference shares

OCRPS shall be convertible into equity shares at the option of Tata Steel Limited, the holder, within a period of 18 months from the date of allotment at a price determined on the relevant date i.e. February 08, 2019 being ₹ 30.53.

F. Details of the shareholders holding more than 5% preference shares in the Company
Non Convertible Redeemable Preference Shares

(₹ in Lacs)

Particulars	As at March 31, 2019	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	10,700,000,000	100.00%

Optionally Convertible Redeemable Preference shares

(₹ in Lacs)

Particulars	As at March 31, 2019	
	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up		
1. Tata Steel Limited	9,000,000,000	100.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

G. Equity component of compound financial instruments

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance as at the beginning of the period	-	-
Transactions with owners in their capacity as owners	1,729,582.05	-
Balance as at the end of the period	1,729,582.05	-

H. Capital contribution

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance as at the beginning of the period	-	-
Transactions with owners in their capacity as owners	2,518,550.72	-
Balance as at the end of the period	2,518,550.72	-

I. Foreign currency translation reserve (₹ in Lacs)

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance as at the beginning of the period	(1,198.67)	(1,206.79)
Changes during the year	(12.06)	8.12
Balance as at the end of the period	(1,210.73)	(1,198.67)

J. Equity instruments at fair value through other comprehensive income

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance as at the beginning of the period	66.70	54.80
Other comprehensive (loss)/income recognised during the period	(6.80)	11.90
Balance as at the end of the period	59.90	66.70
Total other equity	1,810,128.79	(2,609,697.88)

K) Description of the nature of reserves existing in the company:-

Capital redemption reserve - The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier year.

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

Debenture redemption reserve - The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. Since, the debentures were redeemed during the current year, hence ₹ 36,512.50 lacs appearing in the debenture redemption reserve was transferred to general reserve.

Capital reserve - Capital reserves represents the difference between value of net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

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

Retained earnings - Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Equity component of compound financial instruments - The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) & Non Convertible Redeemable Preference shares (NCRPS) during the financial year ended March 31, 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS & OCRPS as the present value of the contractual obligations

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

associated with the instrument. The difference between the issue amount of the OCRPS & NCRPS and the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

Capital contribution - During the year, post implementation of the resolution plan dated May 18, 2018, Bannipal Steel Limited (Holding Company), in its capacity as the promoter of the Company, had waived off novated debts (reduced by the cost of novation) amounting to ₹ 2,518,550.72 lacs. The Company recognised such waiver as a capital contribution made during the year as an item of 'Other equity'. Refer Note 43 for details of accounting of resolution plan.

Other comprehensive income - (a) The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant equity instruments are derecognised. (b) The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

16. Financial liabilities
A. Borrowings

		(₹ in Lacs)	
Non - Current		As at	As at
Particulars		March 31, 2019	March 31, 2018
(a) Secured			
(i)	Debentures	-	144,033.14
(ii)	Term loans from banks		
	- Indian rupees loans (refer sub-note (ii))	1,384,542.07	2,388,001.53
	- Foreign currency loans	-	890,260.91
(iii)	Term loans from financial institutions	-	62,130.89
(iv)	Finance lease obligation	79,196.47	85,054.98
		1,463,738.54	3,569,481.45
(b) Unsecured			
(i)	Term loans from banks	-	-
	- Indian rupees loans	-	9,765.00
	- Foreign currency loans	-	314.38
(ii)	Liability component of compound financial instruments	239,075.38	
(iii)	From others	-	3,229.91
		239,075.38	13,309.29
	Less: Current maturities of long term borrowings classified under 'other financial liabilities'	-	3,497,735.75
	Less: Current maturities of finance lease obligation classified under 'other financial liabilities'	5,583.18	14,402.39
		1,697,230.74	70,652.60

Current

		(₹ in Lacs)	
Particulars		As at	As at
		March 31, 2019	March 31, 2018
(a) Secured			
(i)	Working capital facilities from banks		
	- Indian rupees loans	-	1,095,415.10
	- Foreign currency loans	-	36,983.47
(ii)	Borrowing against bills discounted	-	4,726.31
(iii)	Bills of exchange payable-foreign currency	-	8,373.16
		-	1,145,498.04
(b) Unsecured			
(i)	From bank		
	- Foreign currency loans	-	87.07
(ii)	Preference shares (redeemable on demand)	100.00	235,800.97
(iii)	Inter corporate deposits	613.77	625.22
		713.77	236,513.26
		713.77	1,382,011.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (i) Rupee term loans as at March 31, 2019 amounting to ₹ 1,384,542.07 lacs are secured by a charge on all of the Company's immovable & movable properties including movable machinery, spares, tools & accessories, ranking pari passu inter-se. The term loan shall be payable across 18 half yearly installments starting from March 2022. The interest rate on such term loans is 0.55% spread over MCLR.
- (ii) Working capital facilities are secured by hypothecation of stock & book debts.
- (iii) During the current year, the Company has issued 11.09% Non-Convertible Redeemable Preference Shares ("NCRPS") and 8.89% Optionally Convertible Redeemable Preference Shares ("OCRPS") to Tata Steel Limited ("TSL"), on private placement basis. The NCRPS and OCRPS are redeemable at par value at maturity, i.e. 20 years from the date of allotment. The Company has an option to early redeem the NCRPS and OCRPS at 3 monthly intervals from the date of allotment. OCRPS shall be convertible into equity shares at the option of TSL within a period of 18 months from the date of allotment at ₹ 30.53 per share.
- (iv) Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated July 26, 2017. On May 15, 2018, the NCLT approved the terms of the Resolution Plan submitted by Tata Steel Limited ("TSL"). The accounting for the borrowings was carried out considering the terms of such Resolution Plan. Refer Note 43 for details of effect of resolution plan & its accounting thereof. As all the borrowings were settled on May 17, 2018, the details of security in respect of such borrowings are not given.
- (v) The Group has disclosed its finance lease obligation after offsetting the amount receivable from lessor amounting to ₹ 1,019.92 lacs.

B Trade payables

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 33)	1,254.42	1,001.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	307,664.51	129,517.76
	308,918.93	130,519.35

- (i) The Group considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2019 to be ₹ 308,918.93 lacs (March 31, 2018: ₹ 130,519.35 lacs), which is the fair value of trade payables.

C Other financial liabilities

Non-current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Deferred sales tax payable	4,385.37	3,940.04
(b) Other payables	1,403.60	-
	5,788.97	3,940.04

Current

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long term borrowings	-	3,497,735.76
(b) Current maturities of finance lease obligation	5,583.18	14,402.38
(c) Interest accrued on borrowings	-	1,336,913.48
(d) Liability for capital goods	48,986.83	88,379.30
(e) Security deposits	707.27	508.35
(f) Dues to directors	3.92	3,384.86
(g) Dues to officers	-	11.83
(h) Unclaimed dividend	9.04	10.89
(i) Other payables	11,664.30	10,131.75
	66,954.54	4,951,478.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
17. Other liabilities
Current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Advances received from customers	12,807.39	3,506.63
(b) Statutory Dues	23,995.77	40,550.94
(c) Other liabilities	-	306.54
	36,803.16	44,364.11

- (i) The advances received from customers represents contract liability balances outstanding as at the respective dates. The advances received from customers outstanding as at April 1, 2018 were fully recognized as revenue during the year ended March 31, 2019 upon satisfaction of the associated performance obligations.

18. Provisions
Non-current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Provision for employee benefits		
- Gratuity (refer note 35)	3,416.59	3,466.98
- Compensated absences	2,263.18	2,165.10
	5,679.77	5,632.08

Current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Provision for employee benefits		
- Compensated absences	294.03	731.14
	294.03	731.14

19. Deferred income
Non-current

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Deferred income	227.69	266.18
	227.69	266.18

20. Revenue from operations

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
(a) Sale of products to customers	1,986,010.95	1,676,061.67
(b) Other operating revenue		
Other sales to customers	77,551.46	52,559.65
Export and other incentives (refer sub-note (i))	25,597.94	11,821.44
	2,089,160.35	1,740,442.76

- (i) This includes amount recognised on account of Maharashtra Package Scheme of Incentives, 1993 amounting to ₹ 14,332.48 lacs. Refer Note 45 for further details.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Geographical information

Geographical information, by region, of the Group's revenue from operations, has been disclosed below and represents Tata Steel BSL's most significant regional markets.

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) India	1,786,943.07	1,393,410.89
(b) Asia excluding India	177,654.52	209,501.41
(c) Europe	83,694.64	69,301.00
(d) Rest of world	40,868.11	68,229.46
	2,089,160.34	1,740,442.76

Details of performance obligation associated with revenue recognition

Satisfaction of performance obligations:-

The Group's revenue is derived from the single performance obligation to transfer primarily steel products under arrangements in which the transfer of control of the products and the fulfillment of the Group's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Group has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Group will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Group's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Group has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

Additionally, the Group identifies when goods have left its premises, not when the customer receives the goods. Therefore, the Group estimates, based on its historical experience, the amount of goods in-transit when the transfer of control occurs at the destination and defers the revenue recognition.

In case of export sales, for delivery conditions whereby the Group arranges the logistics of the goods to its premises, the Group charges the freight on actual basis (actuals as levied by the transporter). In this case, the Group acts as an agent in arranging such logistics services. Hence, revenue from such services are netted off with the expenses as levied by the transporter.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

Variable considerations associated with such sales

Periodically, the Group enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Group only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Group estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates in each reporting period.

21. Other income

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Finance income on:		
- Fixed deposits	2,508.44	784.29
- Others	375.03	2,122.02
(b) Net Gain / (loss) on sale/fair valuation of investments	8,478.77	
(c) Dividend income on - long term investments	1.35	2.70
(d) Liabilities written back	89.91	4,920.00
(e) Miscellaneous income	1,790.92	1,679.25
	13,244.42	9,508.26

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
22. Raw materials consumed

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
(a) Cost of raw materials consumed	1,163,663.41	994,455.85
Less: Expenses transferred to capital work in progress	(3,357.95)	(2,927.02)
	1,160,305.46	991,528.83

23. Purchases of finished, semi-finished steel & other products

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Purchase of stock in trade	685.44	712.03
	685.44	712.03

24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Closing stock		
- Finished goods	196,304.65	172,552.04
- Work-in-progress	-	-
- Others	8,586.27	4,520.83
	204,890.92	177,072.87
Opening stock		
- Finished goods	172,552.04	61,430.45
- Work-in-progress	-	103,484.14
- Others	4,520.83	9,368.65
	177,072.87	174,283.24
Net increase [(b) - (a)]	(27,818.05)	(2,789.63)

25. Employee benefit expense

(₹ in Lacs)

Particulars	Year ended March	Year ended March
	31, 2019	31, 2018
(a) Salaries and wages (refer sub-note (i))	35,310.67	34,485.56
(b) Contribution to provident and other funds	1,013.49	1,423.42
(c) Staff welfare expenses	707.69	783.39
	37,031.85	36,692.37
Less: expenses transferred to capital work in progress	(781.29)	(934.75)
	36,250.56	35,757.62

(i) Contractual manpower costs for the year ended March 31, 2018 amounting to ₹ 23,572.43 lacs have been reclassified from employee benefits expense to other expenses [sub-head - contractual manpower costs] to provide more relevant information.

26. Finance cost

(₹ in Lacs)

Particulars	Year ended March	Year ended
	31, 2019	March 31, 2018
(a) Interest on borrowings	380,969.12	636,731.20
(b) Other borrowing cost	1,362.21	5,809.77
	382,331.33	642,540.97
Less: expenses transferred to capital work in progress	(7,113.45)	(12,051.23)
	375,217.88	630,489.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27. Depreciation and amortisation expenses

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Depreciation on tangible assets	144,165.90	178,560.19
(b) Amortisation of intangible assets	8.02	6.34
	144,173.92	178,566.53

28. Other expenses

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Consumption of stores, spares and consumables	130,745.05	80,902.70
(b) Packing material consumed	7,521.02	6,398.17
(c) Purchase of power and consumption of fuel	117,638.28	97,228.76
(d) Rent (refer sub-note (iii))	81,749.88	91,716.73
(e) Insurance charges	3,224.92	1,504.49
(f) Rates and taxes	934.66	2,901.10
(g) Repairs and maintenance:		
Building	718.20	193.33
Machinery	6,714.27	9,704.87
(h) Payment to auditors:		
Audit fees	353.73	350.00
Tax audit fee	35.00	35.00
Out-of-pocket expenses	47.57	-
For other services	3.06	-
(i) Freight and handling charges	89,093.63	80,387.21
(j) Commission, discounts and rebates	3,544.60	7,129.19
(k) Loss on sale of property, plant and equipment	26.69	207.95
(l) Bad debts written-off	-	245.37
(m) Allowance for expected credit losses	6,029.63	11,240.75
(n) Contractual manpower costs (refer sub-note (i))	33,423.92	23,572.43
(o) Miscellaneous expenses (refer sub-note (ii))	58,399.38	48,925.71
(p) Excise duty on closing stock	-	(6,836.78)
	540,203.49	455,806.98
Less: Expenses transferred to capital work in progress	(197.91)	(174.17)
	540,005.58	455,632.81

(i) Contractual manpower costs for the year ended March 31, 2018 amounting to ₹ 23,572.43 lacs have been reclassified from employee benefits expense to other expenses [sub-head - contractual manpower costs] to provide more relevant information.

(ii) Miscellaneous expenses includes losses on account of foreign exchange fluctuation amounting to ₹ 5,765.57 lacs (March 31, 2018: ₹ 1,786.59 lacs).

(iii) Rent includes ₹ 80,084.80 lacs (March 31, 2018: ₹ 76,584.41 lacs) which comprises of consideration for both non lease elements and lease element paid under certain supply arrangement which can not be separated.

29. Exceptional items

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Effects of implementation of resolution plan (refer sub-note - (i))	315,927.27	-
(b) Provision for impairment on property, plant and equipment and other assets (refer sub-note - (ii))	(18,326.60)	2,051,103.00
(c) Provision for impairment on financial assets	-	23,833.52
(d) Other exceptional items	-	234,732.49
	297,600.67	2,309,669.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
i) Effects of implementation of resolution plan (refer Note 43 for details of effects of resolution plan)

Pursuant to CIRP proceedings & implementation of resolution plan, there has been a gain of ₹ 315,927.27 lacs on account of the following:-

- (a) Operational creditors extinguishment - ₹ 55,212.35 lacs
- (b) Redemption of preference shares & waiver of related interest obligation - ₹ 242,557.34 lacs
- (c) Extinguishment of dues towards financial creditors on account of pledged shares invocation - ₹ 18,157.58 lacs.

ii) Provision for impairment on property, plant & equipment and other assets

- (a) Provision for impairment of property, plant and equipment - ₹ 5,219.23 lacs [refer Note - 3]
- (b) Provision for impairment of certain non-current advances - ₹ 17,837.52 lacs.
- (c) Net reversal of provision for impairment made in earlier year - ₹ 4,730.14 lacs [refer Note - 3]

iii) Exceptional items recognised in previous year financial statements

- (A) Provision for impairment on property, plant & equipment and other assets includes:
 - (a) Provision for impairment of property, plant and equipment (including CWIP) - ₹ 1,911,279.90 lacs.
 - (b) Derecognition of Minimum Alternate Tax credit ₹ 80,605.55 lacs.
 - (c) Provision for impairment of investment in associates – Bhushan Energy Limited and others ₹ 36,880.62 lacs.
 - (d) Certain non-current advances ₹ 47,135.93 lacs.
- (B) Provision for impairment on financial assets of ₹ 23,833.52 lacs comprises:
 - (a) Expenditure incurred on development of deallocated coal mines ₹ 14,833.52 lacs; and
 - (b) Security deposits given to Bhushan Energy Limited of ₹ 9,000.00 lacs.
- (C) Other exceptional items for the year ended March 31, 2018 include prior period items of ₹ 201,909.65 lacs comprising of the following:
 - (a) Amortisation of leasehold land accounted as operating lease - The Company has taken land properties on operating lease in earlier years, which prior to year ended March 31, 2018 were accounted as finance lease. Upon change in their classification as operating lease, the cumulative effect of amortisation from inception until the year ended March 31, 2017 has been recognised in previous year's profit or loss in 'exceptional items'. Further, these leasehold land properties were recognised at fair value on transition to Ind AS as on April 01, 2015 and such fair valuation adjustment has also been reversed in previous year's profit or loss in 'exceptional items'.
 - (b) Accounting effect of oxygen plant accounted as finance lease - The Company entered into sale and leaseback arrangement for oxygen plant in earlier years which was accounted as operating lease. However, the terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognised with corresponding finance lease obligation. Cumulative effect of reversal of operating lease rentals and booking of depreciation and finance cost from inception until the year ended March 31, 2017 has been recognised in previous year's profit or loss in 'exceptional items'.

30. Earning per share

Basic and diluted earning per share ("EPS") amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company (including the potential savings/expenses that would result from the conversion of the dilutive potential ordinary share) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

(₹ in Lacs)

Particulars	Year ended March	Year ended March
	31, 2019	31, 2018
(a) Profit/ (loss) after tax (₹ in lacs)	171,188.91	(2,456,588.85)
(b) Add:- income that would result from the conversion of the dilutive potential ordinary share (₹ in lacs)	38,026.38	-
(c) Profit/(loss) after tax to be considered for computation of Diluted Earnings Per Share (DEPS) (₹ in lacs)	209,215.29	(2,456,588.85)
(d) Weighted average number of equity shares - Basic (Nos.)	981,808,327	226,514,746
Add:- weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares (refer sub note (i))	18,937,586,654	-
(e) Weighted average number of equity shares - Diluted (Nos.)	19,919,394,981	226,514,746
Earning Per Share		
Basic (₹ / share) [(a)/(c)]	17.44	(1,084.52)
Diluted (₹ / share) [(b)/(d)]	1.05	(1,084.52)
Face value per share (₹)	2.00	2.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(i) The dilution is on account of:

Potential equity shares which may be issued on account of conversion option that exists in the Optionally Convertible Redeemable Preference Shares (OCRPS). OCRPS shall be convertible into equity shares at the option of the investor (being Tata Steel Limited) within a period of 18 months from the date of allotment at ₹ 30.53 per share, and,

Potential equity shares which could have been issued on account of conversion option that existed in the Inter-Corporate Deposits (ICD) taken from Bamnival Steel Limited. ICD was convertible into equity shares at the option of the investor (being Bamnival Steel Limited) within a period of 18 months from the date of issue of ICD at face value of equity share, i.e., ₹ 2 per share. The dilution impact has been considered for the period in which the ICD was outstanding, i.e., May 18, 2018 to March 19, 2019.

31. Tax expenses

(a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Particulars	₹ in Lacs	
	As at March 31, 2019	As at March 31, 2018
Profit / (loss) before tax	171,184.65	(2,888,803.10)
At India's statutory income tax rate of 34.944% (March 31, 2018: 34.944%)	59,818.76	(1,009,463.36)
(a) Deferred tax assets on losses and unabsorbed depreciation not recognised	154,208.80	237,190.57
(b) Income exempt from tax/items not deductible	31,180.62	145,764.22
(c) Deferred taxes (assets)/liabilities relating to earlier years recognised during the year	(246,042.88)	198,520.73
(d) Impact of change in tax rate	-	(4,195.63)
(e) Others	834.70	-
	-	(432,183.47)
	-	(432,183.47)

(i) Finance Act, 2018, changed the statutory tax rate applicable for Indian companies having turnover of more than ₹ 25,000 lacs from 34.608 % to 34.944 % (including surcharge and cess) from assessment year 2019-20. The Company has accordingly re-measured deferred tax balances expected to reverse in future periods based on the revised applicable rate.

(b) Movement of deferred tax liability from beginning to end of financial year is as follows:

Particulars	₹ in Lacs				
	As at April 01, 2017	Provided during the year	As at March 31, 2018	Provided during the year	As at March 31, 2019
Deferred tax liability:					-
(a) Related to property plant & equipment	1,016,844.08	(546,748.46)	470,095.62	28,265.63	498,361.25
(b) Investments carried at Fair value through profit or loss	-	-	-	258.65	258.65
Total deferred tax liability	1,016,844.08	(546,748.46)	470,095.62	28,524.28	498,619.90
Deferred tax assets:					
(a) Accumulated business loss and unabsorbed depreciation	539,986.23	(319,165.99)	220,820.24	217,729.29	438,549.53
(b) Provision for doubtful debts	2,101.07	3,860.37	5,961.44	449.15	6,410.59
(c) Amount deductible on payment basis	41,436.83	159,464.17	200,901.00	(195,330.10)	5,570.90
(d) Others	1,168.46	41,244.48	42,412.94	5,675.94	48,088.88
Total deferred tax assets	584,692.59	(114,596.97)	470,095.62	28,524.28	498,619.90
Mat credit entitlement	80,605.55	(80,605.55)	-	-	-
Deferred tax liability (net)	351,545.94	(351,545.94)	-	-	-
Recognised in profit or loss as 'tax expenses'	-	(432,183.47)	-	-	-
Recognised in profit or loss as 'exceptional item'	-	80,605.55	-	-	-
Recognised in OCI	-	31.98	-	-	-
Total	-	(351,545.94)	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (i) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 321,093.41 lacs as at March 31, 2019 (March 31, 2018: ₹ 478,031.47 lacs), where it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the company.
- (ii) In the previous financial year ended March 31, 2018, the Company had unused tax credit (MAT) of ₹ 80,605.55 lacs for which no assets has been recognised.
- (iii) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

Particulars	Year of expiry	(₹ in Lacs)
		Amount
Unabsorbed depreciation	No expiry	918,879.95
		918,879.95

32. Commitments and contingencies
A. Contingent liabilities

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) Sales Tax	-	120,810.98
(b) Excise duty/custom duty/ Service Tax	-	70,296.19
(c) Entry Tax	-	47,507.68
(d) Income Tax	-	280,427.52
(e) Water Conservation Fund	-	15,075.12
(f) Others	-	13,150.49
	-	547,267.98

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 18, 2018 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been legally advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. July 26, 2017, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies (presented under Other Assets - Non current) continue to subsist.

B. Commitments

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8,975.50	27,660.66
	8,975.50	27,660.66

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C. Other matters

The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Company which were under development. Subsequently, the Government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks. De-allocated coal block amounting to ₹ 56,289.95 lacs includes expenditure incurred of ₹ 14,833.52 lacs and advance given of ₹ 41,456.44 lacs. During the previous year, Company has provided provision for expenses incurred. In the opinion of the management, the Company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company has filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the Company had filed a Writ Petition bearing No 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Union of India and other. The Counter Affidavit(s) were filed by Union of India in November 2016 and subsequent thereto pleadings were completed.

On May 24, 2018 the above matter came up for hearing before Hon'ble Delhi High Court. Vide office Memorandum dated March 20, 2018, New Patrapara Coal Block has been earmarked for allotment to Odisha Government. Court has directed Union of India to file status report on land acquisition status/proceedings upto 10 days prior to next date of hearing, i.e., September 27, 2018.

On September 27, 2018, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that whether the Company should be awarded interest on the money lying deposited, the rate of interest and the period for which it is payable, would be subject to the final outcome of the proceedings.

On February 07, 2019, the matter was again heard before the Hon'ble Delhi High Court whereby the Court had mentioned that Union of India had sought time to obtain specific instructions as to time schedule which would be adhered to for disbursement of compensation amount. The Union of India shall file specific undertaking outlining the amounts payable to the Company and also the last date by which the amount could be disbursed. Thereafter matter was adjourned to May 07, 2019.

33. Dues to micro, small and medium enterprises

The dues to micro, small and medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due to micro, small and medium enterprises	1,648.20	1,040.52
- Interest due	6.93	46.73
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) 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 the MSMED Act 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	6.93	46.73
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

34. Segment reporting

The business activity of the Group falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Ministry of Corporate Affairs is not considered applicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

35. Employee benefits

Defined Contribution Plans - general description

Provident Fund:

During the year, the Group has recognised ₹ 666.61 Lacs (2017-18: ₹ 615.41 Lacs) as contribution to Employee Provident Fund in the statement of profit and loss.

Defined Benefit Plans - general description

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service at the time of separation from the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

a) Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars	Gratuity (Funded)
(₹ in Lacs)	
March 31, 2018	
Fair value of plan assets	1,905.82
Defined benefit obligation	5,372.80
Net asset/ (liability) as at March 31, 2018	(3,466.98)
March 31, 2019	
Fair value of plan assets	2,054.86
Defined benefit obligation	5,471.45
Net asset/ (liability) as at March 31, 2019	(3,416.59)

(b) Changes in the present value of the defined benefit obligation are, as follows:

Particulars	Gratuity (Funded)
(₹ in Lacs)	
Defined benefit obligation as at April 01, 2017:	4,399.63
Current service cost	539.92
Interest expense	331.73
Past service cost	-
Benefits paid	(176.49)
Actuarial (gain)/ loss on obligations - OCI	278.01
Defined benefit obligation as at March 31, 2018	5,372.80
Current service cost	606.14
Interest expense	414.24
Past service cost	-
Benefits paid	(380.57)
Actuarial (gain)/ loss on obligations - OCI	(541.16)
Defined benefit obligation as at March 31, 2019	5,471.45

(c) Changes in the fair value of plan assets are, as follows:

Particulars	Gratuity (Funded)
(₹ in Lacs)	
Fair value of plan assets as at April 01, 2017:	1,792.42
Contribution by employer	150.00
Benefits paid	(176.49)
Return on plan assets	139.89
Fair value of plan assets as at March 31, 2018	1,905.82
Contribution by employer	400.00
Benefits paid	(380.57)
Return on plan assets	129.61
Fair value of plan assets as at March 31, 2019	2,054.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Break up of fair value of plan assets	As at	As at
	March 31, 2019	March 31, 2018
- SBI Life	741.66	827.29
- LIC	753.35	609.18
- PNB Metlife	389.92	363.90
- Trust	169.93	105.45
Total fair value of plan assets	2,054.86	1,905.82

(d) Amount recognised in statement of profit and loss:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Current service cost	606.14	539.92
Past service cost	-	-
Net interest expense	267.30	196.58
Remeasurement of net benefit liability/asset	-	-
Amount recognised in statement of profit and loss	873.44	736.50

(e) Amount recognised in other comprehensive income:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Actuarial (gain)/ loss on obligations		
Actuarial (gain)/ loss arising from change in demographic assumptions	(730.27)	-
Actuarial (gain)/ loss arising from change in financial assumptions	(23.85)	(36.15)
Actuarial (gain)/ loss arising from change in experience adjustment	212.96	314.16
Return on plan assets (excluding amounts included in net interest expense)	17.33	(4.74)
Amount recognised in other comprehensive income for year ended	(523.83)	273.27

The principal assumptions used in determining gratuity for the Company's plans are shown below:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Discount rate (in %)	7.81%	7.71%
Salary escalation (in %)	5.00%	5.00%
Rate of return on plan assets (in %)	6.80%	7.80%
Retirement age (in years)	60.00	60.00
Expected average remaining working lives of employees (in years)*	22.52	23.00
Expected contribution for the next annual reporting period (₹ in Lacs)	922.40	870.13

* Mortality rates inclusive of provision for disability - 100% of IALM (2006-08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Gratuity

(₹ in Lacs)

Assumptions	As at March 31, 2019		As at March 31, 2019		As at March 31, 2019	
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(231.43)	250.39	256.09	(238.47)	Not material	Not material

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Assumptions	As at March 31, 2018		As at March 31, 2018		As at March 31, 2018	
	Discount rate		Salary escalation		Expected average remaining working lives of employees	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%	-	-
Impact on defined benefit obligation	(103.87)	108.54	110.86	(106.94)	Not material	Not material

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation (gratuity):

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Within the next twelve months (next annual reporting period)	617.96	1,104.87
Between two and five years	1,328.99	2,272.97
Between five and ten years	1,319.46	1,377.79
Beyond ten years	3,776.40	1,457.51
Total expected payments	7,042.81	6,213.15

36 Related party transaction & balances
A Names of related parties having transactions during the year and description of relationship
(i) Entity having significant influence over the ultimate holding company

Tata Sons Private Limited

(ii) Ultimate holding company

Tata Steel Limited

(iii) Holding company ("Parent Company")

Bamnival Steel Limited

The Group's related parties principally consists of its ultimate holding company - (Tata Steel Limited including its subsidiaries, associates and joint ventures), associates and entity having significant influence over the ultimate holding company (Tata Sons Private Limited). The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended/ as at March 31, 2019 & March 31, 2018.

Transactions	Year ended	Ultimate Holding Company	Parent Company	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Other related parties	Grand Total
Remuneration and perks (refer sub-note E)	March 31, 2019	-	-	-	210.66	-	-	-	210.66
	March 31, 2018	-	-	-	1,332.35	38.84	-	-	1,371.19
Directors sitting fees	March 31, 2019	-	-	-	17.05	-	-	-	17.05
	March 31, 2018	-	-	-	6.03	1.60	-	-	7.63
Allotment of shares	March 31, 2019	-	15,888.58	-	-	-	-	-	15,888.58
	March 31, 2018	-	-	-	-	-	-	-	-
Issue of preference shares	March 31, 2019	1,970,000.00	-	-	-	-	-	-	1,970,000.00
	March 31, 2018	-	-	-	-	-	-	-	-
Capital contribution received	March 31, 2019	-	2,518,550.72	-	-	-	-	-	2,518,550.72
	March 31, 2018	-	-	-	-	-	-	-	-
Inter Corporate Deposit received	March 31, 2019	-	3,597,369.42	-	-	-	-	-	3,597,369.42
	March 31, 2018	-	-	-	-	-	-	-	-
Inter Corporate Deposit repaid	March 31, 2019	-	3,597,369.42	-	-	-	-	-	3,597,369.42
	March 31, 2018	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Transactions	Year ended	Ultimate Holding Company	Parent Company	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Other related parties	Grand Total
Interest paid (refer sub-note C)	March 31, 2019	-	231,623.50	-	-	-	-	-	231,623.50
	March 31, 2018	-	-	-	-	-	-	-	-
Novation Loan received	March 31, 2019	-	10,000.00	-	-	-	-	-	10,000.00
	March 31, 2018	-	-	-	-	-	-	-	-
Novation Loan repaid	March 31, 2019	-	10,000.00	-	-	-	-	-	10,000.00
	March 31, 2018	-	-	-	-	-	-	-	-
Purchase of goods/ services (refer sub-note D)	March 31, 2019	39,737.37	-	-	-	-	-	351,844.30	391,581.67
	March 31, 2018	-	-	58,929.01	-	-	470.24	-	59,399.25
Dividend received	March 31, 2019	1.35	-	-	-	-	-	-	1.35
	March 31, 2018	-	-	-	-	-	-	-	-
Sales of goods/ services	March 31, 2019	17,710.84	-	-	-	-	-	6,739.83	24,450.67
	March 31, 2018	-	-	-	-	-	3.48	-	3.48
Balances									
Advance to supplier	March 31, 2019	-	-	-	-	-	-	22.21	22.21
	March 31, 2018	-	-	-	-	-	-	-	-
Payable (refer sub-note D)	March 31, 2019	7,035.27	-	-	3.92	-	-	167,797.36	174,836.55
	March 31, 2018	-	-	-	-	-	-	-	-
Receivables	March 31, 2019	102.50	-	-	-	-	-	-	102.50
	March 31, 2018	-	-	-	-	-	-	-	-
Preference shares (refer sub-note B)	March 31, 2019	1,970,000.00	-	-	-	-	-	-	1,970,000.00
	March 31, 2018	-	-	-	-	-	-	-	-
Advance from customer	March 31, 2019	-	-	-	-	-	-	53.71	53.71
	March 31, 2018	-	-	-	-	-	-	-	-
Dividend receivables	March 31, 2019	6.48	-	-	-	-	-	-	6.48
	March 31, 2018	-	-	-	-	-	-	-	-

B. The Preference shares outstanding include -

- Liability component of preference shares - ₹ 240,417.95 lacs
- Equity component of preference shares - ₹ 1,729,582.05 lacs

C. The interest paid excludes interest accrued on the compound financial instruments (being preference shares) amounting to ₹ 657.43 lacs as the same represents unwinding of interest considered in statement of profit and loss during the year on account of accounting for compound financial instruments in accordance with Ind-AS 32. The same does not represent cash outflow in respect of interest expense payable to the holder of such instrument (being Tata Steel Limited)

D. Purchase of goods/services and payables includes:-

- Purchases of goods from TS Global Procurement Pte Limited amounting to ₹ 347,901.37 lacs and
- Amount payable to TS Global Procurement Pte Limited amounting to ₹ 167,512.51 lacs respectively.

E. During the year, the Company has recognised an amount of ₹ 210.66 lacs (March 31, 2018 : ₹ 1,332.35 lacs) as remuneration to key management personnel. The details of such remuneration is as below:

Particulars	₹ in Lacs	
	As at March 31, 2019	As at March 31, 2018
(i) Short-term employee benefits	210.66	1,332.35
(ii) Post employment benefits	-	-
(iii) Other long-term benefits	-	-
Total expected payments	210.66	1,332.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

37 Significant accounting judgements, estimates and assumptions

Use of estimates and critical accounting judgements

In the preparation of financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Significant management judgments

(a) Evaluation of indicators for impairment of non-financial asset

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(b) Provisions & contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(c) Valuation of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(d) Classification of leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Significant management estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

(b) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

(c) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(d) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(e) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value. Recoverable value is taken as higher of value in use and fair value less costs to sell.

38. A. Disclosure of interest in subsidiaries, joint arrangements and associates:

1) Disclosure of Interest in the following subsidiaries:

Name	Country of incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2019	As at March 31, 2018
(i) Bhushan Steel (Orissa) Limited	India	99.98%	99.98%
(ii) Bhushan Steel Madhya Bharat Limited	India	99.98%	99.98%
(iii) Bhushan Steel (South) Limited	India	100.00%	100.00%
(iv) Bhushan Steel (Australia) Pty Limited	Australia	90.97%	90.97%

2) Disclosure of interest in joint venture:

Name	Country of incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2019	As at March 31, 2018
(i) Andal East Coal Company Private Limited*	India	0.00%	0.00%

* The Company held investment in equity shares of Andal East Coal Company Private Limited (AECPL) which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 145.50 lacs which had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta high court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment has henceforth been classified as FVTOCI with fair value of Nil upon initial recognition.

3) Disclosure of interest in the following categories of associates:

Name	Country of incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2019	As at March 31, 2018
(i) Bhushan Energy Limited*	India	0.00%	0.00%
(ii) Bhushan Capital & Credit Services Private Limited	India	42.58%	42.58%
(iii) Jawahar Credit & Holdings Private Limited	India	39.65%	39.65%

* The Company held investment in Bhushan Energy Limited ('BEL') which was classified as an Associate till January 08, 2018. The Company recognised impairment loss on such investment during the previous year aggregating to ₹ 35,000.00 lacs which was disclosed under 'exceptional items' in statement of profit or loss. A corporate insolvency resolution proceedings (CIRP) under the Insolvency Bankruptcy Code 2016 was initiated against BEL vide order of National Company Law Tribunal (NCLT) dated January 08, 2018. Pursuant to this, the Company lost significant influence over BEL and its investment has henceforth been classified as FVTOCI.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
38. B. Information required by schedule III of the Companies Act 2013, with respect to Consolidated Financial Statements
Statement of net assets and profit or loss attributable to owners and minority interest

Particulars	Net assets		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Proportionate share (₹ in lacs)	As % of consolidated Net worth (%)	Share in profit/ (loss) (₹ in lacs)	As % of consolidated profit/ (loss) (%)	Share in other comprehensive income (₹ in lacs)	As % of consolidated other comprehensive income (%)	Share in total comprehensive income (₹ in lacs)	As % of consolidated total comprehensive income (%)
Holding Company	1,831,291.24	99.97	171,308.88	100.07	517.03	102.61	171,825.91	100.08
Subsidiaries								
Indian								
Bhushan Steel (South) Limited	(101.00)	(0.01)	(75.58)	(0.05)	-	-	(75.58)	(0.05)
Bhushan Steel (Orissa) Limited	3.23	0.00	(0.56)	(0.00)	-	-	(0.56)	(0.00)
Bhushan Steel Madhya Bharat Limited	3.23	0.00	(0.56)	(0.00)	-	-	(0.56)	(0.00)
Foreign								
Bhushan Steel (Australia) Pty Limited	2,688.63	0.15	(22.29)	(0.01)	(50.79)	(10.08)	(73.08)	(0.04)
Bowen Energy Pty Limited	(1,887.75)	(0.10)	(20.98)	(0.01)	38.73	7.69	17.75	0.01
Bowen Coal Pty Limited	-	-	-	-	-	-	-	-
Bowen Consolidated Pty Limited	-	-	-	-	-	-	-	-
Associates								
Bhushan Capital & Credit Services Private Limited	-	-	-	-	-	-	-	-
Jawahar Credit & Holdings Private Limited	-	-	-	-	-	-	-	-
Non-controlling interest-Bhushan Steel (Australia) Pty Limited	56.53	0.00	(2.18)	0.00	(4.92)	(0.98)	(7.10)	(0.00)
Non-controlling interest-Bowen Energy Pty Limited	(206.68)	(0.01)	(2.08)	0.00	3.84	0.76	1.76	0.00
Consolidated net worth	1,831,847.43	100.00	171,184.65	100.00	503.89	100.00	171,688.54	100.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

39. Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value		
Investments measured at		
Fair value through other comprehensive income	100.87	107.67
Fair value through profit and loss	159,490.28	-
Derivative assets	214.07	-
Financial assets measured at amortised cost		
Trade receivables	69,701.21	121,957.81
Loans	9,799.14	16,439.08
Cash and cash equivalents	27,765.11	59,470.03
Other bank balances	12,689.66	32,362.82
Other financial assets	54,060.75	53,467.83
Total	333,821.09	283,805.24
Financial liabilities measured at fair value		
Derivative liabilities	4,141.57	-
Financial liabilities measured at amortised cost		
Borrowings (including interest accrued)	1,703,527.70	6,301,715.52
Trade payables	308,918.93	130,519.35
Other financial liabilities	67,160.32	106,367.02
Total	2,083,748.52	6,538,601.89

Transfer of financial assets

The Group transfers certain trade receivables under discounting arrangements with banks and financial institutions. Some of such arrangements do not qualify for de-recognition due to arrangements with banks providing them recourse against the Group in the event of principal debtors' defaults. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value of asset transferred	Carrying value of associated liability	Carrying value of asset transferred	Carrying value of associated liability
Trade receivables	-	-	4,726.31	4,726.31

B Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	70.31	-	30.56	100.87
Fair value through profit and loss	159,490.28	-	-	159,490.28
Derivative assets	-	214.07	-	214.07
Liabilities at fair value				
Derivative liabilities	-	4,141.57	-	4,141.57
As at March 31, 2018				
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	77.07	-	30.60	107.67
Fair value through profit and loss	-	-	-	-

a. Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:-

- (i) In order to arrive at the fair value of unquoted investments in equity shares, the Group obtains independent valuations. However, for such investments held by Group as of reporting date, costs of such unquoted equity instruments has been considered as an appropriate estimate of fair value because of wide range of fair value measurements and cost represents the best estimate of fair value within that range.
- (ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

b. The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

Particulars	Unquoted equity shares
As at April 01, 2017	30.63
Change in fair value	(0.03)
As at March 31, 2018	30.60
Change in fair value	(0.04)
As at March 31, 2019	30.56

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

	(₹ in Lacs)	
As at March 31, 2019	Carrying value	Fair value
Loans given	9,799.14	9,799.14
Trade receivables	69,701.21	69,701.21
Cash and cash equivalents	27,765.11	27,765.11
Other balances with bank	12,689.66	12,689.66
Other financial assets	54,060.75	54,060.75
Borrowings	1,703,527.70	1,703,527.70
Trade payables	308,918.93	308,918.93
Other financial liabilities	67,160.32	67,160.32

	(₹ in Lacs)	
As at March 31, 2018	Carrying value	Fair value
Loans given	16,439.08	16,439.08
Trade receivables	121,957.81	121,957.81
Cash and cash equivalents	59,470.03	59,470.03
Other balances with bank	32,362.82	32,362.82
Other financial assets	53,467.83	53,467.83
Borrowings	6,301,715.52	6,301,715.52
Trade payables	130,519.35	130,519.35
Other financial liabilities	106,367.02	106,367.02

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.
- (ii) Fair value of borrowings has been estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities.

40. Financial risk management

Risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Particulars	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other balances with banks, loans and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities including trade payables	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR) and derivative assets and liabilities	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Group provides for expected credit loss based on the following:

Particulars	Type of financial asset	Measurement
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher

In respect of trade receivables that results from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Exposure to credit risk

The exposure of credit risk over the financial assets of the Group except trade receivables has been summarized below*:-

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
I. Low credit risk		
Loans	9,799.14	16,439.08
Cash and cash equivalents	27,765.11	59,470.03
Other bank balances	12,689.66	32,362.82
Other financial assets	54,060.75	53,467.83
II. High credit risk		
Loans	16,435.69	10,283.75
Other financial assets	15,350.52	14,833.51
Total	136,100.87	186,857.02

* These represent gross carrying values of financial assets, without deduction for expected credit losses.

Credit risk management policies

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets

i) Financial assets (other than trade receivables)

Group provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Group is in possession of the underlying asset or the deposits are made to government authorities.

- For other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

As at March 31, 2019

(₹ in Lacs)

Particulars	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	27,765.11	0.00%	-	27,765.11
Other bank balances	12,689.66	0.00%	-	12,689.66
Loans	26,234.83	62.65%	16,435.69	9,799.14
Other financial assets	69,411.27	22.12%	15,350.52	54,060.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2018

(₹ in Lacs)

Particulars	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	59,470.03	0.00%	-	59,470.03
Other bank balances	32,362.82	0.00%	-	32,362.82
Loans	26,722.83	38.48%	10,283.75	16,439.08
Other financial assets	68,301.34	24.12%	14,833.51	53,467.83

(ii) **Trade receivables**

Refer Note 11 for details

B Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

a) **Financing arrangements**

Undrawn borrowing facilities at the end of the reporting year to which the Company had access is ₹ 55,728 lacs (March 31, 2018: Nil).

b) **Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lacs)

As at March 31, 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	148,871.42	337,648.12	4,021,273.09	4,359,634.99
Trade payables	308,918.93	-	-	308,918.93
Derivative liabilities	4,141.57	-	-	4,141.57
Other financial liabilities	61,371.35	-	19,309.91	80,681.26
	523,303.26	337,648.12	4,040,583.00	4,753,376.74

(₹ in Lacs)

As at March 31, 2018	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	5,389,800.62	44,160.00	940,000.00	6,373,960.62
Trade payables	130,519.35	-	-	130,519.35
Other financial liabilities	88,461.93	-	17,905.09	106,367.02
	5,608,781.90	44,160.00	957,905.09	6,610,846.99

C Market risk

a) **Foreign currency risk**

Exposures to currency exchange rates primarily arise from the business transactions carried out by the Group in other than functional currency i.e. INR.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are as follows. The amounts shown are those reported to key management personnel translated into INR at the closing exchange rate.

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Financial assets		
- USD	8,219.64	25,438.30
- EURO	409.15	1,798.12
- AED	33.88	-
	8,662.67	27,236.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial liabilities		
- USD	177,826.67	784,643.30
- EURO	890.65	277,999.12
- GBP	39.18	69.07
- JPY	15.90	1,437.70
	178,772.40	1,064,149.19

The following table summarises the volatility in the following exchange rates during the year.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
INR/USD	6.82%	1.50%
INR/ EUR	7.26%	2.00%
INR/GBP	8.82%	5.00%
INR/ JPY	9.32%	5.00%
INR/AED	9.17%	N.A.

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

The sensitivity analysis given in the table below is based on the Group's foreign currency financial instruments held at each reporting date. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Group's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Had the respective foreign currencies had strengthened against the INR by the aforementioned percentage of market volatility, then this would have had the following impact on profit/loss & equity:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
- USD	(11,559.48)	(11,388.07)
- EURO	(34.98)	(5,524.02)
- GBP	(3.46)	(3.45)
- JPY	(1.48)	(71.88)
- AED	3.11	-
Total	(11,596.29)	(16,987.42)

(₹ in Lacs)

If the respective functional currencies had depreciated against the INR by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.

b) Interest rate risk
i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2019 and March 31, 2018, the Group is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Group's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Variable rate borrowing	1,384,542.07	5,849,166.55
Other borrowings#	318,985.63	452,548.97
Total borrowings	1,703,527.70	6,301,715.52
Amount disclosed under other current financial liabilities (Refer Note - 16C)	1,697,944.51	4,849,051.62
Amount disclosed under borrowings (Refer Note - 16A)	5,583.18	1,452,663.90

(₹ in Lacs)

Other borrowings of the Group include such borrowings which do not carry a variable interest rate and hence not exposed to the interest rate volatility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2018 100 bps)	13,845.42	58,491.67
Interest rates – decrease by 100 basis points (March 31, 2018 100 bps)	(13,845.42)	(58,491.67)

* Holding all other variables constant

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Group is not an active investor in equity markets; It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at 31st March, 2019 is Rs. 100.87 lacs (2018 – Rs. 107.67 lacs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

41. Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Total debts	1,516,272.31	6,301,715.52
Total equity	1,831,847.43	(2,606,006.00)
Net debt to equity ratio	0.83	-

(b) **Dividend** - During the year ended March 31, 2019, no dividend has been recognized as distributions to equity shareholders (March 31, 2018: Nil)

42. In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 the required information is given as under:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
I. Loans and advances in the nature of loans:		
A) To Subsidiary Companies	-	-
B) To Associates /Joint Venture	-	-
C) To Firms/Companies in which directors are interested	-	-
D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act	-	-
II. Investment by the loanee (as detailed above) in the shares of TSBSL and its subsidiaries	-	-
Total	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

43. The corporate insolvency resolution process (“CIRP”) was initiated pursuant to a petition filed by one of its financial creditors, State Bank of India (“SBI”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC”). SBI filed the petition before the National Company Law Tribunal, Principal Bench, New Delhi (“Adjudicating Authority”) vide Company Petition No. (IB)-201 (PB)/2017 on July 03, 2017. The Adjudicating Authority admitted the said petition and the CIRP for the Company commenced on July 26, 2017. The CIRP culminated into the approval of the Resolution Plan submitted by Tata Steel Ltd (“TSL”) by the Adjudicating Authority vide its order dated May 15, 2018 (“Order”).

Accordingly, keeping in view the Order dated May 15, 2018:

- i. On May 18, 2018 (“Effective Date”), Bannipal Steel Limited, (wholly owned subsidiary of TSL) (“BNPL”) deposited ₹ 3,513,258 lacs, for subscription to equity shares of the Company, payment of CIRP cost and employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.
- ii. The reconstituted board of directors in its meeting held on May 17, 2018 approved allotment of 794,428,986 fully paid equity shares of ₹ 2 each to BNPL, aggregating to ₹ 15,888.58 lacs, representing 72.65% of the equity share capital of the Company.
- iii. The remaining amount of ₹ 3,497,369.42 lacs was treated as Inter Corporate Deposits.
- iv. Out of the amount received from BNPL, ₹ 3,258 lacs were utilised towards payment of CIRP cost and employee related dues. The balance amount of ₹ 3,510,000 lacs were paid to the Financial Creditors between May 18, 2018 to May 31, 2018.
- v. The financial creditors invoked the pledge created in their favor by the erstwhile promoters of the Company over 67,654,810 equity shares of the Company held by them (“Pledged Shares”). The market value of Pledged Shares amounted to ₹ 18,157.58 lacs and, the same has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
- vi. The eligible financial creditors were further allotted 72,496,036 equity shares at face value of ₹ 2 each aggregating to ₹ 1,449.92 lacs.
- vii. After adjusting the amounts as mentioned in para no. v and vi above, the balance due to Financial Creditors, amounting to ₹ 2,528,550.72 lacs were novated to BNPL for an aggregate consideration of ₹ 10,000 lacs. BNPL, in its capacity as the promoters of TSBSL, has waived off the debts less cost of novation, and the same has been considered as capital contribution. Refer Note 14 for details of other equity.
- viii. 10% Redeemable Cumulative Preference shares of ₹ 100 each amounting to ₹ 242,557.39 lacs were redeemed for a total sum of ₹ 4,700/- only. Gain arising out of redemption of such preference shares has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
- ix. In respect of Operational Creditors, the Company has provided for liabilities based on the amount of claims admitted pursuant to CIRP. Further, the Company has proposed to pay an amount of ₹ 120,000 lacs to Operational Creditors, in the manner mentioned in the Resolution Plan, within 12 months from the closing date (May 18, 2018) i.e. on or before May 17, 2019. Accordingly, the Company has recognized a gain of ₹ 55,212.35 lacs on account of extinguishment of such financial liabilities as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.

44. Goods and Service Tax (“GST”) has been implemented with effect from July 1, 2017 and therefore, Revenue from Operations for the year ended March 31, 2018 & March 31, 2019 are net of GST. Revenue from operations and expenses for the year ended March 31, 2018 (till June 30, 2017) being inclusive of excise duty are not comparable with corresponding figures of year ended March 31, 2019.

45. The Company is eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme the Company has obtained eligibility certificate from Directorate of Industries. As per the Scheme the Company has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2019 amounts to ₹ 4,385.37 lacs (March 31, 2018: ₹ 3,940.04 lacs). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST & claim refunds of the same. During the year, the Company has recognised ₹ 14,332.48 lacs as an income (Refer Note 20) on account of such scheme.

As per our report of even date attached.

For **Walker Chandiook & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)

For and on behalf of the Board of Directors

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)

sd/-
Neeraj Sharma
Partner
Membership No. 502103

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)

sd/-
Mr. Anand Sen
Director (DIN: 00237914)

sd/-
Mr. Koushik Chatterjee
Director (DIN: 00004989)

Place: Mumbai
Date: April 17, 2019

sd/-
Mr. Rajeew Singhal
Managing Director (DIN: 02719570)

sd/-
Mr. Sanjib Nanda
Chief Financial Officer

sd/-
Mr. O.P. Davra
Company Secretary
(Membership No: FCS 3036)

Tata Steel BSL Limited

(Formerly known as Bhushan Steel Limited)

Regd. Office: Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi - 110065
Corporate Identification No. (CIN) : L74899DL1983PLC014942 Tel: +91-11-3919 4000; Fax: +91-11-4101 0050;
E-mail: tsbsl@tatasteelbsl.co.in; Website: www.tatasteelbsl.co.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF TATA STEEL BSL LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 6, 2019 AT 4:00 P.M. (IST) AT LAKSHMIPAT SINGHANIA AUDITORIUM, PHD CHAMBER OF COMMERCE AND INDUSTRY, PHD HOUSE, 4/2 SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI – 110 016, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Auditors thereon.

Item No. 3 – Re-appointment of a Director

To appoint a Director in the place of Mr. T. V. Narendran (DIN:03083605), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

Item No. 4 - Ratification of remuneration of the Cost Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹7 (Seven) Lakh plus applicable taxes and out-of-pocket expenses payable to Messrs. Shome & Banerjee, Cost Accountants (Firm Registration Number-000001) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2020.

RESOLVED FURTHER THAT the Board of Directors (the ‘Board’ which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and/or otherwise considered by them to be in the best interest of the Company.”

NOTES:

1. The Statement, pursuant to Section 102 of the Companies Act, 2013 (‘Act’) with respect to Item No.4 forms part of this Notice. Additional information, pursuant to the applicable provisions of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India in respect of the Director seeking re-appointment at this Annual General Meeting (‘Meeting’ or ‘AGM’) is furnished as annexure to this Notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

a) Pursuant to the provisions of Section 105 of the Act, read with applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

b) The instrument of proxy, in order to be effective, should be duly stamped, signed and completed in all respects and must be deposited/received at the Registered Office of the Company at Ground Floor, Mira Corporate Suites, Plot No. 1 & 2 Ishwar Nagar, Mathura Road, New Delhi - 110065, not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
5. Members/proxies/authorized representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the Meeting
6. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which the Directors are interested, will remain open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to the date of the Meeting and will also be kept open at the venue of the Meeting till the conclusion of the Meeting.
7. Section 20 of the Act, as amended from time to time, permits service of documents on Members by a Company through electronic mode. Hence, in accordance with the Act read with the Rules framed thereunder, as amended, Notice of the Meeting and Annual Report 2018-19 is being sent through electronic mode to those Members who have registered their email addresses with the Company/Depository Participant (‘DP’)/ Company’s Registrar and Transfer Agent (‘RTA’) unless any Member has

requested for a physical copy of the Report. For Member(s) who have not registered their email addresses, physical copies of the Notice of the Meeting and Annual Report 2018-19 are being sent through permitted modes. Notice of the Meeting and Annual Report 2018-19 will also be available on the Company's website www.tatasteelbsl.co.in

8. Member(s) whose email address is registered with the Company and who wish to receive a printed copy of the Annual Report may send their request to the Company at its Registered Office or to the Company's RTA at RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Okhla Industrial Area, Phase - II (near Rana Motors), New Delhi – 110020. The Members may also send their requests to the Company's investor email id: tsbsl@tatasteelbsl.co.in
9. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with RCMC Share Registry Private Limited/DP for receiving Annual Reports and other communications electronically from the Company in the future.
10. The Register of Members and Transfer Books of the Company will remain closed from Saturday, August 31, 2019 to Friday, September 6, 2019 (both days inclusive) for the purpose of the Meeting.
11. Route Map of the Meeting Venue is annexed with this Notice.
12. **Updation of Members' Details**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs ('MCA') under the Act requires the Company/RTA to record additional details of members including their Permanent Account Number ('PAN'), e-mail address, bank details for payment of dividend, etc. Further, the Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their details to the Company's RTA.

13. During Financial Year 2018 - 19, SEBI and MCA have mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at tsbsl@tatasteelbsl.co.in or contact the Company's RTA - RCMC Share Registry Pvt. Ltd. at investor.services@rcmcdelhi.com ('RTA Email') and 011-26387320/21 ('RTA Number') for assistance in this regard.
14. As per the provisions of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's RTA by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective DPs.

Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so.
15. Members desiring any information as regards the Accounts are requested to write to the Company at an earlier date so as to enable the management to keep the information ready at the AGM.
16. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's RTA the

details of such folios together with the share certificates for consolidating their holding in one folio.

17. Non-Resident Indian members are requested to inform the Company's RTA/respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
18. Members are requested to notify the Company/RTA of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
19. **Process and manner of voting through electronic means**
 - a) In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, each as amended from time to time and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to its Members to cast their votes electronically on resolutions set forth in this Notice. The Company has engaged the services of National Securities Depository Limited ('NSDL') as the Agency to provide e-voting facility. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') and the services will be provided by NSDL.
 - b) Instructions for remote e-voting (including process and manner of e-voting) are given herein below.
 - c) The Resolutions passed by remote e-voting shall be deemed to have been passed as if they have been passed at the AGM. The Notice of the AGM indicating the instructions of remote e-voting process along with printed Attendance Slip and Proxy Form can be downloaded from NSDL's website www.evoting.nsdl.com or the Company's website www.tatasteelbsl.co.in
 - d) The facility for voting through ballot paper shall be made available at the Meeting and the Members (including proxies) attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
 - e) The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again. Members can opt for only one mode of voting i.e. remote e-voting or voting at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical voting at the meeting will not be considered.
 - f) Members holding shares in physical form or dematerialized form as on Friday, August 30, 2019 ('Cut-Off Date') shall be eligible to cast their vote by remote e-voting.
 - g) The remote e-voting period commences on Tuesday, September 3, 2019 at 9:00 a.m. (IST) and ends on Thursday, September 5, 2019 at 5:00 p.m. (IST). During this period, the members of the Company holding shares either in physical form or in dematerialized form as on the Cut-Off Date, may cast their vote by remote e-voting. The remote

e-voting module shall be disabled by NSDL for voting after 5:00 p.m. on Thursday, September 5, 2019.

20. Any person(s) who acquires shares of the Company and becomes a Member(s) of the Company after dispatch of the Notice of AGM and holding shares as on the Cut-Off date i.e., August 30, 2019 may obtain the login ID and password by sending a request at 'evoting@nsdl.co.in' or 'investor.services@rcmcdelhi.com'. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on 'www.evoting.nsdl.com' or contact NSDL at the following Toll Free No.: 1800-222-990 or e-mail at 'evoting@nsdl.co.in'
21. Please note, only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through ballot paper.
22. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327 and CP No. 1228) or failing him Ms. Jigyasa N. Ved (Membership No. FCS 6488 and CP No. 6018) of M/s Parikh & Associates, Practising Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process as well as voting at the Meeting in a fair and transparent manner.
23. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and shall within 48 hours of conclusion of the Meeting submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman in writing, who shall countersign the same.
24. The Chairman or any other person authorised by him in writing shall declare the result of voting forthwith.
25. The results declared along with Scrutinizer's Report, will be placed on the Company's website 'www.tatasteelbsl.co.in' and the website of NSDL 'www.evoting.nsdl.com' immediately after the result is declared by Chairman or any other person authorized by the Chairman and the same shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited where the securities of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.
26. In case of any grievances with respect to the facility for voting by electronic means, Members are requested to contact Ms. Pallavi Mhatre, Manager at pallavid@nsdl.co.in (+91 22 2499 4545) or at evoting@nsdl.co.in (1800 222 990) or write to NSDL at NSDL, Trade World, 'A' wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
27. **E-Voting Instructions**

The way to vote electronically on NSDL e-Voting system consists of Two Steps which are mentioned below:

STEP 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

How to log-in to NSDL e-voting website?

- i. Visit the e-Voting website of NSDL. Open web browser by typing the

following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 111175 then user ID is 111175001***.

- v. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number of shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

- vi. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) **Physical User Reset Password?**”(If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

STEP 2: Cast your vote electronically on NSDL e-Voting system

How to cast your vote electronically on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active e-Voting Cycles.
- ii. After clicking on Active Evoting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- iii. Select “EVEN” of Company for which you wish to cast your vote. The EVEN No. for Tata Steel BSL Ltd. is **111175**.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tsbsl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in on or before the closing of e-voting.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the ‘downloads’ section of www.evoting.nsdl.com or call on toll free no.:1800-222-990 or send a request at evoting@nsdl.co.in

Registered Office:

Ground Floor, Mira Corporate Suites,
Plot No. 1 & 2, Ishwar Nagar, Mathura Road,
New Delhi - 110065

Email: tsbsl@tatasteelbsl.co.in
CIN: L74899DL1983PLC014942
Website: www.tatasteelbsl.co.in

Dated: August 06, 2019
Place: New Delhi

By order of the Board of Directors

Sd/-
Nisha Anil Seth
Company Secretary &
Compliance Officer
ACS 27019

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, AS AMENDED ('ACT')

ITEM NO. 4:

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in Practice.

The Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment and remuneration of Messrs. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001), as the Cost Auditor of the Company for the Financial Year 2019-20.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2020.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the Resolution set forth in Item No. 4 for the approval of the Members.

Registered Office:

Ground Floor, Mira Corporate Suites,
Plot No. 1 & 2, Ishwar Nagar, Mathura Road,
New Delhi - 110065

Email: tsbsl@tatasteelbsl.co.in
CIN: L74899DL1983PLC014942
Website: www.tatasteelbsl.co.in

Dated: August 06, 2019
Place: New Delhi

By order of the Board of Directors

Sd/-
Nisha Anil Seth
Company Secretary &
Compliance Officer
ACS 27019

Annexure to the Notice

Details of Director seeking re-appointment in the forthcoming Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings]

Profile of Mr. T. V. Narendran



Mr. T. V. Narendran (54) was appointed as a Member of the Board of the Company effective July 11, 2018.

Mr. Narendran is currently the Chief Executive Officer & Managing Director ('CEO & MD') of Tata Steel Limited ('TSL'). He was actively involved in TSL's first overseas acquisition, NatSteel in 2005 and has successfully executed and commissioned one of the largest Greenfield Project in India – TSL's, Kalinganagar Steel plant in Odisha.

His career in Tata Steel spans more than 30 years in many areas in India and overseas, including Marketing & Sales, International Trade, Supply Chain & Planning, Operations and General Management and includes positions held by him at Jamshedpur, Kolkata, Dubai and Singapore.

Mr. Narendran is a member on the Board of the World Steel Association and is a member of its Executive Committee. He was the co-chair of the Mining & Metals Governors Council of the World Economic Forum from 2016 to 2018. He is the Vice President of the Confederation of Indian Industry (CII). He is also the Vice President of the Indian Institute of Metals, and is the President of the Indian Steel Association. He is also on the Board of Trustees of CII Foundation and Bhartiya Yuva Shakti Trust.

Mr. Narendran is a Chevening scholar. He is a Mechanical Engineer from NIT Trichy (1986) and completed his MBA from IIM Calcutta (1988). He has also attended the Advanced Management Programme in CEDEP-INSEAD, Fontainebleau, France. He is a Fellow of The Indian National Academy of Engineering (INAE), and is a recipient of Distinguished Alumnus Awards from both NIT Trichy and IIM Calcutta.

Board Meeting Attendance & Remuneration

During the year, Mr. T. V. Narendran attended 8 Board Meetings. In line with the internal guidelines of the Company, no payment is made towards sitting fees to Non-Executive Directors of the Company who are in full time employment with any other Tata Company. Hence Mr. Narendran has not been paid any sitting fees.

Particulars of experience, attributes or skills that qualify Mr. Narendran for Board membership:

Mr. Narendran has more than 30 years of experience in the Mining and Metals industry. By virtue of his background and experience, Mr. Narendran has an extraordinarily broad and deep knowledge of the steel industry.

He has valuable experience in managing the issues faced by large and complex corporations.

His ability to manage different stakeholders, build consensus around divergent issues and lead his team effectively is invaluable to the Company. His rich experience will enable him to provide to the Board with valuable insights to the understanding of complex strategic, operations and financial matters of the Industry as well as the Company.

His re-appointment will strengthen the Board's knowledge, capability and experience.

Bodies Corporate (other than Tata Steel BSL Limited) in which Mr. T. V. Narendran holds Directorships and Committee positions

Directorships

Tata Steel Limited
Tata Steel Europe Limited
Tata Sponge Iron Limited
Jugsalai Steel Limited
Straight Mile Steel Limited
Sakchi Steel Limited
Noamundi Steel Limited
Tata Steel Foundation (Section 8 Company)

Chairperson of Board Committees

Tata Sponge Iron Limited

Committee of Board

Member of Board Committees

Tata Steel Limited

Corporate Social Responsibility and Sustainability Committee
Risk Management Committee
Stakeholder Relationship Committee
Safety, Health and Environment Committee
Executive Committee of the Board

Tata Steel Europe Limited

Remuneration Committee
Audit Committee

Tata Sponge Iron Limited

Nomination and Remuneration Committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. T. V. Narendran, other members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company, its subsidiaries or associates

Mr. Narendran along with his relatives does not hold any equity shares of the Company, its subsidiaries or associates, either directly or on a beneficial basis for any other person(s).

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Tata Steel BSL Limited**(Formerly known as Bhushan Steel Limited)****Regd. Office:** Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi- 110065Tel: +91-11-3919 4000; Fax: +91-11-4101 0050; **Corporate Identification No. (CIN):** L74899DL1983PLC014942E-mail: tsbsl@tatasteelbsl.co.in; Website: www.tatasteelbsl.co.in**Attendance Slip**

(To be presented at the entrance)

36TH ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 6, 2019, AT 4:00 P.M. (IST)

AT LAKSHMIPAT SINGHANIA AUDITORIUM, PHD CHAMBER OF COMMERCE AND INDUSTRY, PHD HOUSE, 4/2, SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI-110016.

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

I hereby record my presence at the 36th Annual General Meeting of the Company held on Friday, September 6, 2019 at 4:00 p.m. (IST) at LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016.

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Integrated Report for reference at the Meeting.

Tata Steel BSL Limited**(Formerly known as Bhushan Steel Limited)****Regd. Office:** Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi- 110065Tel: +91-11-3919 4000; Fax: +91-11-4101 0050; **Corporate Identification No. (CIN):** L74899DL1983PLC014942E-mail: tsbsl@tatasteelbsl.co.in; Website: www.tatasteelbsl.co.in**Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 as amended]

Name of the Member(s) : _____

Registered address : _____

E-mail id : _____ Folio No. /Client ID No. _____ DP ID No. _____

I/We, being the Member(s) holding _____ Equity Shares of Tata Steel BSL Limited, hereby appoint

1. Name : _____ E-mail Id : _____

Address : _____

Signature : _____

or failing him

2. Name : _____ E-mail Id : _____

Address : _____

Signature : _____

or failing him

3. Name : _____ E-mail Id : _____

Address : _____

Signature : _____

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Friday, September 6, 2019 at 4:00 p.m. (IST) at LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above proxy to vote in the manner as indicated in the box below:

(* Optional)

Resolution No.	Resolution	For	Against
Ordinary Business			
1	Receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.		
2	Receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Auditors thereon.		
3	Appointment of Director in place of Mr. T. V. Narendran (DIN:03083605), who retires by rotation and being eligible, seeks re-appointment.		
Special Business			
4	Ratification of remuneration of Messrs. Shome & Banerjee, Cost Auditors of the Company.		

Signed this _____ day of _____ 2019

Affix
Revenue
Stamp

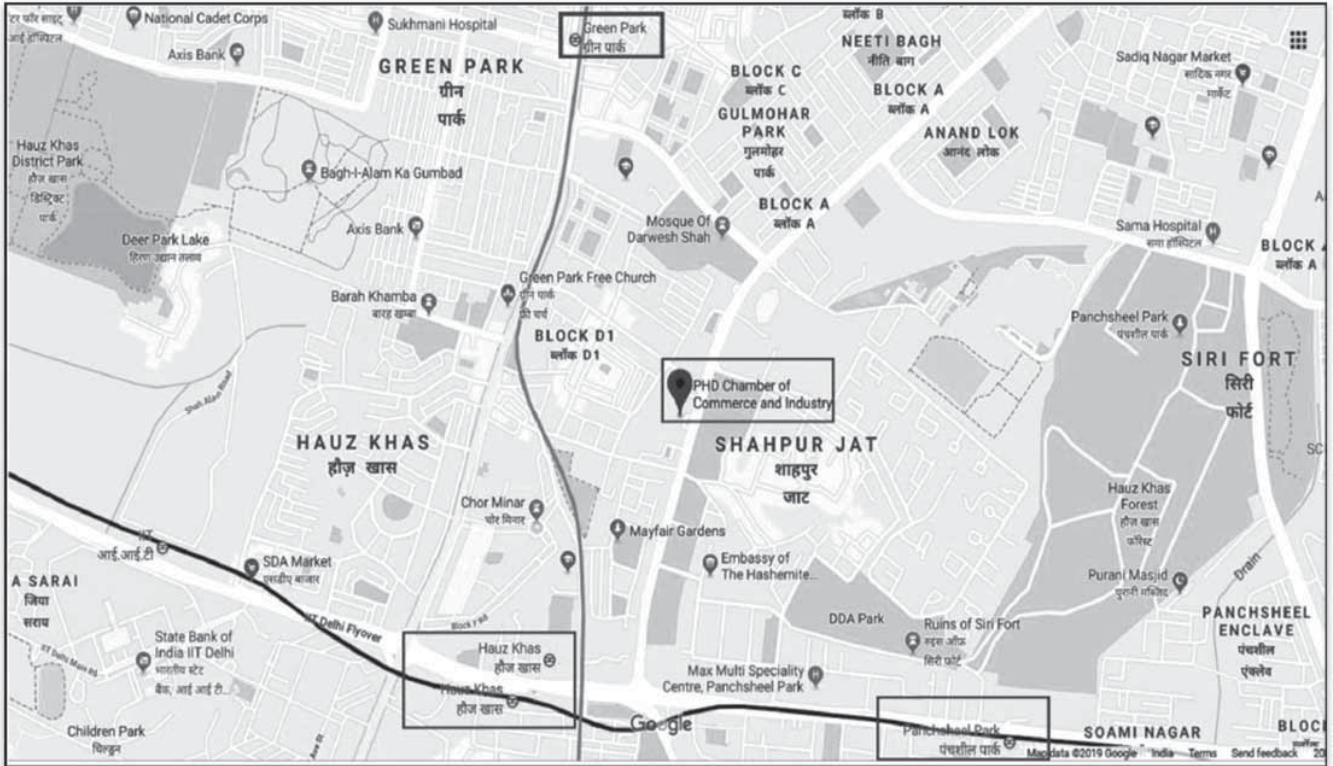
Signature of shareholder _____

Signature of Proxyholder(s) _____

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi – 110 065, not less than 48 hours before the commencement of the meeting.
2. *It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing a Proxy does not prevent a Member from attending in person, if he so wishes.
4. In case of Joint Holder, the signature of any one holder will be sufficient, but names of all Joint Holders should be stated.

ROUTE MAP



Time from Hauz Khas Metro Station – 5 Min.

Time from Panchsheel Park Metro Station – 5 Min.

Time from Green Park Metro Station – 5 Min.

Venue : Lakshmiapat Singhania Auditorium
PHD Chamber of Commerce and Industry,
PHD House, 4/2, Siri Institutional Area,
August Kranti Marg, New Delhi-110016



TATA STEEL BSL LIMITED

(Formerly known as Bhushan Steel Limited)

Ground Floor, Mira Corporate Suites, Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi – 110065

www.tatasteelbsl.co.in