



TSLPL/SE/2020-21/14

June 09, 2020

**The Secretary, Listing Department  
BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
Scrip Code: 513010

**The Manager – Listing Department  
National Stock Exchange of India Limited**

“Exchange Plaza”, 5th Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051  
Symbol: TATASTLLP

Dear Madam, Sir,

**Re: Outcome of Board Meeting**

This has reference to our letter dated June 04, 2020.

The Board of Directors of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) (“the Company”) at its meeting held today, i.e. June 09, 2020, *inter-alia*, transacted the following business:

1. Financial Results and Dividend:

- a) Approved the audited Financial Results (both Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2020. A copy of the said results along with the Auditors’ Report thereon are enclosed herewith.
- b) The Board did not recommend any dividend to the shareholders of the Company, for the financial year ended March 31, 2020.

2. The Board discussed the matter pertaining to the development of Brinda-Sasai Coal Block acquired under the Steel business of Usha Martin Limited (UML) at Gamharia (Jharkhand) under a going concern and slump sale basis. The transaction included a greenfield coal block with corresponding performance obligation by way of bank guarantee to the Nominated Authority, Ministry of Coal towards development of the said coal block. Post-acquisition, the Company has assessed the social and environmental challenges in connection with the development of the coal block and has come to the view that the performance obligations of developing the coal block look challenging to fulfil. Accordingly, the

**TATA STEEL LONG PRODUCTS LIMITED**  
(Formerly Tata Sponge Iron Limited)

PO Joda Dist Keonjhar Odisha 758 034 India  
Tel 91 6767 278178 Fax 278129 Email [info@tatasteellp.com](mailto:info@tatasteellp.com)  
CIN L27102OR1982PLC001091



Company, as a matter of prudence, has taken provision related to the bank guarantee. For details, please refer the enclosed Financial Results.

3. The Members of the Company at its Annual General Meeting held on July 15, 2019 had approved the shifting of the registered office of the Company from the State of Odisha to the State of West Bengal. Basis the feedback received from the key stakeholders, the Board, today at its meeting held on June 09, 2020, decided not to pursue the said proposal of shifting the registered office of the Company. Hence, the registered office of the Company will continue to be at Joda, Odisha.

The Board meeting commenced at 03:00 p.m. (IST) and concluded at 10:15 p.m. (IST).

The above information is also available on the website of the Company [www.tatasteellp.com](http://www.tatasteellp.com).

This disclosure is made in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For **Tata Steel Long Products Limited**  
(Formerly Tata Sponge Iron Limited)

**Sanjay Kasture**  
**Chief Risk & Compliance Officer**  
**and Company Secretary**

Encl. As above

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# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited)

### Report on the Audit of Standalone Financial Results

#### Opinion

1. We have audited the accompanying standalone annual financial results of Tata Steel Long Products Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

4. We draw your attention to Note 10 to the standalone financial results which explains the uncertainties and management's assessment of the financial impact due to the lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions. Our opinion is not modified in respect of this matter.



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Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

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# Price Waterhouse & Co Chartered Accountants LLP

## Board of Directors' Responsibilities for the Standalone Financial Results

5. These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.
6. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

## Auditor's Responsibilities for the Audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 12 below).



# Price Waterhouse & Co Chartered Accountants LLP

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors 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 ability of the Company 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 standalone financial results 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 standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance of the Company 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. 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.

## Other Matters

11. The standalone financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.
12. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with the stock exchanges. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated June 9, 2020.

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



Pinaki Chowdhury  
Partner  
Membership Number: 057572

UDIN: 20057572AAAAAL9421  
Kolkata  
June 9, 2020

**TATA STEEL LONG PRODUCTS LIMITED (formerly known as TATA SPONGE IRON LIMITED)**

Regd. Office : Joda , Post- Joda  
Dist.- Keonjhar, Odisha, Pin Code 758 034  
CIN : L27102OR1982PLC001091

**PART I : STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. in Lacs)					
Particulars	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Financial year ended March 31, 2020	Financial year ended March 31, 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Audited)
I Revenue from operations	1,00,830	99,931	25,407	3,48,999	99,205
II Other income	1,912	926	1,496	8,126	5,767
III <b>Total income (I+II)</b>	<b>1,02,742</b>	<b>1,00,857</b>	<b>26,903</b>	<b>3,57,125</b>	<b>1,04,972</b>
IV <b>Expenses:</b>					
Cost of materials consumed	52,787	58,790	18,794	2,39,229	70,869
Changes in inventories of finished and semi finished goods	(2,242)	6,285	448	(20,965)	14
Employee benefits expense	5,153	4,769	1,187	19,211	4,486
Finance costs	7,211	7,280	30	29,284	302
Depreciation and amortisation expense	8,187	8,309	291	31,079	1,158
Other expenses	31,524	26,602	2,550	96,197	9,366
<b>Total expenses (IV)</b>	<b>1,02,620</b>	<b>1,12,035</b>	<b>23,300</b>	<b>3,94,035</b>	<b>86,195</b>
V <b>Profit / (loss) before exceptional items (III - IV)</b>	<b>122</b>	<b>(11,178)</b>	<b>3,603</b>	<b>(36,910)</b>	<b>18,777</b>
VI <b>Exceptional Items</b>					
Acquisition related expenditure (Refer Note 5(a))	-	-	-	2,742	-
Provision for coal block performance obligation (Refer Note 5(b))	13,372	-	-	13,372	-
<b>Total exceptional items (VI)</b>	<b>13,372</b>	<b>-</b>	<b>-</b>	<b>16,114</b>	<b>-</b>
VII <b>(Loss) / Profit before taxes (V - VI)</b>	<b>(13,250)</b>	<b>(11,178)</b>	<b>3,603</b>	<b>(53,024)</b>	<b>18,777</b>
VIII <b>Tax expenses:</b>					
(1) Current tax	-	-	1,193	-	6,575
(2) Deferred tax charge / (credit)	75	42	(27)	(1,396)	(232)
<b>Total tax expense (VIII)</b>	<b>75</b>	<b>42</b>	<b>1,166</b>	<b>(1,396)</b>	<b>6,343</b>
IX <b>(Loss) / profit for the period / year (VII-VIII)</b>	<b>(13,325)</b>	<b>(11,220)</b>	<b>2,437</b>	<b>(51,628)</b>	<b>12,434</b>
X <b>Other comprehensive income</b>					
(A) (i) <b>Items that will not be reclassified to profit or loss</b>					
(a) Remeasurement (loss) / gain of the defined benefit plans	(223)	(120)	107	(1,443)	(10)
(b) Income tax relating to above items	77	42	(38)	495	3
(c) Gain on changes in fair value of FVOCI equity instruments	18	-	140	312	1,248
(d) Income tax relating to above items	(2)	-	(32)	(71)	(257)
<b>Total other comprehensive income (X)</b>	<b>(130)</b>	<b>(78)</b>	<b>177</b>	<b>(707)</b>	<b>984</b>
XI <b>Total comprehensive income for the period / year (IX+X)</b> (Comprising (loss) / profit and other comprehensive income for the period / year)	<b>(13,455)</b>	<b>(11,298)</b>	<b>2,614</b>	<b>(52,335)</b>	<b>13,418</b>
XII Paid up equity share capital (Face value : Rs. 10 per share)	4,510	4,510	1,540	4,510	1,540
XIII Other equity				1,97,151	1,06,807
XIV <b>Earnings / (loss) per equity share (not annualised):</b>					
(1) Basic (in Rs.)	(29.55)	(24.88)	14.90	(142.82)	76.00
(2) Diluted (in Rs.)	(29.55)	(24.88)	14.90	(142.82)	76.00

See accompanying notes to the standalone financial results



**TATA STEEL LONG PRODUCTS LIMITED (formerly known as TATA SPONGE IRON LIMITED)**

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**PART II : AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

Particulars	(Rs. in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>I Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	4,07,146	21,973
(b) Right-of-use assets	23,952	-
(c) Capital work-in-progress	3,669	739
(d) Goodwill	566	-
(e) Other intangible assets	29,821	59
(f) Financial assets		
(i) Investments	1,746	12,262
(ii) Loans	99	11
(iii) Other financial assets	94	86
(g) Non current tax assets (net)	3,670	2,974
(h) Other non-current assets	19,538	24,823
<b>Total non-current assets</b>	<b>4,90,301</b>	<b>62,927</b>
<b>Current assets</b>		
(a) Inventories	79,697	11,528
(b) Financial assets		
(i) Investments	-	12,097
(ii) Trade receivables	15,588	7,845
(iii) Cash and cash equivalents	5,803	16,319
(iv) Bank balances other than (iii) above	10,358	18,420
(v) Loans	561	227
(vi) Derivative assets	820	-
(vii) Other financial assets	1,493	1,294
(c) Other current assets	12,182	1,771
<b>Total current assets</b>	<b>1,26,502</b>	<b>69,501</b>
<b>Assets classified as held for sale</b>	<b>839</b>	<b>-</b>
<b>Total assets</b>	<b>6,17,642</b>	<b>1,32,428</b>
<b>II Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	4,510	1,540
(b) Other equity	1,97,151	1,06,807
<b>Total equity</b>	<b>2,01,661</b>	<b>1,08,347</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,64,407	-
(ii) Lease liabilities	8,904	-
(b) Provisions	7,020	1,190
(c) Deferred tax liabilities (net)	-	1,820
<b>Total non-current liabilities</b>	<b>2,80,331</b>	<b>3,010</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	2,184	-
(ii) Trade payables		
- total outstanding dues of micro and small enterprises	1,085	107
- total outstanding dues of creditors other than micro and small enterprises	80,071	7,404
(iii) Other financial liabilities	15,072	425
(b) Provisions	21,704	5,497
(c) Other current liabilities	10,144	2,248
(d) Current tax liabilities (net)	5,390	5,390
<b>Total current liabilities</b>	<b>1,35,650</b>	<b>21,071</b>
<b>Total liabilities</b>	<b>4,15,981</b>	<b>24,081</b>
<b>Total equity and liabilities</b>	<b>6,17,642</b>	<b>1,32,428</b>



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**PART III : AUDITED STANDALONE STATEMENT OF CASH FLOWS**

	<b>(Rs. in lacs)</b>	
	<b>Financial year ended March 31, 2020</b>	<b>Financial year ended March 31, 2019</b>
<b>A. Cash flows from operating activities</b>		
<b>(Loss)/Profit before tax</b>	<b>(53,024)</b>	<b>18,777</b>
Adjustments for:		
Depreciation and amortisation expense	<b>31,079</b>	<b>1,158</b>
Amortisation of lease hold land	<b>-</b>	<b>1</b>
Changes in fair value of financial assets at fair value through profit and loss	<b>(819)</b>	<b>2</b>
Changes in fair value of non - current financial assets at fair value through profit and loss	<b>-</b>	<b>(736)</b>
Dividend received from equity investments	<b>(84)</b>	<b>(88)</b>
Dividend from current investments	<b>(446)</b>	<b>(675)</b>
Gain on sale of current investments	<b>(77)</b>	<b>(1)</b>
Gain on sale of non-current investments	<b>(201)</b>	<b>-</b>
Loss /(gain) on disposal of property, plant and equipment	<b>207</b>	<b>(7)</b>
Interest income	<b>(4,553)</b>	<b>(3,916)</b>
Finance costs	<b>29,284</b>	<b>302</b>
Allowance for expected credit losses	<b>347</b>	<b>-</b>
Unrealised foreign exchange loss	<b>1,061</b>	<b>-</b>
Provision for coal block performance obligation	<b>13,372</b>	<b>-</b>
Liabilities no longer required written back	<b>(687)</b>	<b>(191)</b>
<b>Operating profit before working capital changes</b>	<b>15,459</b>	<b>14,626</b>
<b>Changes in operating assets and liabilities*:</b>		
(Increase) in Inventories	<b>(43,595)</b>	<b>(3,119)</b>
(Increase) / Decrease in Non-current/current financial and non-financial Assets	<b>(2,676)</b>	<b>4,098</b>
(Decrease) / Increase in Non-current/current financial and non-financial liabilities/provisions	<b>(2,056)</b>	<b>1,157</b>
<b>Cash (used in) / generated from operations</b>	<b>(32,868)</b>	<b>16,762</b>
Income taxes (paid)	<b>(697)</b>	<b>(6,736)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(33,565)</b>	<b>10,026</b>
<b>B. Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment (including capital advances)	<b>(3,813)</b>	<b>(15,843)</b>
Proceeds from disposal of property, plant and equipment	<b>22</b>	<b>14</b>
Payments for business combination	<b>(3,90,612)</b>	<b>-</b>
Payments to acquire current investments	<b>(1,04,517)</b>	<b>(51,365)</b>
Payments to acquire Non- current investments	<b>-</b>	<b>(3,000)</b>
Proceeds from disposal of current investments	<b>1,16,691</b>	<b>51,953</b>
Proceeds from disposal of Non- current investments	<b>11,028</b>	<b>-</b>
Fixed deposits matured (net)	<b>8,061</b>	<b>12,531</b>
Interest received	<b>5,170</b>	<b>3,704</b>
Dividend received from equity investments	<b>84</b>	<b>88</b>
Dividend received from current investments	<b>446</b>	<b>675</b>
<b>Net cash (used in) investing activities</b>	<b>(3,57,440)</b>	<b>(1,243)</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds from borrowings (net)	<b>2,64,368</b>	<b>-</b>
Proceeds from issue of equity share (net of issue expenses)	<b>1,47,969</b>	<b>-</b>
Finance costs paid (excluding interest towards lease liabilities)	<b>(27,375)</b>	<b>-</b>
Payment of lease liabilities	<b>(1,112)</b>	<b>-</b>
Interest paid on lease liabilities	<b>(1,040)</b>	<b>-</b>
Dividend paid	<b>(1,925)</b>	<b>(3,080)</b>
Tax on dividend paid	<b>(396)</b>	<b>(633)</b>
<b>Net cash generated from / (used in) financing activities</b>	<b>3,80,489</b>	<b>(3,713)</b>
<b>Net (decrease) /increase in cash or cash equivalents</b>	<b>(10,516)</b>	<b>5,070</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16,319</b>	<b>11,249</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,803</b>	<b>16,319</b>

\*Changes in operating assets and liabilities include non-cash adjustments related to the assets and liabilities of the business acquired as referred in Note 2 of these results.



**TATA STEEL LONG PRODUCTS LIMITED (formerly known as TATA SPONGE IRON LIMITED)**

**Regd. Office : Joda , Post- Joda  
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**Notes :**

- (1) The name of the Company has been changed from Tata Sponge Iron Limited to Tata Steel Long Products Limited ('TSLPL' or 'the Company') with effect from August 20, 2019.
- (2) Pursuant to the Business Transfer Agreement ('BTA') entered into between Tata Steel Limited (holding company of 'TSLPL') and Usha Martin Limited ('UML') on September 22, 2018, its subsequent novation in favour of the Company and approval by the Company's shareholders, the acquisition of steel business of UML was completed on April 9, 2019 (other than transfer of some of the assets including iron ore mines, coal mines and certain land parcels) on compliance with relevant conditions precedents specified in the BTA by respective parties. Further, consequent to satisfaction of relevant conditions precedents, transfer of iron ore mines and coal mines were completed on July 3, 2019. The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 "Business Combinations".
- (3) Prior to acquisition of steel business of UML, the Company had manufacturing facility for sponge iron and generation of power through waste heat. By acquiring the steel business of UML, the Company has forayed into manufacturing of alloy based specialty long products and the information presented to the Chief Operating Decision Maker ('CODM') for the purposes of resource allocation and assessment of segment performance, focuses on the manufacture of steel and allied products (including the manufacture of sponge iron and generation of power); accordingly, steel and allied products is the only reportable segment in accordance with Ind AS 108 - Segment Reporting. In view of the aforesaid change, generation of power is no longer a reportable segment.
- (4) (a) In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Company for invocation of bank guarantee of Rs. 3,250 lacs submitted towards performance of conditions for allocation of Radhikapur (East) coal block against which the Company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the Company to keep the bank guarantee valid till November 30, 2015 by which date the MoC was directed to take decision. The bank guarantee expired after November 30, 2015 and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Company has moved to the Hon'ble High Court of Delhi. In the judgment dated May 27, 2020, the Hon'ble High Court of Delhi remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Company and has directed the Company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability.
- (b) (i) During pendency of the aforesaid matters in Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Company on February 7, 2006. The amount incurred on the Radhikapur (East) Coal Block upto March 31, 2020 aggregates to Rs. 18,040.96 lacs, (December 31, 2019 : Rs. 18,040.96 lacs, March 31, 2019: Rs. 18,040.96 lacs), and the carrying amount in the books net of depreciation and write off as at March 31, 2020 is Rs. 17,893 lacs (December 31, 2019 is Rs. 17,896 lacs, March 31, 2019: Rs. 17,905 lacs).
- (ii) Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allottee the expenses incurred by the prior allottee towards land and mine infrastructure. Pursuant to the judgement dated March 9, 2017 of the Hon'ble High Court of Delhi in W.P (c) 973/2015, the directives of MoC vide its letter dated February 1, 2018 and as per details prescribed by Nominated Authority, the Company has furnished the required statement of expenses and other details in the prescribed format on February 22, 2018. Relying on the legal position and legal opinion obtained by the Company in respect of the recoverability of the amount, no provision is considered necessary.
- (5) (a) Acquisition related expenditure represents expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination aggregating to Rs. 2,742 lacs during the year ended March 31, 2020.
- (b) The Company acquired the Steel business of Usha Martin Limited (UML) at Gamharia, Jamshedpur under a going concern and slump sale basis. The transaction included a greenfield coal block with corresponding performance obligation by way of bank guarantee to the Nominated Authority, Ministry of Coal towards development of the said coal block. Post acquisition, the company has assessed the social and environmental challenges for the development of the coal block and have come to the view that the performance obligations of developing the coal block look challenging to fulfil. Accordingly, the Company, as a matter of prudence, has taken provision related to the aforesaid bank guarantee.
- (6) The Company issued 29,700,000 fully paid equity shares of face value of Rs. 10 each on rights basis to eligible equity shareholders of the Company for cash at a price of Rs. 500 per fully paid shares (including a premium of Rs. 490 per fully paid share) in the ratio of 15 fully paid shares for every 7 equity shares held by eligible equity shareholders on June 25, 2019 (record date).



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**Notes :**

- (7) Taxation Laws (Amendment) Act, 2019 enacted on December 11, 2019 [promulgated as the Taxation Laws (Amendment) Ordinance, 2019 on September 20, 2019] amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance / Act provides domestic companies an option for lower tax rates, provided they do not claim certain deductions. The Company has not opted for the lower tax rate and applied the rate existing prior to the Ordinance / Act in making provision of its tax liability for the financial year.
- (8) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognised at an amount equal to the adjusted lease liability. As a result, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.
- (9) Results for the year and current quarter include operations of acquired steel business, set out in note 2 above starting April 9, 2019, and accordingly not comparable with results of previous period.
- (10) On account of the Covid-19 outbreak globally and in India, the Company had on April 1, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company is in the business of manufacturing steel / steel products, which support activities that are fundamental to the Indian economy. The impact of the Government imposed nation-wide lock down / restrictions since March 25, 2020, due to the Covid-19 pandemic, impacted the Company's production, sales and other operations and the Company expects normalcy to return gradually. The Management estimates the demand for the Company's products to be lower in the short term but is not likely to have a continuing impact on the business of the Company. In light of the above, inter alia, considering the current internal and external factors, the Company has made detailed assessment of its liquidity position / cash flows for the next one year and carrying amounts / values of Property, Plant and Equipment, Intangible assets (including goodwill), Right of use of assets, trade receivables, inventories, investments and other assets as at the balance sheet date, and has concluded that there are no material adjustments required in the standalone financial results. The impact of the pandemic on economic outlook remain uncertain and may be different from that estimated as at the date of approval of these results.

- (11) The results for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures in respect of the full financial year and the audited published financial results of nine months ended December 31, 2019 and December 31, 2018 respectively.
- (12) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 9, 2020.

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



  
Ashish Anupam  
Managing Director  
DIN: 08384201

Jamshedpur, June 9, 2020

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited)

### Report on the Audit of Consolidated Financial Results

#### Opinion

1. We have audited the accompanying consolidated annual financial results of Tata Steel Long Products Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), (Refer note 2 to the consolidated annual financial results) for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:
  - (i) include the annual financial results of Tata Steel Long Products Limited and TSIL Energy Limited;
  - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

4. We draw your attention to Note 11 to the consolidated financial results which explains the uncertainties and management's assessment of the financial impact due to the lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions. Our opinion is not modified in respect of this matter.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)



# Price Waterhouse & Co Chartered Accountants LLP

## Board of Directors' Responsibilities for the Consolidated Financial Results

5. These consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.
9. As part of an audit in accordance with SAs, 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 results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 13 below)



## Price Waterhouse & Co Chartered Accountants LLP

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors 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 ability of the Group 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 results 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.
10. We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial results of which we are the independent auditors 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. 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.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

12. The consolidated financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.
13. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with the stock exchanges. These results are based on and should be read with the audited consolidated financial statements of the group, for the year ended March 31, 2020 on which we have issued an unmodified audit opinion vide our report dated June 9, 2020.

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



Pinaki Chowdhury  
Partner  
Membership Number 057572  
UDIN: 20057572AAAAAM3988  
Kolkata  
June 9, 2020

**TATA STEEL LONG PRODUCTS LIMITED (formerly known as TATA SPONGE IRON LIMITED)**  
**Regd. Office : Joda , Post- Joda**  
**Dist.- Keonjhar, Odisha, Pin Code 758 034**  
**CIN : L27102OR1982PLC001091**

**PART I : STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. in Lacs)					
Particulars	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Financial year ended March 31, 2020	Financial year ended March 31, 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Audited)
I Revenue from operations	1,00,830	99,931	25,407	3,48,999	99,205
II Other income	1,914	927	1,498	8,132	5,773
III <b>Total Income (I+II)</b>	<b>1,02,744</b>	<b>1,00,858</b>	<b>26,905</b>	<b>3,57,131</b>	<b>1,04,978</b>
IV <b>Expenses:</b>					
Cost of materials consumed	52,787	58,790	18,794	2,39,229	70,869
Changes in inventories of finished and semi finished goods	(2,242)	6,285	448	(20,965)	14
Employee benefits expense	5,153	4,769	1,187	19,211	4,486
Finance costs	7,211	7,280	30	29,284	302
Depreciation and amortisation expense	8,187	8,309	291	31,079	1,158
Other expenses	31,524	26,602	2,550	96,198	9,367
<b>Total expenses (IV)</b>	<b>1,02,620</b>	<b>1,12,035</b>	<b>23,300</b>	<b>3,94,036</b>	<b>86,196</b>
V <b>Profit / (loss) before exceptional items (III - IV)</b>	<b>124</b>	<b>(11,177)</b>	<b>3,605</b>	<b>(36,905)</b>	<b>18,782</b>
VI <b>Exceptional Items</b>					
Acquisition related expenditure (Refer Note 6(a))	-	-	-	2,742	-
Provision for coal block performance obligation (Refer Note 6(b))	13,372	-	-	13,372	-
<b>Total exceptional items (VI)</b>	<b>13,372</b>	<b>-</b>	<b>-</b>	<b>16,114</b>	<b>-</b>
VII <b>(Loss) / Profit before taxes (V - VI)</b>	<b>(13,248)</b>	<b>(11,177)</b>	<b>3,605</b>	<b>(53,019)</b>	<b>18,782</b>
VIII <b>Tax expenses:</b>					
(1) Current tax	-	-	1,193	-	6,575
(2) Deferred tax charge / (credit)	75	42	(27)	(1,396)	(232)
<b>Total tax expense (VIII)</b>	<b>75</b>	<b>42</b>	<b>1,166</b>	<b>(1,396)</b>	<b>6,343</b>
IX <b>(Loss) / profit for the period / year (VII-VIII)</b>	<b>(13,323)</b>	<b>(11,219)</b>	<b>2,439</b>	<b>(51,623)</b>	<b>12,439</b>
X <b>Other comprehensive income</b>					
(A) (i) <b>Items that will not be reclassified to profit or loss</b>					
(a) Remeasurement (loss) / gain of the defined benefit plans	(223)	(120)	107	(1,443)	(10)
(b) Income tax relating to above items	77	42	(38)	495	3
(c) Gain on changes in fair value of FVOCI equity instruments	18	-	140	312	1,248
(d) Income tax relating to above items	(2)	-	(32)	(71)	(257)
<b>Total other comprehensive income (X)</b>	<b>(130)</b>	<b>(78)</b>	<b>177</b>	<b>(707)</b>	<b>984</b>
XI <b>Total comprehensive income for the period / year (IX+X)</b> (Comprising (loss) / profit and other comprehensive income for the period / year)	<b>(13,453)</b>	<b>(11,297)</b>	<b>2,616</b>	<b>(52,330)</b>	<b>13,423</b>
XII Paid up equity share capital (Face value : Rs. 10 per share)	4,510	4,510	1,540	4,510	1,540
XIII Other equity				1,97,171	1,06,823
XIV <b>Earnings / (loss) per equity share (not annualised):</b>					
(1) Basic (in Rs.)	(29.54)	(24.88)	14.91	(142.81)	76.03
(2) Diluted (in Rs.)	(29.54)	(24.88)	14.91	(142.81)	76.03

See accompanying notes to the consolidated financial results



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**PART II : AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

Particulars	(Rs. in lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>I Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	4,07,146	21,973
(b) Right-of-use assets	23,952	-
(c) Capital work-in-progress	3,669	739
(d) Goodwill	566	-
(e) Other intangible assets	29,821	59
(f) Financial assets		
(i) Investments	1,640	12,156
(ii) Loans	99	11
(iii) Other financial assets	94	87
(g) Non current tax assets (net)	3,670	2,974
(h) Other non-current assets	19,538	24,822
<b>Total non-current assets</b>	<b>4,90,195</b>	<b>62,821</b>
<b>Current assets</b>		
(a) Inventories	79,697	11,528
(b) Financial assets		
(i) Investments	127	12,217
(ii) Trade receivables	15,588	7,845
(iii) Cash and cash equivalents	5,803	16,321
(iv) Bank balances other than (iii) above	10,358	18,420
(v) Loans	561	227
(vi) Derivative assets	820	-
(vii) Other financial assets	1,493	1,294
(c) Other current assets	12,182	1,771
<b>Total current assets</b>	<b>1,26,629</b>	<b>69,623</b>
<b>Assets classified as held for sale</b>	<b>839</b>	<b>-</b>
<b>Total assets</b>	<b>6,17,663</b>	<b>1,32,444</b>
<b>II Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	4,510	1,540
(b) Other equity	1,97,171	1,06,823
<b>Total equity</b>	<b>2,01,681</b>	<b>1,08,363</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,64,407	-
(ii) Lease liabilities	8,904	-
(b) Provisions	7,020	1,190
(c) Deferred tax liabilities (net)	-	1,820
<b>Total non-current liabilities</b>	<b>2,80,331</b>	<b>3,010</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	2,184	-
(ii) Trade payables		
- total outstanding dues of micro and small enterprises	1,085	107
- total outstanding dues of creditors other than micro and small enterprises	80,072	7,404
(iii) Other financial liabilities	15,072	425
(b) Provisions	21,704	5,497
(c) Other current liabilities	10,144	2,248
(d) Current tax liabilities (net)	5,390	5,390
<b>Total current liabilities</b>	<b>1,35,651</b>	<b>21,071</b>
<b>Total liabilities</b>	<b>4,15,982</b>	<b>24,081</b>
<b>Total equity and liabilities</b>	<b>6,17,663</b>	<b>1,32,444</b>



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**PART III : AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>(Rs. in lacs)</b>	
	<b>Financial year ended March 31, 2020</b>	<b>Financial year ended March 31, 2019</b>
<b>A. Cash flows from operating activities</b>		
(Loss)/Profit before tax	<b>(53,019)</b>	18,782
Adjustments for:		
Depreciation and amortisation expense	<b>31,079</b>	1,158
Amortisation of lease hold land	<b>-</b>	1
Changes in fair value of financial assets at fair value through profit and loss	<b>(821)</b>	2
Changes in fair value of non - current financial assets at fair value through profit and loss	<b>-</b>	(736)
Dividend received from equity investments	<b>(84)</b>	(88)
Dividend from current investments	<b>(450)</b>	(681)
Gain on sale of current investments	<b>(77)</b>	(1)
Gain on sale of non-current investments	<b>(201)</b>	-
Loss /(gain) on disposal of property, plant and equipment	<b>207</b>	(7)
Interest income	<b>(4,553)</b>	(3,916)
Finance costs	<b>29,284</b>	302
Allowance for expected credit losses	<b>347</b>	-
Unrealised foreign exchange loss	<b>1,061</b>	-
Provision for coal block performance obligation	<b>13,372</b>	-
Liabilities no longer required written back	<b>(687)</b>	(192)
<b>Operating profit before working capital changes</b>	<b>15,458</b>	14,624
<b>Changes in operating assets and liabilities*:</b>		
(Increase) in Inventories	<b>(43,595)</b>	(3,119)
(Increase) / Decrease in Non-current/current financial and non-financial Assets	<b>(2,676)</b>	4,098
Decrease in Non-current/current financial and non-financial liabilities/provisions	<b>(2,056)</b>	1,157
<b>Cash (used in) / generated from operations</b>	<b>(32,869)</b>	16,760
Income taxes (paid)	<b>(697)</b>	(6,736)
<b>Net cash (used in) / generated from operating activities</b>	<b>(33,566)</b>	10,024
<b>B. Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment (including capital advances)	<b>(3,813)</b>	(15,843)
Proceeds from disposal of property, plant and equipment	<b>22</b>	14
Payments for business combination	<b>(3,90,612)</b>	-
Payments to acquire current investments	<b>(1,04,521)</b>	(51,370)
Payments to acquire Non- current investments	<b>-</b>	(3,000)
Proceeds from disposal of current investments	<b>1,16,690</b>	51,953
Proceeds from disposal of Non- current investments	<b>11,028</b>	-
Fixed deposits matured (net)	<b>8,061</b>	12,531
Interest received	<b>5,170</b>	3,704
Dividend received from equity investments	<b>84</b>	88
Dividend received from current investments	<b>450</b>	681
<b>Net cash (used in) investing activities</b>	<b>(3,57,441)</b>	(1,242)
<b>C. Cash flows from financing activities:</b>		
Proceeds from borrowings (net)	<b>2,64,368</b>	-
Proceeds from issue of equity share ( net of issue expenses)	<b>1,47,969</b>	-
Finance costs paid (excluding interest towards lease liabilities)	<b>(27,375)</b>	-
Payment of lease liabilities	<b>(1,112)</b>	-
Interest paid on lease liabilities	<b>(1,040)</b>	-
Dividend paid	<b>(1,925)</b>	(3,080)
Tax on dividend paid	<b>(396)</b>	(633)
<b>Net cash generated from / (used in) financing activities</b>	<b>3,80,489</b>	(3,713)
<b>Net (decrease) / increase in cash or cash equivalents</b>	<b>(10,518)</b>	5,069
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16,321</b>	11,252
<b>Cash and cash equivalents at the end of the period</b>	<b>5,803</b>	16,321

\*Changes in operating assets and liabilities include non-cash adjustments related to the assets and liabilities of the business acquired as referred in Note 3 of these results.



**TATA STEEL LONG PRODUCTS LIMITED (formerly known as TATA SPONGE IRON LIMITED)**

Regd. Office : Joda , Post- Joda  
Dist.- Keonjhar, Odisha, Pin Code 758 034  
CIN : L27102OR1982PLC001091

**Notes :**

- (1) The name of the Company has been changed from Tata Sponge Iron Limited to Tata Steel Long Products Limited with effect from August 20, 2019.
- (2) Consolidated financial results include the results for Tata Steel Long Products Limited ("TSLPL" or "the Company") and its wholly owned subsidiary TSIL Energy Limited. The Company and its subsidiary form the "Group".
- (3) Pursuant to the Business Transfer Agreement ('BTA') entered into between Tata Steel Limited (group's holding company) and Usha Martin Limited ('UML') on September 22, 2018, its subsequent novation in favour of the Company and approval by the Holding Company's shareholders, the acquisition of steel business of UML was completed on April 9, 2019 (other than transfer of some of the assets including iron ore mines, coal mines and certain land parcels) on compliance with relevant conditions precedents specified in the BTA by respective parties. Further, consequent to satisfaction of relevant conditions precedents, transfer of iron ore mines and coal mines were completed on July 3, 2019. The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 "Business Combinations".
- (4) Prior to acquisition of steel business of UML, the Group had manufacturing facility for sponge iron and generation of power through waste heat. By acquiring the steel business of UML, the Group has forayed into manufacturing of alloy based specialty long products and the information presented to the Chief Operating Decision Maker ('CODM') for the purposes of resource allocation and assessment of segment performance, focuses on the manufacture of steel and allied products (including the manufacture of sponge iron and generation of power), accordingly, steel and allied products is the only reportable segment in accordance with Ind AS 108 - Segment Reporting. In view of the aforesaid change, generation of power is no longer a reportable segment.
- (5) (a) In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Holding company for invocation of bank guarantee of Rs. 3,250 lacs submitted towards performance of conditions for allocation of Radhikapur (East) coal block against which the holding company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the holding company to keep the bank guarantee valid till November 30, 2015 by which date the MoC was directed to take decision. The bank guarantee expired after November 30, 2015 and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Holding company has moved to the Hon'ble High Court of Delhi. In the judgment dated May 27, 2020, the Hon'ble High Court of Delhi remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Holding company and has directed the Holding company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability.
- (b) (i) During pendency of the aforesaid matters in Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Holding company on February 7, 2006. The amount incurred on the Radhikapur (East) Coal Block upto March 31, 2020 aggregates to Rs. 18,040.96 lacs, (December 31, 2019 : Rs. 18,040.96 lacs, March 31, 2019: Rs. 18,040.96 lacs), and the carrying amount in the books net of depreciation and write off as at March 31, 2020 is Rs. 17,893 lacs (December 31, 2019 is Rs. 17,896 lacs, March 31, 2019: Rs. 17,905 lacs).
- (ii) Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allocattee the expenses incurred by the prior allocattee towards land and mine infrastructure. Pursuant to the judgement dated March 9, 2017 of the Hon'ble High Court of Delhi in W.P (c) 973/2015, the directives of MoC vide its letter dated February 1, 2018 and as per details prescribed by Nominated Authority, the Company has furnished the required statement of expenses and other details in the prescribed format on February 22, 2018. Relying on the legal position and legal opinion obtained by the Company in respect of the recoverability of the amount, no provision is considered necessary.
- (6) (a) Acquisition related expenditure represents expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination aggregating to Rs. 2,742 lacs during the year ended March 31, 2020.
- (b) The Holding Company acquired the Steel business of Usha Martin Limited (UML) at Gamharia, Jamshedpur under a going concern and slump sale basis. The transaction included a greenfield coal block with corresponding performance obligation by way of bank guarantee to the Nominated Authority, Ministry of Coal towards development of the said coal block. Post acquisition, the Holding company has assessed the social and environmental challenges for the development of the coal block and have come to the view that the performance obligations of developing the coal block look challenging to fulfil. Accordingly, the Holding Company, as a matter of prudence, has taken provision related to the aforesaid bank guarantee.
- (7) The Holding Company issued 29,700,000 fully paid equity shares of face value of Rs. 10 each on rights basis to eligible equity shareholders of the Company for cash at a price of Rs. 500 per fully paid shares (including a premium of Rs. 490 per fully paid share) in the ratio of 15 fully paid shares for every 7 equity shares held by eligible equity shareholders on June 25, 2019 (record date).



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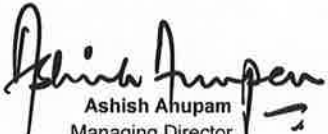
- (8) Taxation Laws (Amendment) Act, 2019 enacted on December 11, 2019 [promulgated as the Taxation Laws (Amendment) Ordinance, 2019 on September 20, 2019] amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance / Act provides domestic companies an option for lower tax rates, provided they do not claim certain deductions. The Group has not opted for the lower tax rate and applied the rate existing prior to the Ordinance / Act in making provision of its tax liability for the financial year.
- (9) Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognised at an amount equal to the adjusted lease liability. As a result, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.
- (10) Results for the year and current quarter include operations of acquired steel business, set out in note 3 above starting April 9, 2019, and accordingly not comparable with results of previous period.
- (11) On account of the Covid-19 outbreak globally and in India, the Group had on April 1, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Group is in the business of manufacturing steel / steel products, which support activities that are fundamental to the Indian economy. The impact of the Government imposed nation-wide lock down / restrictions since March 25, 2020, due to the Covid-19 pandemic, impacted the Group's production, sales and other operations and the Group expects normalcy to return gradually. The Management estimates the demand for the Group's products to be lower in the short term but is not likely to have a continuing impact on the business of the Group. In light of the above, inter alia, considering the current internal and external factors, the Group has made detailed assessment of its liquidity position / cash flows for the next one year and carrying amounts / values of Property, Plant and Equipment, Intangible assets (including goodwill), Right of use of assets, trade receivables, inventories, investments and other assets as at the balance sheet date, and has concluded that there are no material adjustments required in the consolidated financial results. The impact of the pandemic on economic outlook remain uncertain and may be different from that estimated as at the date of approval of these results.

- (12) The results for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures in respect of the full financial year and the audited published financial results of nine months ended December 31, 2019 and December 31, 2018 respectively.
- (13) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 9, 2020.

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



  
Ashish Anupam  
Managing Director  
DIN: 08384201  
Jamshedpur, June 9, 2020