



60th ANNUAL REPORT 2019-20

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**BOARD OF DIRECTORS:**

Shri S. Girish Kumar	Chairman & Managing Director (Additional Charge) (from 27.05.2019 to 30.07.2019 & from 31.01.2020)
Smt. Shashi B. Srivastava	Chairman & Managing Director (Additional Charge) (upto 26.05.2019)
Shri Akshya Kumar Panda	Chairman & Managing Director (Additional Charge) from 31.07.2019 to 31.01.2020)
Shri Madanpal Singh	Director (upto 11.11.2020)
Shri K. Jaiprakash	Director (upto 06.08.2019)
Shri S.K. Venkatacharyulu	Director
Shri Lakshmana Rao Peshve	Director (from 06.08.2019 to 14.10.2020)
Shri Anil Kumar	Director (from 14.10.2020)
Shri Sunil Kumar Singh	Director (from 11.11.2020)

COMPANY SECRETARY :

Shri Ashutosh From 04.12.2019 to 31.01.2020

AUDITORS:

S R & M R Associates Chartered Accountants, Bengaluru

BANKER:

State Bank of India Hospet Branch, Karnataka

REGISTERED OFFICE:

“HMT BHAWAN”, 59, Bellary Road, Bengaluru-560032

CORPORATE IDENTITY NUMBER:

U74210KA1970PLC001379

DIRECTORS' REPORT 2019-20

To

**The Shareholders,
Tungabhadra Steel Products Ltd.**

The Directors of TSPL have pleasure in presenting the 60th Annual Report of your Company together with the Audited Annual Accounts for the year 2019-20.

HIGHLIGHTS OF PERFORMANCE

The Cabinet Committee on Economic Affairs (CCEA) approved closure of the Company on 22.12.2015. The CCEA approved to relieve all the employees on VRS on 9.3.2016. There were no sales during the year as there are no operations since long time. The income in 2019-20 is only towards interest. Declared Income for the year was Rs.23.15 lakhs as compared to Rs18.89 lakhs in 2018-19. Consolidated profit before tax for the year was Rs. 468.51 lakhs (loss) as compared to Rs. 1720.99 lakhs (loss) in 2018-19. Consolidated Loss after tax for the year was Rs. 168.74 lakhs as compared to Rs. 2655.20 lakhs in 2018-19.

FINANCIAL RESULTS

Particulars	Current Year 31.03.2020	Previous Year 31.03.2019
Total income	23.15	18.89
Profit before interest, depreciation & tax	(468.51)	(1718.75)
LESS: Interest	0.02	2.24
LESS: Depreciation	0.00	0.00
Profit before tax	(468.51)	(1720.99)
Provision for Tax	(299.77)	934.21
Profit after tax	(168.74)	(2655.20)
Add : Balance carried from profit and loss a/c	0.00	0
Less : Transfer to General Reserves	0.00	0
Net profit after tax and adjustment	(168.74)	(2655.20)

CHANGE IN NATURE OF BUSINESS

There was no business income during the year. In 2019-20, the Company had received income towards interest of Rs.23.15 lakhs.

STATE OF THE COMPANY'S AFFAIRS

The CCEA in its meeting held on 22.12.2015 had approved the closure of TSPL with VRS/VSS package to employees. As per DHI letter dated 07.01.2016, the Company relieved all the employees on VRS, disposed movable and immovable assets of the Company and waived off Gol loans of Rs.467.31 crores and came out of BIFR on 06.09.2016. The Company also made OTS with creditors and SBI. The Shareholders in their 59th meeting Accorded its consent to the Board of Directors to make an application to the Registrar of Companies, Bengaluru under the provisions of Section 248 of the Companies Act 2013 for striking off the name of the Company from the Register of Company and Authorised the Board of Directors of the Company to do all such, matters, deeds and things as may be required under the provisions of the Companies Act , 2013 and rules made thereunder. The Board has taken necessary steps to clear the Liabilities and pending Legal cases of the Company.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March 2020 was Rs. 843.50 Lakhs. There is no change in the share capital. During the year, the Company has not issued shares or granted stock options or sweat equity.

THE PROPOSED AMOUNTS TO CARRY TO ANY RESERVES

The Company transferred current year Loss of Rs.(168.74) lakhs to General Reserves and The Company has Rs. (10903.49) lakhs on account of Reserve as on 31st March 2020. The Company's net-worth as on 31.03.2020 is Rs. (10059.99) Lakhs.

DIVIDEND

The Company is dependent for funds from GOI and therefore no dividend is being recommended by the Directors for the year 2019-20.

DEPOSITS

The Company has not accepted deposits from the members or the general public as on 31st March 2020. There are no small depositors in the Company.

NUMBER OF MEETINGS OF THE BOARD

During the year 2019-20 Seven Board meetings were held as detailed below:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	08.05.2019	4	3
2.	05.07.2019	4	3
3.	22.07.2019	4	2
4	22.08.2019	4	3
5	26.11.2019	4	4
6	07.12.2019	4	3
7	22.01.2020	4	4

DIRECTOR AND KEY MANAGERIAL PERSON

APPOINTMENT

- i) Shri S. Girish Kumar (DIN:03385073) was appointed as Chairman & Managing Director (Additional charge) under the provisions of the Companies Act, 2013 w.e.f 27.05.2019 vide DHI order No. F.No. 6(3)/2008-PE.IV dated 28.05.2019. Smt. Shashi B. Srivastava ceased to be the Chairman & Managing Director of the Company w.e.f 27.05.2019 as per the order of DHI.
- ii) Shri Akshay Kumar Panda, Economic Advisor, Department of Heavy Industry was appointed as Chairman & Managing Director (Additional charge) under the provisions of the Companies Act, 2013 w.e.f 31.07.2019 for a period of six

months or until further order whichever is earlier vide DHI order No. F.No. 6(3)/2008-PE.IV dated 01.08.2019.

- iii) The Govt. of Karnataka vide letter dated 21.10.2019, communicated that Shri Lakshmana Rao Peshve, K.E.S., has assumed charge as Secretary, Water Resources Department from 06.08.2019 and nominated Shri Lakshman Rao Peshve, Secretary, WRD, Govt. of Karnataka as Official Director to the Board of TSPL in place of Shri K. Jaiprakash, Currently Managing Director of Cauvery Neeravari Nigam Limited. Shri Lakshmana Rao Peshve appointed as Director of TSPL w.e.f 06.08.2019.
- iv) Shri Ashutosh (ACS No. 60709) was appointed as Whole time Company Secretary of the Company w.e.f 04.12.2019 to 31.01.2020.
- v) Shri S. Girish Kumar (DIN:03385073) was appointed as Chairman & Managing Director (Additional charge) under the provisions of the Companies Act, 2013 w.e.f 31.01.2020 vide DHI order No. 6(3)/2008-PE.IV dated 28.01.2020 for a period of three months or until further order whichever is earlier.
- vi) Shri S. Girish Kumar was re-appointed as Chairman & Managing Director (Additional charge) under the provisions of the Companies act, 2013 vide DHI order No. 6(3)/2008-PE.IV dated 15.06.2020 for a period of upto 30.01.2021 or until further order whichever is earlier.
- vii) Shri Anil Kumar (DIN:08888282), Secretary, Water Resources Department, Government of Karnataka was appointed as part time Director of the Company in place of Shri Lakshmanarao Peshve w.e.f 14.10.2020 vide Govt. of Karnataka letter No. WRD 08 MTB 2020 dated 14.10.2020.
- viii) Shri Sunil Kumar Singh, Director, Department of Heavy Industry was appointed as part-time Official Director on the Board of the Company w.e.f 11.11.2020 until further order vide DHI order No. F.No. 7(3)/98-PE.IV dated 11.11.2020.

APPOINTMENT OF AUDITORS

The Comptroller and Auditor General of India appointed M/s SR & MR Associates, Chartered Accountants, Bangalore as Statutory Auditors of the Company for the accounting year 2019-20 under Section 139 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

There are no employees in the Company whose remuneration was in excess of the limits prescribed under section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. As on 31.03.2020, The Company has Hired one employee from HMT Limited on deputation to assist the Company in its Closure activities.

COMPTROLLER & AUDITOR GENERAL OF INDIA REPORT

The comments of the Comptroller & Auditor General of India are attached to this report along with the reply from the Board of Directors of the Company.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

There are no permanent employees in the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has not received any complaint during the year under review.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, an extract of the Annual Return in the prescribed MGT - 9 form is enclosed.

CORPORATE GOVERNANCE REPORT

In compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises

framed by the Department of Public Enterprises, GOI as applicable to Government Companies and as per the applicable provisions of the Companies Act, 2013 the Company is committed to maintain the highest standards of Corporate Governance and initiated appropriate action for compliance of the Guidelines on Corporate Governance. The Company have not carried on any operations for a long time and is in the Processes of removing its name from register of Companies maintained by the registrar of Companies, Karnataka.

IMPLEMENTATION OF OFFICIAL LANGUAGE

The efforts towards implementation of official Language Act, Rules and Policy as per the directions of Govt. of India is continuous. In order to propagate the usage of Hindi as Official Language, the employees of the Company actively participated in the Hindi Week/ Hindi Diwas celebration in HMT Bhawan together with other employees of HMT Limited and its Subsidiaries at HMT Bhawan, Bangalore.

VIGILANCE ACTIVITIES

Since the Company is closing down and there are no employees in the Company, provisions pertaining to vigilance activities are not applicable to the Company.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the financial year ended 31.03.2020. The company has received budgetary support of Rs.53.92 crores from Govt. of India vide Department of Heavy Industry (DHI) Sanction orders F.No.6(3)/2011-PE-IV (Vol. IV) dated 27.05.2020, 29.07.2020 and 29.08.2020 respectively to discharge its liabilities. The company has discharged liabilities to the extent of funds received from Govt. of India and further requested DHI for an additional amount of Rs.1.2 crore to discharge the remaining liabilities.

The government ammended the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 by incorporating the

provisions stating that in case of a Government company in which the entire paid-up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; or subsidiary of a Government company, referred to in clause (a), in which the entire paid-up share capital is held by that Government company, a duly notarised indemnity bond in Form STK-3A shall be given by an authorized representative of the Government. The Company has requested Department of Heavy Industry to issue Indemnity Bond in form No. STK-3A, pursuant to clause (i) of sub-rule (3) of rule 4 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016. DHI Vide order No. 6(3)-PE-IV dated 5th November 2020 had authorised the Under Secretary, DHI to issue the Indemnity Bond in STK-3A. The Company is in process of filing form STK-2 with the Registrar of Companies, Karnataka for removing its name from the Register of Companies as per Section 248 of the Companies Act, 2013 in Compliance with the Cabinet decision communicated by the Department of Heavy Industry vide Order No. 6(3)/2011-PE0-IV dated 18 January 2018.

RELATED PARTY TRANSACTIONS

There are no related party transactions during the Financial year 2019-20.

PARTICULARS OF LOANS, GURANTEES AND INVESTMENT

Details of loans, guarantee and investment covered under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

THE DETAILS IN RESPECT OF INTERNAL FINANCIAL CONTROL SYSTEM

The Company have not carried on any operations for a long time, minimal expenditure is incurred and not appointed any Internal Auditor. However, the

company has availed the services of M/s Anand Kulkarni & Company, Chartered Accountants to prepare the financial statements as per Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Company is entirely depending on budgetary support from Government of India for payment of its liabilities. There are no profits from operations during the review period. Accordingly no CSR activities are applicable to the Company as per the provisions of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and 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 and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care 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 directors had prepared the annual accounts considering that the Company is not a going concern.
- (e) The directors, had laid down internal financial controls to be followed by the Company and that

such internal financial controls are adequate and were operating effectively;

- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL AS ON DATE OF AGM

- ✓ Shri S. Girish Kumar, Chairman & Managing Director
- ✓ Shri Sunil Kmar Singh, Director
- ✓ Shri S.K. Venkatacharyulu, Director
- ✓ Shri Anil Kumar, Director

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

The Company is not falling under the eligibility criteria for constitution of Audit Committee as per Section 177 of the Companies Act, 2013

RISK MANAGEMENT POLICY

There are no material assets of the Company. Since the Company is under closure, Risk Management Policy has not implemented.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Company has not engaged in any manufacturing activity, so information pursuant to Section 134 of the Companies Act, read with the Companies (Accounts) Rules, 2014 is not applicable to the Company.

ACKNOWLEDGMENT:

Your Directors are thankful to the various Departments and Ministries of the Government of India, particularly the Department of Heavy Industry, Ministry of Corporate Affairs, Comptroller and Auditor General of India, Principal Director Commercial Audit, Statutory Auditors, State Governments of Karnataka and Andhra Pradesh, State Bank of India for their continued co-operation and patronage. Your Directors would also like to wish to record their appreciation for good teamwork rendered by employees in performance of their duties.

On order of the Board of Directors
Tungabhadra Steel Products Limited

Sd/-
(S. Girish Kumar)
Chairman & Managing Director

Place : Bangalore
Date : November 12, 2020

LIST OF SHAREHOLDERS

Sl. No	Share / Debenture Holder's Name and Address	Types of Shares / Debentures	No of Shares / Debentures held Stock	Amount per Shares (in Rs.)
1	President of India, New Delhi	Equity	66899	1000
2	Governor of Karnataka Care Commissioner & Secretary to Karnataka Government Secretariat Vidhana Soudha, BANGALORE	Equity	7396	1000
3	Governor of Andhra Pradesh Care Principal Secretary to Government of Andhra Pradesh I&CAD (PW) Department, AP Secretariat HYDERABAD	Equity	7596	1000
4	Engineer-in-Chief (Adm), Irrigation & CAD Department Government of Andhra Pradesh, ErrumManzil, HYDERABAD	Equity	1227	1000
5	Joint Secretary to Government of Andhra Pradesh, Irrigation & CAD (PW) Department, Secretariat, HYDERABAD	Equity	1227	1000
6	Chairman & Managing Director, TSPL	Equity	1	1000
7	Under Secretary to Government of Karnataka, C&I Department (C&C), III Floor, M.S. Buildings, BANGALORE	Equity	1	1000
8	Special Officer, Budget Government of Karnataka, Finance Department, Computer Cell, II Floor, Vidhana Soudha, BANGALORE	Equity	1	1000
9	Special Officer, & Ex- Officio, Deputy Secretary to Government, PW Finance Cell, II Floor, Vidhana Soudha, BANGALORE	Equity	1	1000
10	Secretary to Government of Karnataka, PWD, Stage IV, VI Floor, M.S. Buildings, BANGALORE	Equity	1	1000

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN : U74210KA1970PLC001379
- ii. Registration Date : 01/01/1970
- iii. Name of the Company : Tungabhadra Steel Products Limited
- iv. Category/Sub-Category of the Company : Public Company Limited by Shares / Indian Non Government Company
- v. Address of the registered office and Contact details : #59, Bellary Road, Bengaluru - 560032 Karnataka,
Mob. 9845128479
Email : tsptbdam@gmail.com
- vi. Whether listed company : No
- vii. Name, Address and Contact details of Registrar and Transfer Agent : Not Applicable
#59, Bellary Road, Bengaluru - 560032 Karnataka,

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:-

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product/ service	% total turnover of the company
1	The Company stopped operations since 09.03.2016, all employees were relieved on VRS.	NA	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary Joint Venture	% of shares held associate
1	NA	NA	NA	NA



I. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Cate- gory Code	Category of Shareholders	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% Change during
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0	0	0	0	0	0
(b)	Central Government/State Government(s)	0	84350	84350	0	0	84350	84350	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(e)	Others	0	0	0	0	0	0	0	0	0
	Sub-Total A(1) :	0	0	0	0	0	0	0	0	0
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Others	0	0	0	0	0	0	0	0	0
	Sub-Total A(1) :	0	0	0	0	0	0	0	0	0
	Total A=A(1)+A(2)	0	84350	84350	0	0	84350	84350	100	0
(B)	PUBLIC SHAREHOLDING INSTITUTIONS									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(c)	Central Government/State Government(s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(i)	Others (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total B(1) :	0	0	0	0	0	0	0	0	0
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(b)	Individuals	0	0	0	0	0	0	0	0	0
(i)	Individual holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(ii)	Individual holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(c)	Others	0	0	0	0	0	0	0	0	0
	CLEARING MEMBERS	0	0	0	0	0	0	0	0	0
	NBFC	0	0	0	0	0	0	0	0	0
	NON RESIDENT INDIANS	0	0	0	0	0	0	0	0	0
	NRI NON-REPATRIATION	0	0	0	0	0	0	0	0	0
	TRUSTS	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
	Sub-Total B(2) :	0	0	0	0	0	0	0	0	0
	Total B=B(1)+B(2) :	0	0	0	0	0	0	0	0	0
	Total (A+B) :	0	0	0	0	0	0	0	0	0
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2)	Public	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A+B+C) :	0	84350	84350	0	0	84350	84350	100	0

ii) Shareholding of Promoters

No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Govt. of India	66900	79	NIL	66900	79	NIL	NIL
2.	Govt. of Andhra Pradesh	10050	12	NIL	10050	12	NIL	NIL
3.	Govt. of Karnataka	7400	9	NIL	7400	9	NIL	NIL

iii) Change in Promoters' Shareholding (please specify, if there is no change) – NO CHANGE

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the End of the year	NIL	NIL	NIL	NIL

iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

Sr. No	Name of the Share Holder	Shareholding at the beginning of the year		Date	Increase/ decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Government of India	66900	79	-	-	-	66900	79
2.	Government of Andhra Pradesh	10050	12	-	-	-	10050	12
3.	Government of Karnataka	7400	9	-	-	-	7400	9

v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-NIL-	-NA-	-NIL-	-NA-
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-NA-		No change	
At the End of the year	-NIL-	-NA-	-NIL-	-NA-

**II. INDEBTEDNESS**

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2018				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- Reduction		-	-	
Net Change	0	0	0	0
Indebtedness at the end of the financial year 31.03.2019				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

A. Remuneration to Managing Director, Whole-time Director and/or Manager : NIL**B. Remuneration to other Directors : NIL****C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD : Shri Ashutosh, Company Secretary has been paid a total Remuneration of Rs. 66,613/-****IV. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENSES : NIL**

For and on behalf of the Board of Directors

(S. Girish Kumar)

Chairman & Managing Director

Place : Bangalore

Date : 12th November, 2020

REVISED INDEPENDENT AUDITOR'S REPORT

[ISSUED CONSEQUENT TO PROVISION COMMENTS BY DEPUTY DIRECTOR CAG VIDE LETTER No.DGCA/A/c/Desk/2019-20/TSPL/1.56/139 Dated 01 Oct 2020 and it supersedes our Independent AuditorsReport dated 16 Jul 2020]

To

The members of
TUNGABHADRA STEEL PRODUCTS LIMITED
 Hospet, Bellary district, Karnataka.

Report on the Financial Statements

We have audited the financial statements of **M/s. TUNGABHADRA STEEL PRODUCTS LIMITED**(the "Company")having **CIN:U74210KA1970PLC001379**, which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, the cash flow statement for the year then ended and notes to financial statement including a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2020:
- b. In the case of statement of Profit & Loss, of the **Loss** for the year ended on that date: and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. 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 ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the act and rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of financial statements is included in Annexure A of this auditor's report.

Material uncertainty relating to Going Concern

We draw attention to the following matters in the Notes to the Financial Statements:

Regarding preparation of the accounts of the Company, the "Going Concern Assumption" is **not adopted** as the Company is in the process of

winding up and the net worth of the Company has been totally eroded.

Emphasis of Matter

1. Reference to Note No.12,

The Company has made full and final payments to the Creditors as per settlement agreements which were written off in the earlier years. However, in case of Steel Authority of India Limited (SAIL) and its subsidiary IISCO, there is a claim of Rs.1,352.46 lakhs and the same has not been acknowledged by the Company and hence disclosed as contingent liability.

2. As explained in Significant Accounting policies – Sl. No.13.16, the amount realized from sale of land to Karnataka Housing Board (January 2019) is shown as payable to Government of India (GOI). The Company, during the FY 2016-17, had already offered Income from capital gains on sale of land, on notional basis, and accordingly, the Company had declared the applicable taxes in the Income Tax returns. (as per the GO dt.07.01.2016). Hence, the sale proceeds realised during the FY 2018-19, on actual disposal of land is classified as unsecured loan from Government of India, as per their directions dated 7th January 2016.

3. The Indian Audit and Account Department (CAG), had given comments stating that, the amount of Rs.55.22 Crores realised from sale of land is wrongly shown as payable to Government of India (GOI) and the same should have been offered to tax in the FY 2016-17. We had replied stating that since, the transaction was already declared on Notional basis, in the year 2016-17, the same cannot be declared as Income again in the year of sale (2018-19) on actual sale basis.

During the year under audit, the Company has got a special audit conducted by a firm of Chartered Accountants, wherein they have stated in their audit report – under Sl.No.12 – Other Notes – (iv) – Sale of Land to KHB

“Since there cannot be two sale of a same property in different year and the fact that the company has inadvertently recognised the transfer in the year 2016-17, there cannot be any capital gain taxes in the current year. This matter may be disputed by the lower Tax authorities.”

4. The Company has paid an amount of Rs.32,07,162/- lakhs towards final settlement of VAT dues to DCCT (Appeals), Jaipur, Rajasthan. Even though the Company has made a bank transfer, the Company has not obtained a receipt or challan in support of the payment made to said VAT department.
5. The Company has made payments from its Bank Escrow account maintained with State bank of Account towards discharge of taxes and operational expenses and However, the Company has not obtained any prior approval from the DHI or the Government of India.
6. The Company has surrendered its GST registration in Karnataka, during the year 2019-20. However, the Company has failed to apply for a tax refund of Rs.2.69 Lakhs. This has been written off as expenses – GST not recovered in the books of accounts.

Other Matter

1. The Company does not have a qualified company secretary as required under the provisions of section 203 of Companies Act, 2013 read with the notification No. G.S.R 390(E) on 9th June 2014 of the Companies (Appointment and Remuneration to Managerial personnel) Rules, 2014 with effect from 03.04.2003, as the earlier incumbent had resigned.
2. The Company has got a special audit conducted on the affairs of the Company, by a firm of Chartered Accountants. The firm has outlined a few irregularities in their Audit report. The major observations were relating to the sale of Factory land, which is already dealt with in this

report. Apart from the above, there are no other adverse remarks.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -B, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 Balance sheet and the statement of Profit and Loss dealt with by this Report are in agreement with the books of accounts maintained by the company;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial Reporting of the Company and the operating

effectiveness of such controls under Clause (1) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act"), refer to our separate Report in "Annexure C" and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by Section 143(5) of the Act, we report that:
1. The Company has system in place to process all the accounting transactions through IT system supported by evidence

of documents and there is no process of accounting transaction outside the IT system and therefore, no financial implications on the Company.

2. The Company has no loans and there no such cases of waiver / write off of debts / loans / interest etc., made by the lender to the Company.
3. The Company had received funds on behalf of and from the Central Govt. of India for specific schemes and the same were properly accounted for / utilised as per terms and conditions and there were no situation of deviation of funds.

For **S.R. & M.R. Associates**
Chartered Accountants
FRN: 008094S

CA. M.R. Venkatesh Babu
Partner
M.No.206878

UDIN: 20206878AAAAIX4551

Place: Bangalore
Date:06/10/2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS

ANNEXURE A: Auditor Responsibilities for the audit of financial statements

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

1. 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.
2. 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 Companies Act, 2013, 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

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.

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.

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.

For **S.R. & M.R. Associates**
Chartered Accountants
FRN: 008094S

CA.M.R.Venkatesh Babu
Partner
M.No.206878
UDIN: 20206878AAAAIX4551

Place: Bangalore
Date:06/10/2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS

ANNEXURE B: Report under the Companies (Auditor's Report) Order, 2016

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

1. In view of decision of Govt. of India, the Company has disposed all the movable assets through MSTC E-auctions.
 - a. The Company doesn't have any fixed assets.
 - b. Since the Company doesn't have any fixed assets, a regular programme of physical verification is not applicable.
 - c. The Company doesn't have fixed assets.
2. The Company doesn't have any inventory. Accordingly, physical verification of inventory by the management is not applicable.
3. During the year, the Company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 apply. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans, investments, guarantees and security.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. According to the information and explanations given to us and on the basis of our
 - a. Examination of the records of the Company, amounts deducted/accrued in the books of account in respect of the following undisputed statutory dues including income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues **outstanding for a period of more than six months from the date they became payable.**

(Rs. in lakhs)

Tax Head	Amount	Period for which amount relates
Sales tax	414.21	1999-2017
Income tax (TDS)	1.09	2019-2020
Income Tax	3799.69	2016-2017

- b. According to the information and explanations given to us, there is no disputed amounts payable in respect of excise duty, income tax, sales tax, service tax, customs duty, value added tax, cess and other material statutory dues except the following:

(Rs. in lakhs)

Tax Head	Amount	Period for which amount relates
Service tax	12.14	2007-2008 to 2011-2012

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders during the year.
9. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument).
10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.
11. As per information and to the best of our knowledge, the provision of Section 197 read with Schedule V of the Companies Act is not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. & M.R. Associates**

Chartered Accountants

FRN: 008094S

CA.M.R. Venkatesh Babu

Partner

M.No.206878

UDIN: 20206878AAAAIX4551

Place: Bangalore

Date: 06/10/2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS

ANNEXURE C: Report on the Internal Financial Controls

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

We have audited the internal financial controls over financial reporting of ('the Company') as of 31-Mar-2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2020, based on the internal financial 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 issue by the Institute of Chartered Accountants of India.

For **S.R. & M.R. Associates**

Chartered Accountants
FRN: 008094S

CA.M.R.Venkatesh Babu
Partner

M.No.206878
UDIN:UDIN: 20206878AAAAIX4551

Place: Bangalore

Date:06/10/2020

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TUNGABHADRA STEEL PRODUCTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Tungabhadra Steel Products Limited for the year ended on 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 06 October 2020 which supersedes their earlier Audit Report dated 16 July 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act, of the financial statements of Tungabhadra Steel Products Limited for the year ended on 31 March 2020. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Financial Position

Balance Sheet

Equity and Liabilities

3. Current Liabilities

(c) Other Current Liabilities: Rs. 63.41 crore

A reference is invited to comment no. 2 of the Comptroller and Auditor General of India on the financial statements of the Company for the year ended 2018-19 wherein it was stated that 'Other Current Liabilities' were overstated by Rs. 55.23 crore due to incorrect accounting of the amount realized from sale of land to Karnataka Housing Board (January 2019) as payable to Government of India (GOI) in view of the following:

- (i) GoI had written off the loan during 2016-17;
- (ii) The Company had already written off GoI loan and interest amounting to Rs. 467.07 crore during 2016-17;
- (iii) Ministry of Heavy Industries & Public Enterprises, vide letter dated 18.01.2018, had directed the Company to settle the claim / liabilities owed by the Company to all entities from the sale proceeds of movable and immovable assets.

Despite being pointed out in previous year, corrective action has not been taken by the Company. Thus, the financial statements of the Company for the year 2019-20 do not reflect a true and fair view.

**For and on the behalf of the
Comptroller and Auditor General of India**

M. S. Subrahmanyam

**(M. S. Subrahmanyam)
Director General of Commercial
Audit, Hyderabad**

Place: Hyderabad

Date: 09 November 2020

**ADDENDUM TO THE DIRECTORS REPORT FOR THE YEAR 2019-20 IN RESPECT OF
OBSERVATIONS MADE BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF
TUNGABHADRA STEEL PRODUCTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

C & AG COMMENTS	COMPANY'S REPLY
<p>A reference is invited to comment no. 2 of the Comptroller and Auditor General of India on the financial statements of the Company for the year ended 2018-19 wherein it was stated that 'Other Current Liabilities' were overstated by Rs. 55.23 crore due to incorrect accounting of the amount realized from sale of land to Karnataka Housing Board (January 2019) as payable to Government of India (GOI) in view of the following:</p> <p>(i) GoI had written off the loan during 2016-17;</p> <p>(ii) The Company had already written off GoI loan and interest amounting to Rs. 467.07 crore during 2016-17;</p> <p>(iii) Ministry of Heavy Industries & Public Enterprises, vide letter dated 18.01.2018, had directed the Company to settle the claim / liabilities owed by the Company to all entities from the sale proceeds of movable and immovable assets.</p> <p>Despite being pointed out in previous year, corrective action has not been taken by the Company. Thus, the financial statements of the Company for the year 2019-20 do not reflect a true and fair view.</p>	<p>Reply to the Comments of Comptroller and Auditor General of India Under Section 143(6)(B) of the Companies Act, 2013 is provided under other notes to accounts point No. 13.16</p>

**BALANCE SHEET AS ON 31ST MARCH 2020**

(Rs. in lakhs)

Particulars	Notes	On 31/03/2020		On 31/03/2019	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
I. EQUITY AND LIABILITIES					
1. Shareholder's funds	1				
(a) Share capital		843.50		843.50	
(b) Reserves and surplus		(10,903.49)		(10,734.75)	
(c) Money received against share warrants		-		-	
(d) Share application money received		-		-	
			(10,059.99)		(9,891.25)
2. Non-current liabilities	2				
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions		-		-	
3. Current Liabilities	3				
(a) Short term borrowings		-		-	
(b) Trade payables		-		-	
Outstanding dues to SME		-		-	
Outstanding dues to other than SME		-		1.46	
(c) Other current liabilities		6,340.52		5,914.96	
(d) Short term provisions		3,799.69		4,156.14	
			10,140.21		10,072.56
TOTAL			80.22		181.31
II ASSETS					
1. Non-current assets	4				
(a) Fixed assets					
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments		-		-	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances		0.02		0.02	
(e) Other non-current assets		5.28		5.28	
			5.30		5.30
2. Current assets	5				
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables		1.99		1.99	
(d) Cash and cash equivalents		70.98		103.86	
(e) Short-term loans and advances		-		-	
(f) Other current assets		1.94		70.16	
			74.92		176.01
TOTAL			80.22		181.31
Significant accounting policies and notes to accounts	13				

For and on behalf of the Board
TUNGABHADRA STEEL PRODUCTS LIMITED
CIN: U72900KA2011PTC060650

As per our report of even date
for S.R & M.R Associates
Chartered Accountants

Madanpal Singh
Director
DIN: 08414417

S. Girish Kumar
Chairman & Managing Director
DIN: 03385073

Lakshmana Rao Peshve
Director
DIN: 02543038

CA. M.R. Venkatesh Babu
Partner
MRN: 206878 & FRN: 008094S

Date: 16/07/2020
Place : Bengaluru

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in lakhs)

Particulars	Notes	Upto 31/03/2020		Upto 31/03/2019	
		Amount (Rs.)	Amount (Rs.)	Amount Rs.)	Amount (Rs.)
Income					
I Revenue from operations	6	-		3.88	
II Other income	7	23.15		15.01	
III Total Revenue (I + II)			23.15		18.89
IV Expenses					
Purchase of Materials & Project expenses	8	-		-	
Changes in inventories of finished goods, work in progress and Stock-in-trade	9	-		-	
Employee benefits expense	10	-		-	
Depreciation and amortization expense		-		-	
Finance costs	11	0.02		2.24	
Administration & Other expenses	12	491.64		1,737.64	
Total Expense			491.66		1,739.88
V Profit before exceptional and extraordinary items and tax (III-IV)			(468.51)		(1,721.00)
VI Exceptional Items			-		-
VII Profit before extraordinary items and tax (V-VI)			(468.51)		(1,721.00)
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			(468.51)		(1,721.00)
X Tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		-		-	
(3) Tax pertaining to earlier years (reversals)		(299.77)		934.21	
			(299.77)		934.21
XI Profit After Tax (IX - X)			(168.74)		(2,655.21)
XII Profit/(Loss) for the period from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the period (XI + XIV)			(168.74)		(2,655.21)
XVI Earnings per equity share:					
(1) Basic			(0.00)		(0.03)
(2) Diluted			(0.00)		(0.03)
See accompanying notes to the financial statements	13				

For and on behalf of the Board
TUNGABHADRA STEEL PRODUCTS LIMITED
CIN: U72900KA2011PTC060650

As per our report of even date
for S.R & M.R Associates
Chartered Accountants

Madanpal Singh

Director

DIN: 08414417

S. Girish Kumar

Chairman & Managing Director

DIN: 03385073

Lakshmana Rao Peshve

Director

DIN: 02543038

CA. M.R. Venkatesh Babu

Partner

MRN: 206878 & FRN: 008094S

Date: 16/07/2020

Place : Bengaluru

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON 31ST MARCH 2020**

Particulars	(Rs. in lakhs)	
	2019-20	2018-19
Cash flows from operating activities		
Profit Before Taxation	(168.74)	(2,655.21)
Adjustment for:		
Add:		
Depreciation	-	-
Provision for income tax	(299.77)	934.21
Less:		
Interest Income	(23.15)	(14.40)
Working capital changes:		
(Increase) / Decrease in trade and other receivables	-	2.00
(Increase) / Decrease in inventories	-	-
(Increase) / Decrease in Other current assets	68.22	(45.55)
(Increase) / Decrease in Short term Loans and advances	-	-
(Increase) / Decrease in Long term Loans and advances	(0.00)	-
Increase / (Decrease) in Other non current assets	(0.00)	4.70
Increase / (Decrease) in Other current liabilities	425.56	5,874.31
Increase / (Decrease) in trade payables	(1.46)	1.46
Increase / (Decrease) in Short term provisions	(356.45)	(4,603.63)
Cash generated from operations	(355.80)	(502.10)
Interest paid	-	-
Provision for income tax	299.77	(934.21)
Net cash from operating activities	(56.03)	(1,436.31)
Cash flows from investing activities		
Interest Income	23.15	14.40
Net cash used in investing activities	23.15	14.40
Cash flows from financing activities		
Proceeds from long-term borrowings	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	(32.88)	(1,421.92)
Cash and cash equivalents at beginning of period	103.86	1,525.79
Cash and cash equivalents at end of period	70.98	103.86

For and on behalf of the Board
TUNGABHADRA STEEL PRODUCTS LIMITED
CIN: U72900KA2011PTC060650

As per our report of even date
for S.R & M.R Associates
Chartered Accountants

Madanpal Singh
Director
DIN: 08414417

S. Girish Kumar
Chairman & Managing
Director
DIN: 03385073

Lakshmana Rao
Peshve
Director
DIN: 02543038

CA. M.R. Venkatesh Babu
Partner
MRN: 206878 &
FRN: 008094S

Date: 16/07/2020
Place : Bengaluru

NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	31-03-2020	31-03-2019
Note No.1 (a) Share capital		
Authorised share capital		
1,00,000 Equity share of Rs.1,000/- each (P.Y - 1,00,000 Equity share of Rs.1,000/- each)	1,000.00	1,000.00
Issued, Subscribed & Paid-up share capital		
84,350 Equity share of Rs.1,000/- each (P.Y - 84,350 Equity share of Rs.1,000/- each)	843.50	843.50
Total	843.50	843.50

Break-up of shares

Particulars	As on 31/03/2020		As on 31/03/2019	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
Shares outstanding at the beginning of the year	84,350	843.50	84,350	843.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	84,350	843.50	84,350	843.50

Details of shareholding

Equity share capital

Name of shareholders	As on 31/03/2020		As on 31/03/2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Government of India	66,900	79.32%	66,900	79.32%
Government of Andhra Pradesh	10,050	11.91%	10,050	11.91%
Government of Karnataka	7,400	8.77%	7,400	8.77%
Total	84,350	100.00%	84,350	100.00%

Preference share capital

Name of shareholders	As on 31/03/2020		As on 31/03/2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
- Nil -				
Total	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

	(Rs. in lakhs)	
	31-03-2020	31-03-2019
Note No. 1 (b) Reserves and surplus		
- Profit & Loss Account		
- Opening Balance	(10,734.75)	(8,079.55)
Add: Profit / (Loss) for the year	(168.74)	(2,655.20)
	(10,903.49)	(10,734.75)
Less : Proposed dividends	-	-
Provision for dividend distribution tax	-	-
Closing balance	(10,903.49)	(10,734.75)
Total	(10,903.49)	(10,734.75)
Note No. 2 (a) Long Term Borrowings		
- Unsecured loans	-	-
Term loans from Government of India	-	-
Total	-	-
Note No. 2 (b) Long Term Provisions		
Long term provisions	-	-
Total	-	-
Note No. 3 (a) Short Term Borrowings		
Short term borrowings	-	-
Total	-	-
Note No. 3 (b) Trade payables		
Creditors - Suppliers & Others	-	1.46
Total	-	1.46
Note No. 3 (c) Other Current Liabilities		
Other Payables		
- Payable to Govt. of India	5,522.88	5,522.88
- Deposits from Contractors and others	0.03	0.03
- Other liabilities incl. CISF balance payable	387.32	387.01
- Statutory dues	430.29	5.04
Total	6,340.52	5,914.96
Note No. 3 (d) Short Term Provisions		
Provision for income tax	3,799.69	4,156.14
Total	3,799.69	4,156.14
Note No. 4 (d) Long-term loans and advances		
- Security Deposits	18.87	18.87
Less: Provision for doubtful advances	(18.85)	(18.85)
Total	0.02	0.02

NOTES TO FINANCIAL STATEMENTS

	(Rs. in lakhs)	
	31-03-2020	31-03-2019
Note No. 4 (e) Other Non-Current Assets		
Licence fee receivables	5.28	5.28
Total	5.28	5.28
Note No. 5 (b) Inventories	-	-
Total	-	-
Note No. 5 (c) Trade receivables		
- Trade receivables outstanding for a period exceeding 6 months from the date they were due for payment	484.16	484.16
- Other trade receivables - Unsecured and considered Good	-	-
Less: Provision for doubtful debts	(482.17)	(482.17)
Total	1.99	1.99
Note No. 5 (d) Cash and cash equivalents		
Cash in hand	-	-
Cash at Banks:		
Current Accounts	11.61	53.85
Term Deposits	59.37	50.00
Total	70.98	103.85
Note No. 5 (e) Short term Loans and Advances		
Loans and advances to employees	-	-
Total	-	-
Note No. 5 (f) Other current assets		
Balance with Government Authorities	0.20	5.80
Interest accrued on Bank & Other deposits	1.39	7.68
TDS receivables	0.35	56.68
Total	1.94	70.16
Note No. 6 Revenue from operations		
Sale of Products	-	-
Sale of Services	-	-
Other Operating Revenues	-	-
- Sale of Raw Materials	-	-
- Sale of Scrap	-	3.88
Total	-	3.88
Note No. 7 Other Income		
Interest income	3.81	14.40
Excess provision for book debts written off	-	0.61
Interest written off last year received now	18.99	-
Other receipts	0.36	-
Total	23.15	15.01
Note No.8 Purchase of Materials & Project Expenses		
Purchases of Materials	-	-
Total	-	-



NOTES TO FINANCIAL STATEMENTS

	(Rs. in lakhs)	
	31-03-2020	31-03-2019
Note No.9 Changes in inventories of finished goods, work in progress and Stock-in- trade		
Opening Stock :		
- Raw Materials	-	-
- Work in Progress	-	-
- Finished goods	-	-
Closing Stock		
- Raw Materials	-	-
- Work in Progress	-	-
- Finished goods	-	-
Increase / (Decrease)	-	-
Note No. 10 Employee benefits expense		
Employee benefits	-	-
Total	-	-
Note No.11 Finance Costs		
Interest on		
GOI Loans	-	-
Others	-	-
Bank charges	0.02	2.24
Total	0.02	2.24
Note No. 12 Administration & Other Expenses		
Administration Expenses		
Rent, rates and taxes	6.99	90.54
Rates and taxes (Sales tax dues)	446.31	-
Remuneration to Auditors:		
- Audit fees	0.35	0.30
- Tax audit fees	-	0.10
Power charges	0.09	3.29
Contract expenses	-	1.70
Repairs and maintenance	-	0.14
MSTC disposal expenses and Commission	-	0.10
Equipment hire charges	-	1.50
Legal & professional charges	6.66	10.15
Book keeping charges	0.25	-
Statutory dues (EPF)	10.90	-
Postage and telephone expenses	0.12	0.46
One time settlement to creditors	-	456.46
Security expenses	-	1,138.11
Printing and stationery	1.63	0.82
Honourarium fees	0.83	-
Consultancy expenses	7.81	9.90
Conveyance and canteen allowance	5.52	5.71
Reversal of GST receivables on cancellation of RC	2.70	-
Accrued income no longer receivable - now written off	-	14.38
Misc expenses	1.49	3.98
Total	491.64	1,737.64

Note No. - 13 SIGNIFICANT ACCOUNTING POLICIES

13.1. Grants-in-aid

Capital / Revenue Grant-in-aid received is reduced from the concerned capital / revenue expenditure.

13.2. FIXED ASSETS

a. Capitalisation

- i. Gross Block is stated at historical cost.
- ii. Internally fabricated equipments are valued at factory cost.
- iii. Buildings are capitalized on the basis of completion certificate. All other assets are capitalized on issue to the user.
- iv. Additions to Fixed Assets of individual value of Rs.5,000/- and below each are written off to expenditure.
- v. Gain / Loss from disposal of assets are credited / charged to Profit and Loss Account.

b. Depreciation:

Depreciation on fixed assets is provided on Straight Line Method as per revised Schedule II to the Companies Act, 2013.

13.3. Valuation of investments

The carrying amount for Investments is the lower of cost and fair value / quoted value and in respect of long term investments, where there is permanent decline in the value of such investments, the carrying amount is reduced to recognize the decline.

13.4. Valuation of inventory

a. Raw materials, Components, Stores and Spare parts and other materials

- i. Raw materials, components, stores and spares and useful off-cuts are valued at the lower of cost and net realizable value.
- ii. The cost comprises all costs of purchase; cost of conversion and other costs incurred in bringing the inventories to their present location and condition and are arrived at by the weighted average method.
- iii. Scrap and residuals such as zinc ash, zinc dross, shearings and borings etc., are valued at net realizable value.
- iv. Materials issued by customers on recovery basis for execution of their orders are brought on the Company's inventory and accounted as consumption on issue. The materials received on free issue basis are not brought on the Company's inventory.
- v. Spares received along-with purchase of machinery are taken into inventory at cost. Where break-up of cost of such spares is not available only numerical account is maintained.
- vi. Stationery and medicines are charged as expenditure on purchases.
- vii. Provision towards non-moving inventory is made based on the recommendations of the Technical Evaluation Committee.

b. Loose Tools:

Loose tools costing individually Rs.250 or less are charged off on issue and those whose individual value exceeds Rs.250 are charged off equally in five years including the year of issue.

c. Contract work-in-progress:

Value of Contract Work-in-progress at the close of the accounting period is based on technical evaluation with reference to the stage of progress of work and is expressed as percentage completion of the contracted activity. The WIP is stated at lower of the cost plus estimated profit or assessed sale value. Cost includes all expenditure that relate directly to a specific contract activity and those that are attributable to the contract activity in general and can be allocated to specific contracts.

Minor contracts up-to Rs.5 lakhs are not evaluated as above but stated at lower of the cost or assessed sale value

13.5. Trade Receivable:

Trade Receivables are mainly State Governments and Government Undertakings. The balances are reviewed periodically for their realisability. In respect of debts outstanding for more than 15 years, provision for doubtful debts are made in the books of account in the respective years.

13.6. Prepaid Expenses

Expenses are accounted under prepaid expenses only when the amounts relating to un-expired period exceed Rs.10,000/- in each case.

13.7. Foreign currency transactions

- a. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into reporting currency using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized on settlement of foreign currency transactions are included in determining net profit for the profit or loss for the period in which the transaction is settled.
- b. Monetary items designated in foreign currency which includes money held, assets and current liabilities to be received or paid in fixed or determinable amounts of money are stated at exchange rate prevailing on the Balance Sheet date by recognizing net income / expenses arising on account of exchange rate variation. Non-monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the transaction.

13.8. Miscellaneous expenditure (to the extent not written off or adjusted)**Technical know-how fee**

Technical know-how fee paid under collaboration agreement for the technology obtained for development and manufacture of new / diversified products are treated as Deferred Revenue expenditure to be written off over a period of its expected use, commencing from the year in which the first commercial production is taken up with the help of such technology.

13.9. Revenue recognition on contracts:

a. On Contract:

Revenue is recognized in accordance with AS-7: Accounting for Construction Contracts issued by the Institute of Chartered Accountants of India. The revenue is ascertained on the basis of 'Percentage of completion method'. Profit computed on the following basis is taken credit for every accounting year:

Percentage completion of contract activity	Percentage Profit recognized
00 - 29	Nil
30 - 49	45
50 - 89	80
90 - 99	95
100	97.5

- i. Claims preferred on customers as per terms of the contract are accounted as sales.
- ii. Escalation claims up-to the completion dates stipulated in the contract are accounted on accrual basis as sales. Other claims on contracts are accounted on receipt basis.

b. On sale of Power Generation

Claims preferred on Hubli Electricity Supply Company Ltd., (Previously Karnataka Power Transmission Corporation Ltd) for the power units generated during the month are accounted as sales.

13.10. Claims

a. By the Company:

Claims by the Company for export incentives, duty draws back and on insurance / carriers are accounted as and when they are preferred.

b. Claims against the Company:

Claims against the Company are accounted on acceptance of claim by the Company.

13.11. Research and development expenditure

Research & Development expenditure is charged to Profit & Loss Account in the year such expenditure is incurred. However, expenditure on fixed assets relating to Research and Development is treated in the same way as other fixed assets.

13.12. Retirement benefits

a). Gratuity:

Present liability of gratuity to employee's payable at future date is provided on actuarial basis.

b). Leave encashment on retirement:



Present liability towards encashment of leave on retirement of employees is provided on actuarial basis.

c). Settlement allowance:

Present liability towards settlement allowance to employee's payable at future date is provided on estimated basis.

d). Voluntary Retirement Expenses

The expenditure incurred in respect of payment towards Voluntary Retirement Scheme (VRS) is accounted during the year itself.

13.13. Warranty:

Warranty provision for contractual obligations if any, in respect of fabricated parts supplied will be provided in the year of supply.

13.14. Prior period transactions

- i. Income/Expenditure relating to prior period in the nature of error or omission, which do not exceed Rs.50,000/- in each case, are treated as Income/expenditure of the current year.
- ii. Direct expenses/income relating to the jobs in progress is charged to the jobs irrespective of the amount.

For and On behalf of the board

As per our report of even date

TUNGABADRA STEEL PRODUCTS LIMITED

For S.R. & M.R. Associates

Chartered Accountants

S. K. Venkata Charyulu

Director
DIN:08254941

S. Girish Kumar

Director
DIN:03385073

CA. M.R. Venkatesh Babu

Partner
M.No.206878; FRN.008094S

Place: Bangalore

Date: 16/07/2020

OTHER NOTES TO ACCOUNTS

13.15 Contingent Liabilities in respect of

	31-03-2020 (Rs. in lakhs)	31-03-2019 (Rs. in lakhs)
a. Claims against the Company pending judicial decisions	NIL	NIL
b. Other claims which the Company has not acknowledged	1,446.61	1,679.83
c. Counter Guarantees given to bank against Bank Guarantee	NIL	NIL

Brief note on other claims which the company has not acknowledged

- i. The Company was served with a demand notice by the service tax authorities for a claim of Rs.12,14,021/- towards interest and penalty for delayed payment and filing of service tax returns for the financial years from 2007-08 to 2011-12. Further, the Company made a request to service tax authorities for waiver of interest and penalty.
- ii. The Company had written off all the Creditors in the FY 2016-17. However, the Company creditors have every right to claim from the Company or from the Directors of the company (after dissolution) for their dues. Some of the creditors went to the court and attached the property of TSPL for their claim. The Board, in its 292nd Meeting held on 7th Sep, 2018 had taken a decision to settle dues of creditors and to remove the creditors which are outstanding for more than 3 years from its books of accounts. Further, the Company has initiated negotiations with the creditors whose balances were written off earlier for onetime settlement and resultant liability were accounted in the books as and when the agreement was made with these creditors. However, the Company do not have 'No Due Certificate / Agreement' for the following creditors and this may result in a contingent liability.

Rs. In lakhs

Creditor Name	Claimed by the party	Paid during the year	Outstanding amount
Steel Authority of India (SAIL) and Its Subsidiary - IISCO	1,352.46		-1,352.46

- iii. The Company has three pending cases relating to employees in the court of Allahabad and Dharwad. The Cases have been adjudged and Standing Order for Writ Petition 29472/2016 is required to be issued for post 2007 retirees. The Company will settle the matters as per Court Orders. However, the Company does not anticipate any additional liabilities on these pending matters.
- iv. During the year, the Company has received Assessment orders / Demand notices for various assessment from few States, pertaining to VAT / CST Assessments. These liabilities were declared as Contingent liabilities until the previous year, since there was no confirmed liabilities. Since, the Company has received Assessment / Demand notices during the year under audit, the Company has accounted as Expenses. The details are given below:

State	Tax pertaining to year	Amount due (Rs.)
Madhya Pradesh	FY 1999-2000 to FY 2000-2005	3,23,64,182/-
Jharkhand	FY 2002-2003 to FY 2007-2008	69,08,983/-
Odisha - Cuttack	FY 1998-1999	10,17,211/-
Karnataka	FY 2016-2017	11,31,009/-
Total		4,14,21,385/-

13.16 The land bought by the Company vide conveyance deed entered in December 1973, is a conditional right as per which the Company could hold the land only for the purpose for which it was acquired i.e., to carry on the business. Any breach of the conditions would result in resumption of land together with buildings erected thereon to Government of Karnataka. However the Govt. of India assumed the right to transfer immovable assets of TSPL in lieu of write off of GOI loan amounting to Rs.151.15 crores along with interest of Rs.315.99 crores as per the minutes of the meeting. Under the Chairmanship Chief Secretary of Karnataka held on 27-03-2017 have decided in principle that, the Government of Karnataka will convey its interest in taking over the land and M/s Karnataka Housing Board has conveyed vide its letter KHB/HC/TSP land/Hospet/171/2017-18/530 dtd 14-06-2017 its agreement in purchasing the land at the prevailing market rate at Rs.66.00 lakhs per acre.

The land was in possession of the Company and is acting as a custodian to Govt. of India. During the year 2018-19, the Company has sold the land to KHB (Karnataka Housing Board) for a sale consideration of Rs.55,22,88,000/- and the same has to be disbursed to Govt. of India or shall be utilized for the purpose/s as stated in the Govt. order.

During the financial year (FY) 2016-17, the Company has offered capital gains on the same land on notional basis, based on the value indicated in the Government order dated 07.01.2016. During the current financial year, the company has sold the land as detailed above and has realized an amount of Rs.55.22 Crores. The said amount is currently grouped under other liabilities of the Company.

The Indian Audit and Account Department (CAG), has given comments stating that, the amount of Rs.55.22 crores realised from sale of land is wrongly shown as payable to Government of India (GOI) and the same should have been offered to tax for the FY 2016-17. The Company has obtained an opinion by conducting a special audit by a firm of Chartered Accountants, on the above matter. The special auditor has stated that the filing of revised income tax returns was time barred and the Company cannot file the revised returns now and rectify the same.

Further, since the transaction pertaining to the sale of land has already been accounted on notional basis in the year 2016-17 and the accounts has been approved by the Board. The Approved accounts has been filed with the DHI and other statutory authorities, and hence the Company cannot incorporate these rectifications in the books of accounts.

13.17 The BIFR on its hearing held on 12-06-2016 has confirmed its earlier opinion to wind up the Company in terms of section 20(1) of SICA and had directed that the opinion be forwarded to the concerned High court. However, in view of write off of GOI loan and interest, the net worth of company have become positive, the Company appealed the decision of BIFR before the AAIFR and the AAIFR in its order dated 6-9-2016 discharged TSPL from the purview of Sick Industrial Company's Act, 1985.

13.18 In-view of the decision of Govt. of India, the Company has disposed-off all the movable assets / materials through MSTC e-auctions. As per the decision of the Board, the proceeds of the moveable assets are deposited in TSPL Escrow account.

13.19 Creditors / Trade Payable, other liabilities, Trade Receivables, claims recoverable, Deposits and Advances include some old / unlinked balances for more than three years and no confirmations received, such balances have been written off / provided / removed from the books of accounts in view of closure of the company.

13.20 As the information on Trade payable registered as SSI units & Micro, Small and Medium Enterprises are not available with the Company, specific disclosure of dues to SSI units & Micro, Small and Medium Enterprises, if any, could not be made. Consequently no provision for interest liability that may arise has been made.

13.21 Segment reporting under AS-17 is not applicable to the Company since there were no manpower and production activities in Factory during the year and in view of closure of the Company.

13.22 Impairment of assets as per AS-28:

As per the CCEA approval and as per the letter dated 05-09-2016 from the Under Secretary to Govt. of India, the GOI loan and Interest amounting to Rs.467.07 crores was written off in the books in lieu of assuming the right to transfer of Immovable assets of TSPL. All the movable assets are sold / disposed-off through MSTC e-auctions and the materials under disposal for which e-auctions are already completed are accounted at realizable value.

13.23 Income tax provision

The Company had filed the Income tax return without paying self-assessment tax for the assessment year 2017-18. Later, the Company was been served with a notice by the income tax authorities to pay the tax amount along with interest. The Company has made provision for additional tax as per notice served by the Dept. for the balance liability along with interest.

13.24 Figures has been rounded off to thousands and disclosed in lakhs.

13.25 Previous year's figures have been re-grouped where-ever necessary, so as to confirm to that of the current year.

13.26 Going Concern

The Company is in process of winding up as such the concept of going concern is not followed as per Accounting Standard - 1 "Disclosure of Accounting Policies". Therefore, all assets and liabilities of the company are restated at net realizable value on the reporting date.

13.27 Discounting Operations

The Tungabhadra Steel Products Limited is a CPSE under Department of Heavy Industry which has been closed following the decision dated 22.12.2015 of the Union Cabinet. As per CCEA decision, TSPL to offer VRS / VSS to all its employees who are on the rolls of the Company and remaining employees who were not opted shall be retrenched under ID act. Accordingly, the Company offered VRS / VSS during 2015-16 and all employees opted and relieved on VRS / VSS as a part of closure. All movable assets will be sold through MSTC. Also, as per CCEA decision, DHI/GOI will assume the right to transfer immovable assets i.e. land and / or buildings of TSPL to Central Government Ministries / Departments / Autonomous bodies under the Central Government institutions as indicated above, the land may be sold / transferred to State Government or any other institution controlled by the State Government.

For and On behalf of the board
TUNGABADRA STEEL PRODUCTS LIMITED

As per our report of even date
For S.R. & M.R. Associates
Chartered Accountants

S. K. Venkata Charyulu

Director
DIN:08254941

S. Girish Kumar

Director
DIN:03385073

CA. M.R. Venkatesh Babu

Partner
M.No.206878; FRN.008094S

Place: Bangalore
Date: 16/07/2020

STATEMENT OF DEPRECIATION FOR THE F.Y 2019-2020 AS PER COMPANIES ACT, 2013
Note 4 - Non Current Assets - (a) Fixed Assets - (i) Tangible Assets and (ii) Intangible Assets

Name of Asset	Gross Block		Depreciation		Net Block	
	As at	As at	For the	Upto	As at	As at
	01-Apr-19	31-Mar-20	Year	31-Mar-20	31-Mar-19	31-Mar-20
Tangible fixed assets						
Free Hold Land						
Buildings						
Plant and Machinery						
Mini Hydel Power Plant						
Electrical Installations and Equipment						
Vehicles						
Office and Design Equipments						
Furniture and Fixtures						
Data Processing Equipments						
Total						
Intangible fixed assets						
Total						
TOTAL NET BLOCK						

for Tungabhadra Steel Products Limited
S. Girish Kumar
 Chairman & Managing Director
 DIN: 03385073

Date: 16/07/2020
 Place : Bengaluru

Rs. in Lakh

S. No	Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
1	Value of Production				5	5	37	61	55	303	288	263
2	Sales				5	5	37	61	117	279	312	219
3	Gross Profit before depreciation, Int & Tax	23	19	124	48,183	(1,218)	(22)	(243)	(329)	(90)	(49)	(68)
4	Depreciation	-	-	-	-	38	38	55	55	55	56	57
5	Gross Profit	23	19	124	48,183	(1,256)	(60)	(298)	(384)	(145)	(105)	(125)
6	Interest											
	a) Government	-	-	-	-	2,190	2,827	2,749	2,691	2,644	2,507	2,452
	b) Others	(492)	(1,740)	1,265	241	-	-	-	1	8	-	-
7	Profit before Tax	(469)	(1,721)	(1,140)	47,942	(3,446)	(2,887)	(3,191)	(3,115)	(2,875)	(2,612)	(2,577)
8	Provision for Tax	-	-	-	7,409	-	-	-	-	-	-	-
9	Profit after Tax	(468)	(2,655)	(1,142)	40,533	(3,446)	(2,887)	(3,191)	(3,115)	(2,875)	(2,612)	(2,577)
10	Gross Block	-	-	-	-	1,998	2,033	2,056	2,058	2,058	2,087	2,087
11	Net Block	-	-	-	-	253	297	338	393	448	503	559
12	Working Capital	(10,060)	(9,891)	(7,236)	(6,094)	(42,584)	(29,713)	(26,904)	(24,091)	(21,447)	(19,617)	(16,265)
13	Long Term Loans	-	-	-	-	15,109	11,300	11,127	10,730	10,468	10,171	9,928
14	Short term Loans incl. Cash Credit	-	-	-	-	-	1,209	1,341	1,435	1,316	1,688	1,762
15	Share Capital	844	844	844	844	844	844	844	844	844	844	844
16	Reserves & Surplus	(10,903)	(10,734)	(8,080)	(6,937)	(47,470)	(44,023)	(41,131)	(37,940)	(34,825)	(31,950)	-
17	Capital Employed	(10,060)	(9,891)	(7,236)	(6,094)	(29,420)	(29,420)	(26,567)	(23,697)	(20,999)	(19,114)	(15,706)
18	Net Worth	(10,060)	(9,891)	(7,236)	(6,094)	(46,626)	(43,180)	(40,287)	(37,097)	(33,982)	(31,106)	(28,494)
19	No. of employees	-	-	-	-	-	75	84	93	98	100	101
20	Value added	-	-	-	-	-	28	51	14	212	90	163
21	Salaries, wages & benefits	-	-	-	-	226	307	322	309	300	263	249
22	Value added per employee	-	-	-	-	-	0	1	0	2	1	2
23	Value added per Rupee of wages(Rs)	-	-	-	-	-	0	0	0	1	0	1
24	Contribution to Exchequer	-	-	-	-	-	-	1	15	18	15	4
25	Internal Resource Generation	-	-	-	-	-	-	-	-	-	-	-
26	Export incl. deemed export	-	-	-	-	-	-	-	-	-	-	-
27	Salaries and wages to Sales(%)	-	-	-	-	4,520	830	526	263	108	84	114
28	Material consumption to production(%)	-	-	-	-	-	-	1	39	25	59	25
29	Inventory No. of days production	-	-	-	-	-	657	409	457	114	73	113
30	Sundry Debtors No. of days Turnover	-	-	-	-	-	525	244	823	256	512	849

