TATA STEEL

TATA

#WeAlsoMakeTomorrow

# Integrated Report & Annual Accounts **2018–19**

**112th Year**

# Contents

## STRATEGIC REPORT







## ABOUT THIS REPORT

### Our Approach to Reporting

This is the fourth Integrated Report of Tata Steel Limited (Tata Steel). Our Integrated Report provides quantitative and qualitative disclosures on our relationships with the stakeholders and how our leadership, culture and strategy are aligned to deliver value while managing risks and changes to the external environment. Our Report continues to evolve towards enhanced disclosures to meet the requirements of our investors and other stakeholders.

### Reporting Principle

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards. The Report is prepared in accordance with the framework of the International Integrated Reporting Council (IIRC) and discloses performance against the Key Performance Indicators (KPIs) relevant to Tata Steel, as per the Global Reporting Initiative (GRI), the Securities and Exchange Board of India (SEBI) and World Steel Association (worldsteel).

### Reporting Period

The information is reported for the period April 1, 2018 to March 31, 2019. For KPIs, comparative figures for the last three to five years have been incorporated in the Report to provide a holistic view to our stakeholders.

### Scope and Boundary

This Report covers information on Tata Steel, including the Tata Steel plants (at Jamshedpur, Jharkhand and Kalinganagar, Odisha), Raw Materials Division, and Profit Centers.

### Approach to Materiality

The Report presents an overview of our business and associated activities that help in long-term value creation. Report content and presentation is based on material issues to Tata Steel and its stakeholders. Material issues are gathered from multiple channels and forums of engagement across the organisation and from external stakeholders. In Finanacial Year 2018-19, Tata Steel updated its Environmental, Social and Governance (ESG) material issues and incorporated them in its long-term plans.

### Management Responsibility

To optimise governance oversight, risk management and controls, the contents of this Report have been reviewed by the senior executives of the Company, including the Chief Executive Officer and Managing Director, Executive Director and Chief Financial Officer, Vice President Safety, Health & Sustainability and Company Secretary & Chief Legal Officer (Corporate & Compliance).

### Independent Assurance

Assurance on financial statements has been provided by independent auditors Price Waterhouse & Co. Chartered Accountants LLP and non-financial statements by KPMG. The certificate issued by KPMG is available on our website at www.tatasteel.com or can be accessed at https://bit.ly/2WQGHe8.

### Forward Looking Statements

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations.

Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# #WeAlsoMakeTomorrow

**The steel we produce is used in making iconic structures, smarter cities, and cleaner and safer automotive solutions. We are exploring uncharted territories in new technologies and materials to develop new businesses and value-added products while acting responsibly to ensure a long-lasting positive impact on the society and environment.**

**www.wealsomaketomorrow.com**

# FY 2018-19 Highlights

(Consolidated)

- **26.80 MnT**
  Deliveries
- **₹1,57,669 Cr.**
  Turnover
- **₹29,770 Cr.**
  EBITDA
- **₹9,098 Cr.**
  Profit After Tax (PAT)

# WeAlsoMakeTomorrow

Our steel has gone into the making of futuristic structures and buildings across the globe.

Taipei 101, Taipei, Taiwan

The London Eye, London

Marina Bay Sands, Singapore

Bogibeel Bridge, Assam, India

Kempegowda International Airport, Bengaluru, India

YEAR AT A GLANCE*

# Achievements of today for a brighter tomorrow

**Turnover**
₹70,611 Cr.

**CAPEX**
₹3,677 Cr.

**Enriched/Value-added Products**
8.6 MnT

**GHG Emissions Intensity**
2.34 $tCO_2e/tcs$

**Solid Waste Utilisation**
99%

**EBITDA Margin**
29%

**Crude Steel Production**
13.23 MnT

**Revenue from By-products**
₹3,426 Cr.

**Lost Time Injury Frequency Rate (LTIFR)**
0.29

**Specific Water Consumption**
3.5 $m^3/tcs$

**Profit After Tax (PAT)**
₹10,533 Cr.

**Total Sales**
12.7 MnT

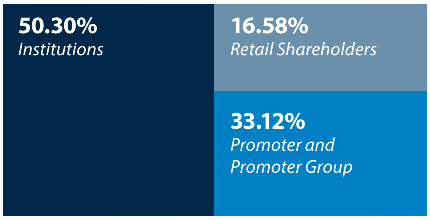
**Savings through Shikhar25**
₹2,801 Cr.

**Customer Satisfaction Index (Steel) (Out of 100)**
81.6

**CSR Outreach**
>1.1 million

*** All figures are on a Standalone basis as on March 31, 2019**

## Ownership structure




## Principal activities and revenue streams


## Tata Steel acquires Bhushan Steel

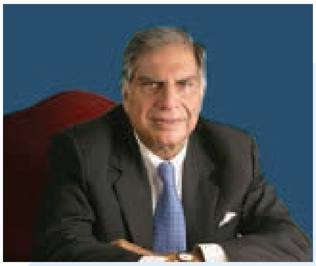
During Financial Year 2018-19, Tata Steel acquired Bhushan Steel Limited. This acquisition has significantly added to our steel business and helped expand our footprint in India.

## Tata Steel group acquires Usha Martin Steel Business

Tata Steel group acquired the steel business of Usha Martin Limited through one of its subsidiaries. This move helps the Company to create a globally competitive long products business focussed on value-added and differentiated products while achieving cost competitiveness.

BOARD OF DIRECTORS (As on April 25, 2019)

# Guiding the path to tomorrow



**Mr. Ratan N. Tata**
Chairman Emeritus

## BOARD COMMITTEES

1. Audit
2. Nomination and Remuneration
3. Corporate Social Responsibility and Sustainability
4. Risk Management
5. Stakeholders' Relationship
6. Safety, Health and Environment

*Member* *Chairperson*

**Parvatheesam K**
Company Secretary & Chief Legal Officer (Corporate & Compliance)

**Standing (Left to Right)**

**T. V. Narendran**
Chief Executive Officer and Managing Director
3 4 5 6

**V. K. Sharma**
Non-Executive Director
5 6

**Peter Blauwhoff**
Independent Director
1 4 6

**Sitting (Left to Right)**

**Aman Mehta**
Independent Director
1 4

**N. Chandrasekaran**
Chairman of the Board and Non-Executive Director
2

**Deepak Kapoor**
Independent Director

1 3 5

**Saurabh Agrawal**
Non-Executive Director

1 4

**Koushik Chatterjee**
Executive Director and
Chief Financial Officer

3 4 5

**Mallika Srinivasan**
Independent Director

2 6

**O. P. Bhatt**
Independent Director

1 2 3

FROM THE CHAIRMAN'S DESK

# Well positioned to capitalise on opportunities

**Dear Stakeholders,**

It is a privilege to write to you as the Chairman of the Board of Tata Steel.

Financial Year 2018-19 was a good year for your Company, wherein your Company executed well on its strategic roadmap and delivered a strong financial performance.

Last year in my communication to you, I shared with you the Company's strategy to leverage the growth potential of the Indian economy by pursuing both organic and inorganic growth opportunities. I am happy to share with you that your Company has made significant progress in this regard. Your Company undertook the following tangible steps to strengthen and expand the India operations.

# Financial Year 2018-19 was a good year for your Company, wherein your Company executed well on its strategic roadmap and delivered a strong financial performance.

Your Company successfully completed the acquisition of Bhushan Steel (now named Tata Steel BSL) under the Insolvency and Bankruptcy Code process. This was an important strategic acquisition. The integration is proceeding well with identified synergies and roll-out of the performance improvement plan. The Board has given the approval for the amalgamation of Tata Steel BSL with your Company and the process is currently underway. This would further help in realising synergies and create a unified and simple organisation.

In addition to Tata Steel BSL, your Company also acquired the steel business of Usha Martin Limited, through its subsidiary company, Tata Sponge Iron Limited. This acquisition has strategically enhanced the value-added long product portfolio of your Company and expanded its presence in the premium and niche segment for automotive customers.

Your Company continues to grow its India capacity through brownfield expansion of the Kalinganagar facilities.

In Europe, your Company's operations continued to face challenges. The production was lower due to operational issues at both sites in the UK and IJmuiden.

On a consolidated basis, your Company achieved the highest ever levels of revenues and EBITDA this year. I am happy to report that the Company has generated positive free cash flows of ₹8,839 crore this year, for the first time in over a decade.

As you are aware, your Company had proposed to form a joint venture with thyssenkrupp to combine the steel businesses in Europe, as a part of the effort to build a sustainable business in Europe. Unfortunately, this proposal has not met with the approval of the European Commission and your Company has decided not to continue on this path.

Your Company's overall situation is much better now. Your Company's India capacity and contribution has expanded significantly. The plant in the UK contributes to 11% of your Company's total capacity and the plant at IJmuiden contributes to 22% of your Company's capacity. Your Company is on the path to drive operational improvement and positive cash flows.

Steel is a strategic material for growth and development of nations and has a multiplier impact on the economy and society. India has the unique advantage of a young and aspirational population and high economic growth, which would drive sustained demand for industries such as steel. India also has a large natural resource base and skilled manpower to be one of the most competitive manufacturers of steel globally. While the short-term global macroeconomic and geopolitical situation may continue to throw some challenges, the future holds many opportunities for your Company. Your Company is well positioned to capitalise on the opportunities and deliver strong growth.

I would like to thank all the shareholders for their faith in and support to the Company. I would also like to thank all other stakeholders, including the employees, unions, customers, government and suppliers, for their continued support.

Warm regards,

**N. Chandrasekaran**
Chairman of the Board

MANAGEMENT SPEAK

# Prudent steps for a stronger tomorrow

**T. V. Narendran**
Chief Executive Officer and Managing Director

**Koushik Chatterjee**
Executive Director and Chief Financial Officer

**Q: How has Tata Steel group performed in Financial Year 2018-19?**

Financial Year 2018-19 was a strategically important year for us. Even though the macro environment remained mixed, we progressed significantly on our strategic goals, focussing on operating performance to register the highest ever EBITDA, enhancing our footprint in India through the acquisition of Bhushan Steel and Usha Martin Steel businesses, and strengthening our balance sheet through significant deleveraging from the peak debt post the acquisition of Bhushan Steel.

**Q: The second half of 2018 saw a slowdown in growth owing to trade tensions and the geo-political environment and the same is expected to continue in the first half of 2019. How do you expect this to affect the steel industry?**

2018 witnessed a slowdown in global growth, primarily due to the decline in trade and manufacturing activity across most industrial sectors, increased trade tensions among major economies, tightening of financial conditions and policy uncertainty in many economies. Despite this slowdown, global steel demand showed resilience and grew at 2.1%, supported by some recovery, in investment activities and improved performance of emerging markets and developing economies. In the coming year, global steel demand is expected to witness a gradual recovery, though at a lower pace, owing to risk of uncertainty over the trade environment. Though the economic fundamentals of the European Union economy remain relatively stable, steel demand in 2020 will show some deceleration over the growth seen in 2018 and 2019, partly due to uncertainties resulting from global trade tensions and

At Tata Steel, we have always focussed on sustained growth in India and we believe that, the steps taken during the year will place us in a good position to capitalize on the opportunities in the future.

the uncertainties about Brexit. In 2019, US growth is also expected to slow down with the effect of fiscal stimulus tapering off and the normalisation of monetary policy.

In India, steel demand in the first half of the financial year was more stable than in the second half and there has been a distinct decline in the automotive sector and other sectors in the second half of the year. One of the key issues has been the credit flow in the system and we hope that structural policy actions will be undertaken to ensure that increased credit flow is restored and private investment is encouraged to revive the economy.

**Q: Steel demand in India is expected to increase in the medium term. What is your preparedness to capitalise on these opportunities?**

We recognise that there is a significant potential for increase in steel demand in India in the long term given that per capita steel consumption in 2018 was less than one-third of the world average. Various government initiatives, including 'Make in India' projects, increased spending on infrastructure and increased focus on rural development are likely to support increase in domestic demand for steel, providing opportunities for domestic steel players. At Tata Steel, we have always focussed on sustained growth in India and we believe that the steps taken during the year will place us in a good position to capitalize on the opportunities in the future.

During the year, we successfully completed the acquisition of Bhushan Steel (renamed Tata Steel BSL) to add to our downstream capability and complement our product mix. We have had a very encouraging start to the integration journey and are well on our way to ramp up the capacity of Tata Steel BSL to the rated level. This acquisition has provided us the opportunity to scale-up our operations and strengthen our market position in various market segments.

An important area of focus in the coming year will be to continue our efforts to further integrate the business of Tata Steel BSL with the existing business operations in Tata Steel Limited through the process of amalgamation. This integration, we believe, will realise synergies, including better facility utilisation, efficient and assured availability of raw materials, reduced logistics and procurement costs, efficiencies arising out of a single value chain, reduced working capital, simplification of the operating structure and improving customer satisfaction levels.

We also envisage that the demand for long products will grow significantly in the future. Tata Steel is already present in the long products business and is recognised for its high-quality products such as rebars, wire rods and wires. However, to augment its long products capacity and be prepared to cater to the increasing demand, we acquired the 1 MnTPA steel business (including captive power plants) of Usha Martin Limited through our subsidiary company, Tata Sponge Iron Limited. The acquisition will help the Company retain its long product market share while marking an entry into the special steels segment as well as to enhance its product basket for automotive customers.

During the year, we also commenced the Tata Steel Kalinganagar Phase II expansion project to augment the cumulative capacity of the Kalinganagar plant from 3 MnTPA to 8 MnTPA. As part of the expansion in Kalinganagar, we are building a 5800 cubic metre blast furnace, which will enhance the asset productivity significantly, along with a state-of-the-art cold rolling mill complex to produce value-added products. We will be expanding the existing steel melting shop and hot strip mill and will also be adding a coke oven battery and a pellet plant. The project involves a capital expenditure of ₹23,500 crore. The project scope and costs include investments in raw material capacity expansion, upstream and midstream facilities, infrastructure and downstream facilities. The expansion work is in progress and the facilities will be commissioned in phases, with the first commissioning of the cold rolling mill facilities in Financial Year 2020-21 followed by the balance commissioning. The expanded capacity will

# We will continue to focus on deleveraging as a primary strategic initiative to rebuild the balance sheet strength.

help us produce value-added products, including cold rolled galvanised and annealed products, and will enable us to meet the requirements of the automotive, general engineering and other high-end quality product market segments.

We are positive that through our existing operations in India, coupled with these organic and inorganic growth initiatives, we are on the right path towards strengthening our business in India and are well poised to take advantage of the potential opportunities in India.

**Q: There is a considerable amount of debt on the books of the Company. What steps are you taking to deleverage the balance sheet?**

During the first half of Financial Year 2018-19, the gross debt level at ₹1,18,680 crore was at its peak owing to the acquisition of Bhushan Steel (Tata Steel BSL). Through conscious and rigorous efforts, we reduced our gross debt by ₹17,864 crore to end the year with a debt of ₹1,00,816 crore. We will continue to focus on deleveraging as a primary strategic initiative to rebuild the balance sheet strength.

Despite some stress in the domestic debt markets, we extended the Company's debt maturity profile by successfully raising ₹4,315 crore through non-convertible debentures with a maturity of 15 years. We also put in place a 12-year long-term take-out financing for ₹15,500 crore at Tata Steel BSL Limited. The changes in the financial risk profile of the Company are reflected in the upgrade of our credit rating by Moody's from 'Ba3' to 'Ba2' with positive outlook in February 2019 as well as in the revision in outlook by S&P in April 2019.

Our aim will be to further deleverage the balance sheet of the Company, in Financial Year 2019-20 and beyond, through a combination of internal cashflow generation and continuing efforts to rationalise the portfolio to focus on our core businesses and markets, while continuing to facilitate our key growth initiatives.

**Q: What are your future plans regarding the European business?**

During the year, the revenues from Tata Steel Europe stood at ₹64,777 crore while the EBITDA was ₹5,414 crore, reflecting an increase of 46% over the previous year.

In June 2018, we had signed definitive agreements with thyssenkrupp to combine our steel businesses in Europe to create a 50:50 pan-European joint venture company focussing on customer centricity, technology and sustainability. This merger transaction, like any other, was subject to merger control clearance in several jurisdictions, including most importantly, by the European Commission. As part of the application made to the European Commission, a comprehensive package of remedies (sale of production assets to unrelated competitors) was offered covering all the areas of concern highlighted by the Commission. The remedies offered were developed considering the overall industrial strategy for the proposed joint venture, the integrated and complex nature of the supply chain to service customers and the need to build a sustainable business that would be able to endure the structural challenges faced by the European steel industry. However based on the adverse feedback received from the European Commission, both parties decided not to pursue the transaction as any further commitments or improvements to the remedy package would have adversely affected the basic foundation of the proposed joint venture and the intended synergies arising from the merger to such an extent that the economic logic of the joint venture would no longer be valid and its fundamental sustainability would be severely impacted.

We remain committed to these strategic goals and will continue to focus on improving the operational performance to enhance earnings and cash flows to ensure that the European business is self-sustaining.

**Q: One of the strategic objectives for Tata Steel is to consolidate its position as a global cost leader. What is your plan to meet this objective?**

At Tata Steel, we are focussed not just on growth, but on sustainable growth, to make a better tomorrow for our business and for all our stakeholders. While we are keenly focussed on our long-term strategy to be the industry leader in steel globally and are channelising our efforts towards growth, we have set for ourselves other strategic objectives that will help sustain our business in the future.

Alongside growth, we are also focussed on consolidating our position as a global cost leader and are taking several initiatives in this direction, including driving digitalisation across several processes and functions, structural cost take-out programmes through our improvement programmes, enhancing employee productivity and investing in logistics and supply chain efficiencies. We are also investing in our mining operations both from capacity enhancement and cost efficiency perspectives.

**Q: Tata Steel has also ventured into the new materials business. What benefits do you see from this business?**

We are harnessing the power of emerging technologies and processes in material sciences to create sustainable solutions for end product use in the coming decades. We recognise that investment in technology and innovation is a prerequisite for a sustainable future.

At Tata Steel, we are keen to find innovative solutions to the way we conduct business and have embarked on a journey to become a technology leader not only in the steel but also in the materials business. Moving beyond steel, we have set up a new business vertical that will explore the possibilities of entering the non-steel materials segment. We are focussing on composite materials such as Fibre Reinforced Polymer (FRP), a light and corrosion-resistant, structural material similar to steel. Our focus in the new materials business will be to cater to four sectors i.e., the railway, industrial goods, infrastructure and automotive sectors. We believe our product offering will be of high quality, cost effective and bring superior value to our customers in these sectors, consequently giving us a differentiated and leadership position in the market in the coming years.

**Q: Tata Steel has recently entered into the steel recycling business. How would you align this with your strategic objectives and what change do you expect this business to bring in the way you conduct your business?**

As one of the leading and pioneering steelmakers, it is our responsibility to protect and preserve the planet for future generations. Globally, we are moving from a linear business model towards a circular economy. Reduce, reuse and recycle is the new way to drive optimal resource efficiency. The steel industry is an integral part of the circular economy and we have a vision to be an active participant in the circular economy. Steel is 100% recyclable material and can be used repeatedly to create new steel products, without losing the inherent properties of steel. This helps reduce the use of natural resources as well as leads to low $CO_2$ emissions.

Tata Steel has always been committed to sustainable growth, which includes our responsibility towards its customers as well as towards the environment. In preparing for the future, Tata Steel has set up a steel recycling business to meet the growing demand for steel in a sustainable manner in the long run. The steel recycling business will help formalise the scrap market in India and help the country transition to a scrap-based steelmaking route in the long term.

**Q: What steps are you taking to meet your strategic objective of being an industry leader in Safety, Health and Environment (SHE) and Corporate Social Responsibility (CSR)?**

Acting with responsibility towards planet Earth, ensuring the health and safety of people at all our workplaces, balancing economic prosperity, and generating social benefits for the community are the rules by which Tata Steel operates.

We understand that health and welfare of our people, the community and society, as a whole, is intrinsic to our approach to business and hence, we persevere to create a safe and healthy environment for all employees and stakeholders and to be an industry leader in SHE and CSR. We aspire to achieve this objective through enhanced focus on reducing unsafe incidents at the workplace and reducing carbon emissions and consumption of depleting natural resources.

To contribute towards the socio-economic development of the areas where we operate, we undertake various CSR initiatives in the areas of health, education, livelihood, sports and infrastructure development with indigenous communities. We have partnered with various organisations to work for the upliftment of our communities and will continue to deepen our engagement with communities, with an aim to touch more than 2 million lives by 2025 through our CSR initiatives.


Panview of Kalinganagar Steel Plant

# We Seize

# New opportunities

We were the first to acquire a major stressed asset under the Insolvency and Bankruptcy Code. The acquisition of Bhushan Steel Limited, now renamed as Tata Steel BSL Limited, has significantly expanded our footprint in India and will be value-accretive going forward.

**5.6 MnTPA**

Total capacity of Tata Steel BSL Limited

#WeAlsoMakeTomorrow

ORGANISATIONAL OVERVIEW

# Vibrant and future-ready

Established in Jamshedpur, India in 1907, Tata Steel is a flagship entity of the 150-year old Tata group. Embodying the vision of the Tata group founder, Jamsetji Nusserwanji Tata, Tata Steel group, today, is one of the world's most geographically diversified steel producers and is recognised as the hallmark for corporate citizenship and business ethics.

Tata Steel has manufacturing units at Jamshedpur, Jharkhand and Kalinganagar, Odisha with production capacities of 10 MnTPA and 3 MnTPA, respectively. In Financial Year 2018-19, the Company initiated a 5 MnTPA expansion project at Kalinganagar to enhance its cumulative capacity to 8 MnTPA.

Prepared for the future

**Tata Steel operates with a completely integrated value chain that extends from mining to finished steel products. With a relentless focus on innovation and cutting-edge technologies, we are building a sustainable business enterprise.**

### Innovation

We focus on creating solutions that make a positive difference to the society with patents, new products, new materials and by developing in-house technologies for sustainable performance.

### Technology

We value the importance of technology as a strategic enabler and intend to leverage both steel technology and digital interface to achieve service excellence.

### Sustainability

We remain committed to conserving natural resources while ensuring sustainable growth and fostering strong relationship with communities.

## Vision

We aspire to be the global steel industry benchmark for Value Creation and Corporate Citizenship.

We make a difference through;

- Our People
- Our Offerings
- Our Conduct
- Our Policies
- Our Innovative Approach

## Mission

Consistent with the vision and values of the founder Jamsetji Tata, Tata Steel strives to strengthen India's industrial base through effective utilisation of staff and materials. The means envisaged to achieve this are cutting edge technology and high productivity, consistent with modern management practices.

Tata Steel recognises that while honesty and integrity are essential ingredients of a strong and stable enterprise, profitability provides the main spark for economic activity. Overall, the Company seeks to scale the heights of excellence in all it does in an atmosphere free from fear, and thereby reaffirms its faith in democratic values.

## Values

### Integrity

We will be fair, honest, transparent and ethical in our conduct; everything we do must stand the test of public scrutiny.

### Excellence

We will be passionate about achieving the highest standards of quality, always promoting meritocracy.

### Unity

We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.

### Responsibility

We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.

### Pioneering

We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.

PRODUCTS AND MARKETS

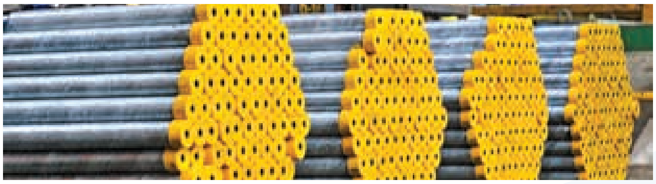
# Diversified portfolio across markets

## AUTOMOTIVE

| Market Sub-segments | Products and Brands |
|---|---|
| **Auto OEMs*** B2B | Hot-rolled (HR), Cold-rolled (CR), Coated Sheets, Steel Coils and Sheets |
| **Auto Ancillaries** B2B B2ECA | HR, CR, Coated Steel Coils and Sheets, Precision Tubes, Tyre Bead Wires, Spring Wires, Bearings |

## CONSTRUCTION

| Market Sub-segments | Products and Brands |
|---|---|
| **Individual House Builders** B2C | Tata Tiscon (Rebars), Pravesh (Steel Doors and Windows), Tata Shaktee (Roofing Sheets), Tata Pipes (Plumbing Pipes), Tata Structura (Tubes) |
| **Corporate and Government Bodies** B2B B2G | Nest-In (Habinest – Prefabricated Houses, AquaNest Water Kiosks, Ezynest Modular Toilets, MobiNest – Office Cabins, Nestudio – Rooftop Houses) |
| **Infrastructure** B2B | TMT Rebars (Higher Dia Rebars and Corrosion-resistant Steel) |
| **Housing and Commercial** B2ECA | Tiscon Readybuild (Cut and Bend Bars), Tata Structura (Tubes), PC Strands (LRPC)**, Tata Nirman, Tata Aggreto, Ground Granulated Blast Furnace Slag (GGBS) |



## INDUSTRIAL AND GENERAL ENGINEERING

| Market Sub-segments | Products and Brands |
|---|---|
| **Panel and Appliances, Fabrication and Capital Goods, Furnitures** B2ECA | Tata Steelium (CR), Galvano (Coated), Tata Astrum (HR), Tata Structura (Tubes) |
| **LPG** B2B | HR |
| **Welding** B2B | Wire Rods |
| **Process Industries (e.g., Cement, Power, Steel)** B2B | Tata Tiscrome (Ferro Chrome), Tata Ferromag (Ferro Manganese), Boiler Tubes, Tata Pipes, Tata Ferroshots, Blast Furnace (BF) Slag, Metallics |

## AGRICULTURE

| Market Sub-segments | Products and Brands |
|---|---|
| **Agri Equipment** B2B | Bearings |
| **Fencing, Farming and Irrigation** B2C | Galvanised Iron (GI), Wires, Agri and Garden Tools, Conveyance Tubes |

B2B - Business to Business

B2C - Business to Consumer

B2G - Business to Government

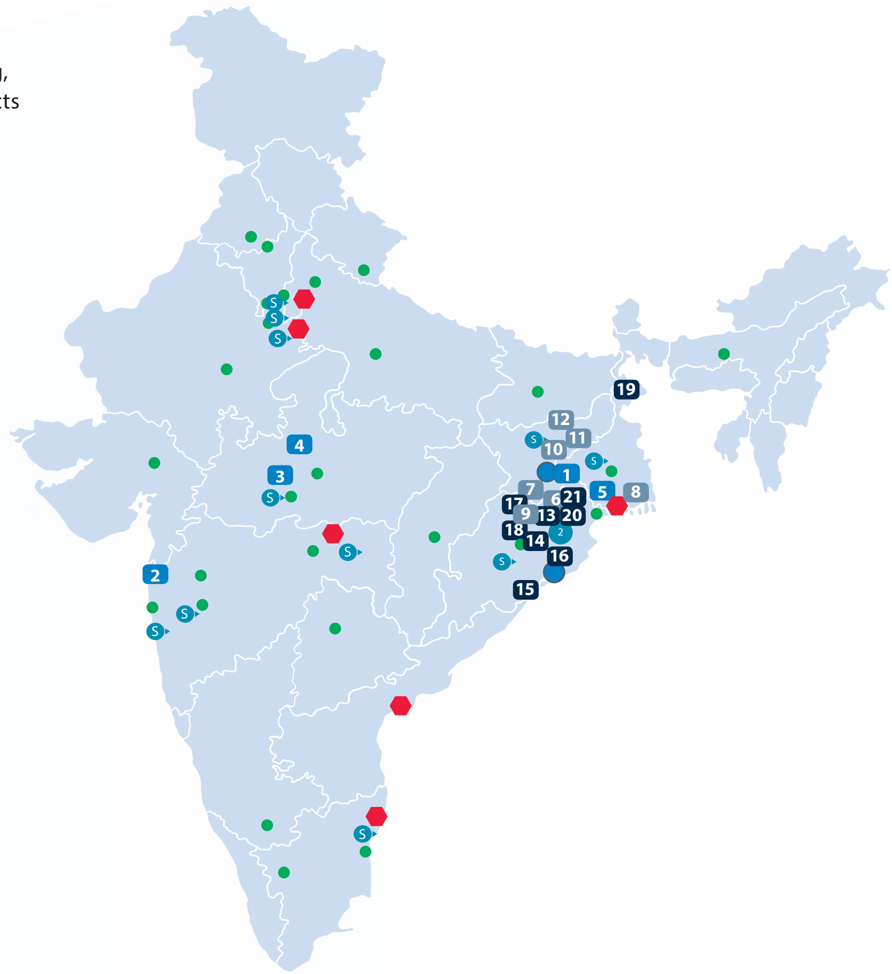
B2ECA - Business to Emerging Corporate Account

*OEM - Original Equipment Manufacturer

**LRPC - Low-Relaxation Pre-stressed Concrete

# Our footprint

We are primarily involved in the business of mining, steelmaking and downstream value-added products and solutions. Our operational footprint has been indicated on the map.



## MANUFACTURING LOCATIONS

- **Jamshedpur**
  Flat Product 7 MnTPA
  Long Product 3 MnTPA
- **Kalinganagar**
  Flat Product 3 MnTPA

## DOWNSTREAM OPERATIONS

| Location | Nature of operations |
|---|---|
| 1 **Jamshedpur** | Tubes Manufacturing and Tinplate |
| 2 **Tarapur** | Wire Manufacturing |
| 3 **Pithampur** | Wire Manufacturing |
| 4 **Killa** | Wire Manufacturing |
| 5 **Kharagpur** | Bearings Manufacturing |

## RAW MATERIAL LOCATIONS

| Location | Nature of operations |
|---|---|
| 6 **Noamundi** | Iron Ore Mines and Quarries |
| 7 **Joda East** | Iron Ore Mines and Quarries |
| 8 **Katamati** | Iron Ore Mines and Quarries |
| 9 **Khondbond** | Iron Ore Mines and Quarries |
| 10 **West Bokaro** | Open Cast Coal Mines |
| 11 **Jamadoba Group** | Underground Coal Mines |
| 12 **Sijua Group** | Underground Coal Mines |

**Note: Map not to scale**

## RAW MATERIALS REVENUE STREAM
(FERRO ALLOYS AND MINERALS)

| Location | Nature of operations |
|---|---|
| 13 **Joda** | Ferro Alloys Plant |
| 14 **Bamnipal** | Ferro Alloys Plant |
| 15 **Gopalpur** | Ferro Alloys Plant |
| 16 **Sukinda** | Chromite Mine |
| 17 **Joda West** | Manganese Mines |
| 18 **Bambebari** | Manganese Mines |
| 19 **Malda** | Manganese Mines |
| 20 **Tiringpahar** | Manganese Mines |
| 21 **Gomardih** | Dolomite Mine |

| Nature of operations | Locations |
|---|---|
| Zonal Hubs | **6** [Delhi, Faridabad, Nagpur, Kolkata, Chennai and Vijayawada] |
| Stockyards | **18** [not on map] |
| Distributors | **202** [not on map] |
| Dealers | **12,000+** [not on map] |
| S Steel Processing Centres (SPCs) | **37** SPCs across 11 locations [Jamshedpur, Kalinganagar, Chennai, Kolkata, Faridabad, Manesar, Pune, Mumbai, Indore, Delhi and Nagpur] |
| Sales Offices | **27** |

APPROACH TO VALUE CREATION

# Focussed on delivering long-term value

As a leading steel manufacturer, we are committed to delivering products, providing services and creating employment opportunities that contribute towards sustained economic and social value. We have a structurally strong business model. We focus on operational excellence and are leaders in chosen market segments. We intend to create value by maintaining our leadership position through scale, cost leadership and innovation.

## Our value drivers

- **Maintain leadership position in chosen market segments**
- **Focus on cost competitiveness to ensure and enhance organic cash flow from business**
- **Drive synergies from acquisitions**
- **Focus on allocating capital efficiently, including divesting non-synergistic assets**
- **Focus on deleveraging the balance sheet**

## Our imperatives for long-term value creation

Tata Steel BSL Steel Plant

### RESHAPING TATA STEEL

- Focus on strengthening footprint in India – Best positioned to leverage growth opportunities in India
- Enable growth without increasing leverage


Kalinganagar Steel Plant

### PORTFOLIO PRIORITIES

- Ensure seamless completion of capacity expansion at Kalinganagar by 5 MnTPA
- Focus on ramping up of Tata Steel BSL, downstream value addition, growing long products portfolio and driving system synergies from acquisitions
- Create a sustainable business in Europe

The Shard, London

### FINANCIAL HEALTH

- Focus on reducing leverage through higher operating cash flows, monetisation of non-synergistic ventures and strategic restructuring
- Maintain well-spread debt maturity profile
- Derive cost effectiveness through structured continuous improvement programmes such as Shikhar25

Graphene Centre, Jamshedpur Steel Plant

### NEW INITIATIVES

- Expand downstream product portfolio: ~30% of total volume from downstream products
- Focus on Services and Solutions portfolio: ~20% of revenue by 2025
- Grow beyond steel – Focus on new materials: ~10% of revenue by 2025

## Our interventions to be future ready

- Leverage digital technology to enhance efficiency and enable business transformation
- Focus on R&D and technology to achieve technology leadership in steel industry
- Create a sustainable value chain through business model innovations
- Focus on safety leadership and achieve Zero LTI
- Be the industry leader in CSR and gain the social license to operate

## Our 'multi-capital' approach

We recognise that our ability to generate economic value is dependent on a multi-capital approach that not only leverages financials but also skilled employees, innovation, community relationships and key natural resources. True to our founding philosophy of 'profits with a purpose', we continue to invest beyond operational activities.

Recognising our raw material dependencies, we work towards optimising the use of natural resources and reducing our impact on the environment. Our community programmes help us gain the social license to operate and flourish together with the communities we operate in.

## Creating value for sustainable development

In the process of managing our multiple capitals and value creation, we make significant contribution to the United Nations Sustainable Development Goals (UN SDGs). We believe our priorities for sustainable development are aligned to that of India's and as a responsible corporate citizen, we are mapping our contribution to the following SDGs.


SUSTAINABLE DEVELOPMENT GOALS

BUSINESS MODEL

# How we create value

## INPUTS

### Financial Capital

| | |
|---|---|
| Net Worth (₹ Cr.) | 72,730 |
| Gross Debt (₹ Cr.) | 29,701 |

### Manufactured Capital

| | |
|---|---|
| TSL capacity – Crude Steel (MnT) | 13 |
| Steel processing centres - Own (Nos.) | 37 |

### Intellectual Capital

| | |
|---|---|
| Collaborations/memberships (Technical Institutes)* (Nos.) | 40 |
| Patents filed* (Nos.) | 1,058 |
| R&D spend (₹ Cr.) | 216 |

### Human Capital

| | |
|---|---|
| Employees on roll (Nos.) | 32,984 |
| Investment in employee training and development (₹ Cr.) | ~133 |
| Employee training (mandays/employee/year) | 7.52 |

### Natural Capital

| | |
|---|---|
| TSL - Energy intensity (Gcal/tcs) | 5.82 |
| TSL - Specific water consumption ($m^3$/tcs) | 3.5 |
| Captive iron ore (%) | 100 |
| Captive coal (%) | 27 |
| Inbound raw materials (MnTPA) | ~ 40 |
| Capital spend on environment (₹ Cr.) | 286 |

### Social & Relationship Capital

| | |
|---|---|
| Pan India dealers and distributors (Nos.) | 12,000+ |
| Application engineers working jointly with customers (Nos.) | 43 |
| Customer-facing processes (Nos.) | 11 |
| Customer service teams (Nos.) | 25 |
| Supplier base (Nos.) | > 5,000 |
| CSR spend (₹ Cr.) | 315 |

## VALUE CREATION APPROACH

### Our Vision

We aspire to be the global steel industry benchmark for value creation and corporate citizenship

TATA CODE OF CONDUCT | POLICIES THAT GOVERN OUR BUSINESS

### Our Values

INTEGRITY

EXCELLENCE

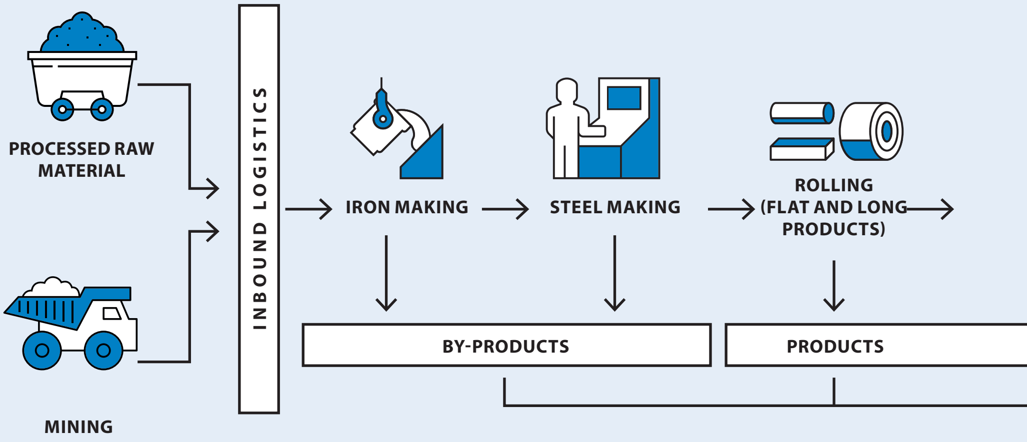
UNITY

RESPONSIBILITY

PIONEERING

Panview of Jamshedpur Steel Plant

### Tata Steel Value Chain




* These are cumulative values from FY 2014-15 to FY 2018-19

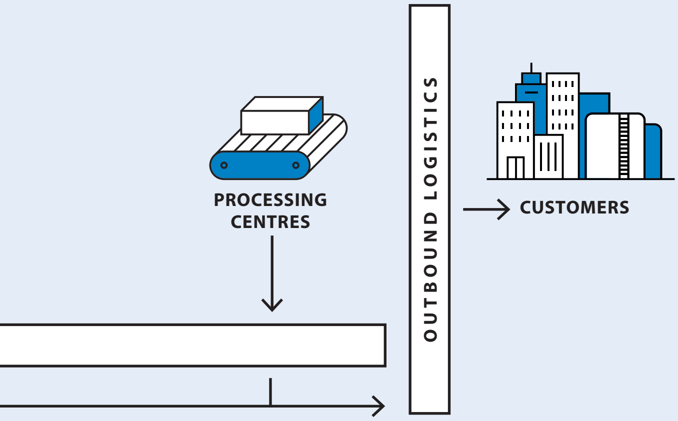
## Strategic Objectives

**SO1** INDUSTRY LEADERSHIP IN STEEL

**SO2** CONSOLIDATE POSITION AS A GLOBAL COST LEADER

**SO3** INSULATE REVENUES FROM STEEL CYCLICALITY

**SO4** INDUSTRY LEADERSHIP IN CORPORATE SOCIAL RESPONSIBILITY AND SAFETY, HEALTH AND ENVIRONMENT




## OUTPUTS

**14.24 MnT**
Hot metal production

**13.23 MnT**
Crude steel production

**12.7 MnT**
Total sales

**9.4 MnT**
Flat product sales

**3.3 MnT**
Long product sales

**~17 MnT**
By-products generated

## OUTCOMES

### Financial Capital

| | |
|---|---|
| Turnover (₹ Cr.) | 70,611 |
| EBITDA Margin (%) | 29 |
| PAT (₹ Cr.) | 10,533 |
| Savings through improvement projects (Shikhar25) (₹ Cr.) | 2,801 |

Shikar25: EBITDA improvement programme

### Intellectual Capital

| | |
|---|---|
| Patents granted# (Nos.) | 476 |

### Human Capital

| | |
|---|---|
| Fatalities (Nos.) | 2 |
| LTI (Nos.) | 68 |
| Health index (Score on 16) | 12.62 |
| Diversity % women in the workforce | ~6.5 |
| Diversity % Affirmative action community in the workforce | ~17 |
| Employee productivity (tcs/employee/year)@ | 800 |

### Natural Capital

| | |
|---|---|
| TSL - Solid waste utilisation (%) | 99 |
| Total raw materials sites covered (%) under biodiversity management plan | 100 |
| TSL GHG emission intensity ($tCO_2e$/tcs) | 2.34 |
| TSL Dust emission intensity (kg/tcs) | 0.42 |
| TSL Effluent discharge intensity ($m^3$/tcs) | 0.78 |

### Social & Relationship Capital

| | |
|---|---|
| Suppliers assessed based on safety (Nos.) | 1,035 |
| Customer satisfaction index (Steel) (out of 100) | 81.6 |
| Net Promoter Score (out of 100) - Tata Tiscon | 81 |
| Net Promoter Score (out of 100) - Tata Shaktee | 81 |
| Enriched/value-added products sales (MnT) | 8.6 |
| Suppliers trained through VCAP** (Nos.) | 1,426 |
| Quality/customer complaints (PPM) | 444 |
| Lives touched through CSR initiatives (Nos.) | >1.1 Mn |

**** VCAP-Vendor Capability Advancement Programme**
**@ Employee productivity definition: Tonnes of crude steel produced per employee in a year**
**# These are cumulative values from FY 2014-15 to FY 2018-19**

Read more on Capitals
PAGE 40-87

# We Lead

# In cost competitiveness

Operational efficiency is a key strength of Tata Steel. Over the last one-and-a-half decades, Tata Steel has designed and implemented several distinctive improvement programmes that have brought many of our performance parameters to benchmark levels. This continued focus on maintaining our leadership in cost competitiveness has resulted in significant increase in our EBITDA.

**₹20,744 Cr.**

EBITDA

**31%↑**

(y-o-y)

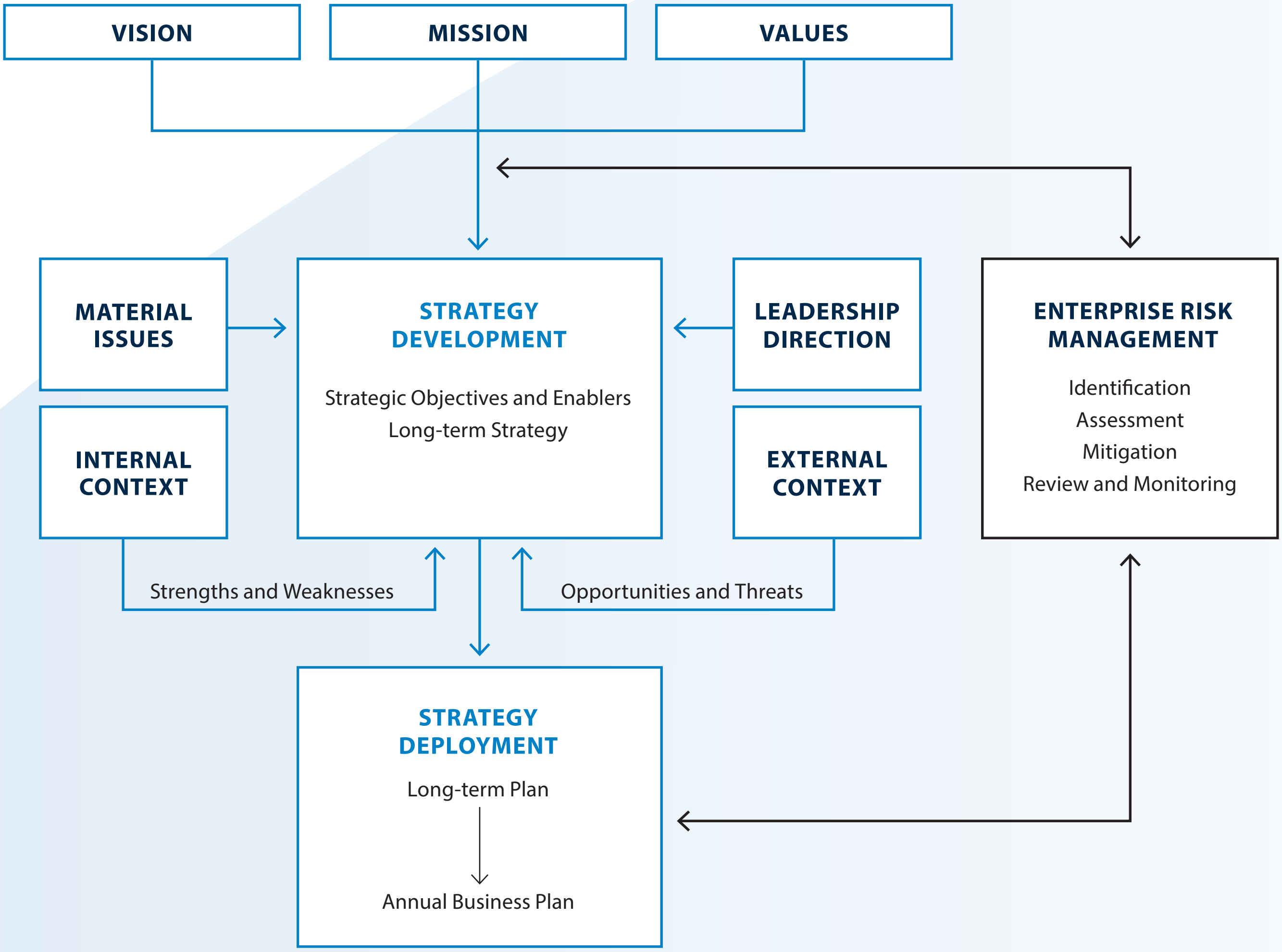
#WeAlsoMakeTomorrow

# Roadmap to future

As part of our strategy planning process, we scan the external environment for megatrends and understand how these trends influence the steel sector. We identify the risks and opportunities that could disrupt the industry. Materiality assessment provides further insights to the changing needs of all our stakeholders.

Our integrated strategy planning process drives strategy formulation and implementation across the short to long-term horizon.

## Strategy planning process overview



While Tata Steel has consistently been one of the most profitable and lowest cost producers of steel[1] in the world, the Company needs to address challenges such as improving productivity, maintaining cost competitiveness, and being agile and innovative in a rapidly evolving business environment.

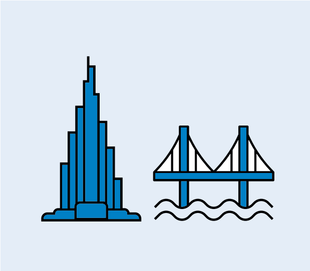
Tata Steel aspires to further strengthen its leadership position, and for this purpose, has defined a set of Strategic Objectives (SOs). To achieve the SOs, we have also identified a set of core capabilities, known as 'Strategic Enablers'.

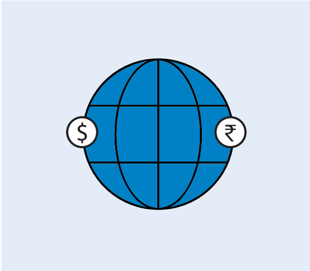
## Strategic Objectives

**SO1**

### INDUSTRY LEADERSHIP IN STEEL

Scale of operations is a pre-requisite for steel industry leadership.





**SO2**

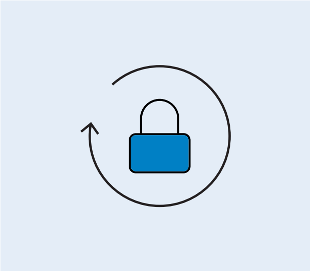
### CONSOLIDATE POSITION AS A GLOBAL COST LEADER

We aspire to be a global benchmark in operational efficiency, ensure raw material security and strengthen our logistics network.

**SO3**

### INSULATE REVENUES FROM STEEL CYCLICALITY

The steel industry is cyclical in nature. It is essential to build a portfolio of products and services that can provide protection from cyclicality and lend stability and momentum to our revenues and profitability.



**SO4**

### INDUSTRY LEADERSHIP IN CSR AND SHE

We aspire to be a leader in sustainable business practices. As a responsible organisation, we are committed towards creating and providing a safe working environment for our people, carrying out environment-friendly business operations and improving the quality of life of the communities we operate in.

## Strategic Enablers

### EMPLOYER OF CHOICE

People are key for an organisation aspiring to strengthen its leadership position, and being an employer of choice is a significant aspect of our strategy.

### LEADERSHIP IN STEEL TECHNOLOGY

To prepare for disruptions in the future, our ability to innovate and develop new products, improve processes, develop technologies and transform business models is critical.

### AGILITY AND INNOVATION

It is essential to focus on creating the right organisational culture that encourages agility and innovation.

### LEVERAGE DIGITAL TECHNOLOGY

Digitalisation is critical for attaining technology leadership in the Industry 4.0 era and drive innovation.

[1] **Comparison of cost is done at crude steel level**

STRATEGY (Continued)

# Our strategic goals and performance

SO1

## INDUSTRY LEADERSHIP IN STEEL

Panview of State-of-the-art Kalinganagar Steel Plant

| Focus areas | Key Performance Indicators (KPIs) | Goals |
|---|---|---|
| • Capacity expansion of domestic operations through organic as well as inorganic routes to meet growing customer demands and aspirations | • Crude steel capacity | **30 MnTPA** in India, by 2025 |
| • Maintain leadership position in chosen segments | • Market share | **Sustain #1 position** in chosen segments |

SO2

## CONSOLIDATE POSITION AS A GLOBAL COST LEADER

Iron Ore, Noamundi Mine

| | | |
|---|---|---|
| • Continue to invest in raw material security | • Captive coal (%) and Captive iron ore (%) | **Maintain cost leadership at market price of raw materials** |
| • Cost improvement and value enhancement through Shikhar25 continuous improvement programmes | • Value accrual | **Improved cost and value enhancement** |

**SO1 - Industry leadership in steel**
**SO2 - Consolidate position as a global cost leader**
**SO3 - Insulate revenues from steel cyclicality**
**SO4 - Industry leadership in CSR and SHE**

SO3

## INSULATE REVENUES FROM STEEL CYCLICALITY


'AquaNest' - Water Vending Kiosk, Nest-In


'Pravesh' Steel Door


'Nestudio' - A Steel-based Smart Housing Solution

| Focus areas | Key Performance Indicators (KPIs) | Goals |
|---|---|---|
| • Services & Solutions business | • Revenue (% of total revenue) | **Increase revenue from services and solutions business** |
| • Downstream products (e.g. Cold Rolled, Tubes, Wires, Bearings) | • Volume (% revenue) | **Improve downstream products business** |
| • B2C Business | • Volume (% revenue) | **Enhance volume in B2C business** |
| • New materials business | • Revenue from new materials (% of total revenue) | **Increase revenue from new materials business** |

SO4

## INDUSTRY LEADERSHIP IN CORPORATE SOCIAL RESPONSIBILITY AND SAFETY HEALTH & ENVIRONMENT


3 MW Solar Power Plant, Noamundi Iron Mine

| | | |
|---|---|---|
| • Achieve leadership in safety | • Fatality, Lost Time Injury Frequency Rate (LTIFR) | **Zero fatality** |
| • Become a benchmark in $CO_2$ emission | • $CO_2$ emission intensity | **< 2 $tCO_2/tcs$ by 2025** |
| • Reduce water consumption | • Specific water consumption | **Zero effluent discharge by 2025** |
| • Create value through circular economy: LD slag utilisation and steel recycling business | • % of LD slag utilisation and Capacity (MnT) of scrap recycling business | **Sustain LD slag utilisation at 100% and enhance capacity of scrap recycling business** |
| • Create lasting impact on the communities in our operating areas | • Number of lives impacted | **>2 Mn lives by 2025** |

STAKEHOLDER ENGAGEMENT

# Working closely with partners for progress

## At Tata Steel, we treat all our stakeholders as partners in long-term value creation.

We have a robust stakeholder engagement process to foster and nurture relationships, which helps improve our strategy development and decision making. We are working towards delivering on stakeholder needs, interests and expectations. In Financial Year 2018-19, we conducted a pan-India stakeholder engagement exercise to revisit the ESG issues that are material to our value-creation process amid the evolving global sustainability landscape.

|  |  |  |
|---|---|---|
| **INVESTORS** | **CUSTOMERS** | **VENDOR PARTNERS** |

### Value proposition

| INVESTORS | CUSTOMERS | VENDOR PARTNERS |
|---|---|---|
| Consistent returns on investments and innovation for a sustained business | Strong brands, quality products, and engineering support | Building capabilities through skill development, growth opportunities, safe operations and adequate financing |

### Why they are important to us

| INVESTORS | CUSTOMERS | VENDOR PARTNERS |
|---|---|---|
| Our investors provide the necessary financial capital, which is essential to fund business and strategic growth plans | Customers drive the markets and segments we operate in. Meeting customer expectations underpins the success of our business | Our partners give us the operational leverage to optimise the value chain, be cost competitive and exceed customer expectations |

### How we engage with them

| INVESTORS | CUSTOMERS | VENDOR PARTNERS |
|---|---|---|
| Investor and analyst meets<br>General meetings<br>Annual Report and media updates on performance | Customer service meetings<br>Multi-stakeholder platforms<br>• Conferences<br>• Construction conclaves<br>• Zonal and similar meets | Vendor satisfaction survey<br>Vendor Capability Advancement Programme<br>Vendor Grievance Redressal Committee, Speak UP Toll-free number<br>Workshops and meets |

### Their key ESG concerns and issues

| INVESTORS | CUSTOMERS | VENDOR PARTNERS |
|---|---|---|
| Focus on carbon emission, renewable and clean energy, air pollution<br>Technology, product and process innovation<br>Embed sustainability in supply chain | Focus on health, safety and human rights<br>Focus on carbon emission, water, air pollution, waste management, renewable and clean energy<br>Embed sustainability in supply chain and leverage circular economy | Focus on health, safety, human rights<br>Focus on key environmental issues such as carbon emission, water, energy<br>Leverage circular economy<br>Embed sustainability in supply chain |

| EMPLOYEES | COMMUNITY | GOVERNMENT AND REGULATORY BODIES | MEDIA AND INDUSTRY BODIES |
|---|---|---|---|
| Fair wages, good relations and employee well-being | Enabling significant and lasting betterment in the well-being of communities proximate to our operating locations | Advocacy towards shaping policies for the future | Sharing industry best practices and benchmarks |
| Our employees are key to the success of our business. Their efforts are instrumental in delivering our strategies and for the sustained growth of our business | Thriving and engaged communities in our areas of operations are vital to our business. Our social license to operate hinges on our ability to create value for our community | We are in a highly regulated industry. We strive to maintain our compliance standards above regulatory requirements. We co-develop and comply with legislations and policies applicable to our business to ensure continuity | Media is an important platform to reach out to society and communicate about our brand<br>Industry bodies are important fora to engage with regulatory bodies and discuss matters of mutual interest |
| Monthly online meet with the CEO & MD and informal meets with the senior leadership<br>Employee engagement survey<br>Employee happiness study<br>Joint forums between employee unions and management<br>Internal communications | Public hearings<br>Meetings with community leaders and the CSR Advisory Council<br>Community welfare programmes | Representations at relevant ministries and regulatory authorities at the central and state levels | Press conferences, media events<br>Regional and national events such as conclaves and conferences of industry bodies<br>Senior leadership are part of various industry bodies and committees |
| Talent retention<br>Local sourcing of labour<br>Welfare practices for non-officers | Better healthcare facilities<br>Water scarcity in the community areas<br>Livelihood generation and skill development | Carbon emission, energy efficiency and waste management<br>More focus on education in community development<br>Setting trends for future regulations and going beyond compliance | More frequent and transparent disclosures on sustainability issues such as water, health and safety, energy efficiency measures<br>More participation in events and engagement with media |

MATERIAL ISSUES

# Focussing on issues that matter

## Tata Steel's strategic planning process incorporates the economic, environmental, social, and governance material issues relevant for -the long-term growth and financial success of the Company.

The material issues are taken into consideration while defining and executing our strategic objectives. While the Environmental, Social and Governance (ESG) related material issues have been arrived at through an exclusive and extensive stakeholder engagement process, the economic material issues have been revisited through various stakeholder engagement processes and business reviews by the senior leadership.

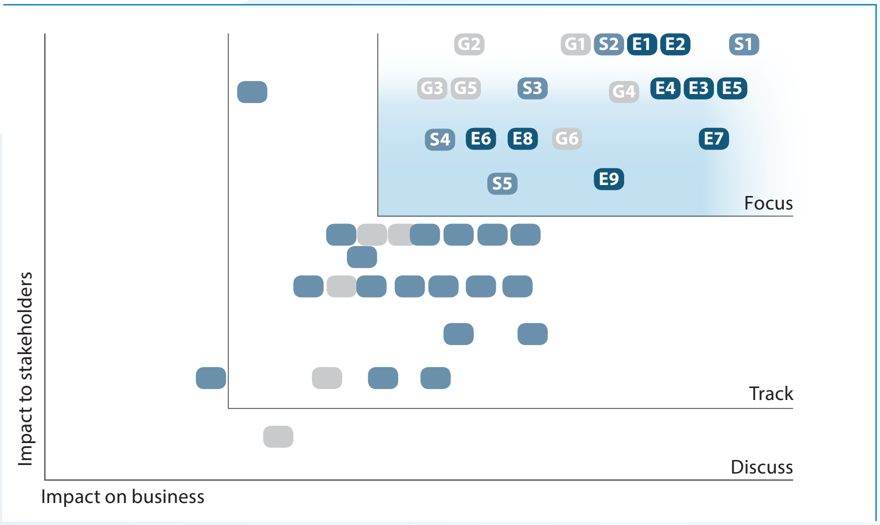
### HOW WE IDENTIFIED MATERIAL ESG ISSUES

Tata Steel conducted a pan-India exercise to identify the ESG issues that are material to value creation, by engaging with close to hundred stakeholders viz. customers, investors, suppliers, shipping and logistics partners, media, industry associations, government and regulatory bodies, employees including contract employees and union leaders, and community representatives. The findings were then classified into the 'Focus' (high), 'Track' (medium) and 'Discuss' (low) categories.

### Addressing 'Focus' issues

'Focus' issues are incorporated in the strategy and planning process. These issues are reviewed monthly by the issue owners and quarterly by the senior management, and reported in the Integrated Report. The material issues related to all the capitals are tracked and reported to the senior management on a quarterly basis. Exceptions on any of the parameters are reported on an interim basis. Among the material issues, we target to achieve specific carbon emission of <2 $tCO_2$/tcs, 100% waste utilisation, zero effluent discharge and doubling of our CSR reach by 2025 as part of this strategy.

**ESG material issues**




### HOW WE ARE ADDRESSING MATERIAL ISSUES

| Economic | Material issue | Key actions |
|---|---|---|
| **Strategic Objectives**<br>SO1 SO2<br>SO3<br><br>**Capitals Impacted** | Business growth | Focus on organic and inorganic growth<br>New materials business (Fibre Reinforced Polymer and Graphene)<br>Service and Solutions business<br>Foraying into newer segments such as oil & gas, lifting and excavation<br>Increase sales of downstream products |
| | Long-term profitability | Maintain leadership in chosen segments<br>Enhance raw material security<br>Operational efficiency enhancement<br>Shikhar25 cost management initiatives |
| | Product quality, price offerings and delivery | Product and process innovation<br>Value engineering<br>Customer service teams and delivery centres |

**SO1 - Industry leadership in steel**
**SO2 - Consolidate position as a global cost leader**
**SO3 - Insulate revenues from steel cyclicality**
**SO4 - Industry leadership in CSR and SHE**

## Environmental

**Strategic Objectives**

SO2 SO4

**Capitals Impacted**

| Material issue | Key actions |
|---|---|
| E1 Renewable and clean energy | Focus initiatives on harnessing clean and renewable energy and adopting waste heat recovery technology |
| E2 Waste management | Recovery and reuse of metal from steelmaking slag<br>Nearly 100% utilisation of LD slag<br>Advocacy with various government and industry bodies to build scrap utilisation networks |
| E3 Water consumption and effluent discharge | Striving towards future readiness by investing in sewage treatment plants and creating new rain water harvesting structures |
| E4 Energy efficiency | Focus on energy efficiency through process optimisation initiatives such as waste heat recovery systems and by-product gas utilisation |
| E5 Air pollution | Investment in air pollution control equipment to reduce dust emission intensity |
| E6 Supply chain sustainability | Embedding sustainability across the supply chain |
| E7 $CO_2$ emission | Piloting Carbon Capture and Use (CCU) at Jamshedpur works and at the Ferro-Chrome plant, and assessing renewable energy potential across all locations in India |
| E8 Biodiversity | Reclamation of mining activities |
| E9 Circular economy | Adoption of circular economy concepts to maximise the utilisation of our by-products |

## Social

**Strategic Objectives**

SO4

**Capitals Impacted**

| Material issue | Key actions |
|---|---|
| S1 Occupational health & safety | Leadership capability development for safety at all levels to achieve zero harm<br>Identification and mitigation of hazards and risks<br>Reduction in safety incidents on road and rail to sustain zero fatalities inside plant premises<br>Excellence in Process Safety Management (PSM)<br>Establishment of industrial hygiene and improvement in occupational health |
| S2 Labour relations | Robust grievance mechanism<br>Implementation of the Human Rights Policy, principles of SA8000, Universal Declaration of Human Rights (UDHR) and ILO convention |
| S3 Drinking water | Installation and repair of drinking water facilities |
| S4 Local sourcing of labour | Implementation of Affirmative Action Plan |
| S5 Talent retention | Development of workforce capability through various programmes and fostering a diverse workforce through our MOSAIC framework |

## Governance

**Strategic Objectives**

SO1 SO3 SO4

**Capitals Impacted**

| Material issue | Key actions |
|---|---|
| G1 Going beyond compliance and setting trends for future regulations | Collaborations with technical institutes and technology start-ups |
| G2 Greater stakeholder engagement | Enhancement of specialised channels such as public meetings, vendor-focussed committees, Speak UP toll-free number, platforms such as conference and construction conclave, zonal and similar events |
| G3 Greater sustainability disclosures | Consistent improvement of our disclosures through GRI, <IR>, worldsteel and BRR frameworks |
| G4 Technology, product and process innovation | Process innovation such as High Gradient Magnetic Separator (HGMS) for iron ore slime beneficiation<br>Product innovation such as Pravesh Vista steel windows and graphene-doped plastic products |
| G5 Technical knowledge transfer and capacity building for relevant partners | Conduct of Vendor Capacity Development (VCAP) programmes |
| G6 Responsible advocacy for the steel and mining sector | Engaging with the industry bodies and peer networks in sharing best practices, training, research and ideas that enhance the overall performance of the industry |

**Financial Capital** **Intellectual Capital** **Natural Capital**
**Manufactured Capital** **Human Capital** **Social & Relationship Capital**

RISKS AND OPPORTUNITIES

# Future-proofing our business

Favourable demand conditions, availability of skilled manpower and adequate iron ore reserves make India one of the most attractive regions globally for the steel industry.

However, volatility associated with sensitivity to economic cycles, long lead time for project execution, stringent norms around environmental clearances and regulatory approvals are ongoing concerns. Added to these are high cost of capital and complex logistics. This external context, coupled with the internal environment, forms the basis of our understanding of risks and opportunities.

## Risk landscape and mitigation measures

| Financial risks | Mitigation strategies | |
|---|---|---|
| **Contraction in global and domestic liquidity adversely affecting availability and cost of capital** | Tata Steel is deleveraging through internal cash generation and monetisation of non-synergistic assets. We have a well-diversified liability profile and we raise funds from domestic and international bond markets as well as from the banking system. We consistently work towards increasing our debt maturity and opportunistically tap into pools of liquidity to reduce our financing costs. | Strategic Objectives: SO1 SO2<br>Capitals Impacted: ₹ |

| Regulatory risks | | |
|---|---|---|
| **Withdrawal of favourable trade measures such as minimum import prices, antidumping laws, countervailing duties and tariffs, trade restrictions may impact profitability** | Building on the mitigation strategies for macroeconomic and market risks, we continue to invest in stronger customer relationships, distribution networks and brands that focus on value-added segments such as auto and retail, and help to strengthen our revenue profile. | Strategic Objectives: SO1 SO2<br>Capitals Impacted: ₹ |
| **Stringent regulations and compliances resulting in liabilities and damage to our reputation** | We are investing in training and automated systems for facilitating compliances to all applicable regulatory norms. Efforts are undertaken to improve the efficiency and cost competitiveness of our operations, including investing in digitisation and automation, to improve our productivity levels. | |
| **Non-renewal of mining leases compelling higher purchases from open market at higher prices, adversely impacting profitability** | Tata Steel has sought judicial intervention to secure lease renewals. We also participate in mining auctions to secure fresh leases. Alternative supply chains are also being developed to source raw materials at competitive prices. | |

**SO1 - Industry leadership in steel**
**SO2 - Consolidate position as a global cost leader**
**SO3 - Insulate revenues from steel cyclicality**
**SO4 - Industry leadership in CSR and SHE**

## Macroeconomic and steel market risks

### Mitigation strategies

**Slowdown in global growth, particularly in China, adversely affecting steel demand**

**Increasing competitive intensity in India, especially post the acquisition of steel assets by international steel producers under the Insolvency and Bankruptcy Code, 2016**

**Technology disruptions and shifting customer preferences to alternative materials adversely impacting earnings**

Tata Steel is enhancing its footprint in India, which is among the fastest growing steel markets in the world. We have built a strong marketing franchise through strong brands and relationships, which helps reduce exposure to business cycles.

As a preferred supplier to large auto customers in India, a large part of our sales is contractual and relatively more stable. We have a large retail business that leverages an extensive network of over 200 distributors and 12,000+ dealers and a strong portfolio of brands to sell branded steel across the country. This segment is relatively insulated from the international cycles and provides strong cash flows. We have a significant downstream portfolio and are also exploring new segments such as oil & gas.

**Strategic Objectives**

SO1 SO3

**Capitals Impacted**

## Operational risks

**Inadequate assessment of health of critical equipment leading to unplanned interruption of operational processes**

**Non-disposal of plant waste due to limited demand and storage space**

**Logistics constraints due to inadequate rail, road and sea infrastructure may lead to disruption in operations**

Our dedicated Shared Services team focusses on advanced maintenance practices to improve plant availability and reliability. We have a dedicated R&D team that deploys innovative ways to reduce waste generation and commercialise alternative uses of waste material.

Tata Steel is working on developing logistics providers under various schemes of private sector participation in the Indian Railways, apart from developing additional deep sea ports and contracting with terminal owners at existing ports.

**Strategic Objectives**

SO1 SO2

**Capitals Impacted**

## Safety risks

**Non-compliance/delay in implementation of the provisions of safety laws and regulations, which may lead to stoppage of operations, damage to assets and loss of reputation**

Tata Steel has a strong safety management system that covers employees, contractors, rail and road transport, equipment safety and emergency response. Regular audit and review of the safety measures are undertaken. Periodic safety trainings are conducted for employees, contractors and other relevant stakeholders.

Safety is a KPI for all employees in their performance management system.

**Strategic Objectives**

SO4

**Capitals Impacted**

Financial Capital
Manufactured Capital
Intellectual Capital
Human Capital
Natural Capital
Social & Relationship Capital

RISKS AND OPPORTUNITIES (Continued)

## Community risks

**Mitigation strategies**

**Communities proximate to our operations live through significant socio-economic challenges while retaining a strong cultural heritage and an aspiration to overcome these challenges. The absence of an understanding of this duality in our communities and an inability to maintain a harmonious relationship with them would pose risk to our operations**

We are deeply committed to co-creating scalable solutions for the most endemic development challenges of our communities. We impact more than a million lives every year through proven programmes on health, education, livelihood generation, public infrastructure and basic amenities. Tata Steel has a deep engagement with the tribal community and actively promotes cultural and ethnic diversity.

We also recognise the rich tribal heritage at our operating locations and foster a relationship with our communities where we celebrate their history, culture and tribal identity.

Strategic Objectives

SO4

Capitals Impacted

## Commodity risks

**Raw material price volatility is an integral part of operations**

**Supply chain disruptions affecting availability and cost of raw materials**

Steel prices have a strong correlation with commodity prices. Rising coal and iron prices are normally reflected in higher steel prices, which in effect act as a hedge against volatility.

In India, our captive iron ore mines as well as coal mines enable Tata Steel to partly derisk price volatility in these commodities.

In addition, we hedge certain commodities in the derivatives market to address short-term volatility.

Geographical and vendor diversification of critical commodity supplies help alleviate the risk of supply chain disruption. We have started conducting a sustainability risk assessment for our key vendors.

Strategic Objectives

SO1 SO2

Capitals Impacted

₹

## Information security risks

**Breach of information security incidents leading to business disruption and damage to reputation**

**Non-compliance to IT legislations and regulations leading to penalties**

Significant efforts have been made to increase awareness and invest in IT security and related compliances. Tata Steel has also invested in cyber insurance.

Strategic Objectives

SO1 SO2

Capitals Impacted

₹

## Climate change risks

**Non-compliance to stringent environmental conditions leading to penalties, stoppage of operations and loss of reputation**

**Climate change related regulations and extreme weather events may disrupt operations and supply chain**

Tata Steel continues to invest in upgrading existing technologies to minimise its environmental footprint. We closely monitor air quality, effluent discharge and other environmental parameters to ensure that they comply with all existing regulations. The focus on minimising carbon footprint is integrated within the capital allocation process and projects are required to calculate a carbon-adjusted Internal Rate of Return (IRR).

As a signatory to Task Force on Climate-related Financial Disclosures (TCFD), Tata Steel is actively working to understand the broader impacts of climate risks across its value chain and is exploring avenues to fundamentally reshape the business to make it both environmentally and economically sustainable in the long-term.

Strategic Objectives

SO4

Capitals Impacted

₹

# Capitalising on opportunities

Tata Steel has a continuous process of understanding and leveraging business opportunities.

## Significant increase in steel demand

India's apparent steel use per capita stood at 70 kg in 2018, which is only one-third of the world average. This indicates that India has a huge potential for steel demand growth. Rapid urbanisation, increasing population, and infrastructure development, Government initiatives such as 'Make in India' will provide impetus to the growth in steel demand.

The plan for building smart cities, affordable housing, dedicated freight and high-speed rail corridors is expected to create significant demand for steel in the country. With leadership position in key market segments and world-class production facilities, Tata Steel is well poised to benefit from this large opportunity.

## Evolving consumer needs leading to changing nature of steel consumption

With higher aspirations and affordability of a growing middle class, consumer needs are evolving. Along with new products, there is growing need for Services & Solutions that provide convenience. The demand for automobiles, white goods and other consumer goods is also increasing. Meeting this need will require new and value-added steel products. Tata Steel will leverage this opportunity enabled by innovative Services & Solutions offerings for consumers and a strong new product portfolio.

## Climate change driving newer business models

Steel is an energy-intensive industry with a high level of $CO_2$ emission. There is growing regulatory requirement to reduce carbon emission. Tata Steel Jamshedpur is a national benchmark in $CO_2$ emission. There is further opportunity for Tata Steel to take a leadership role in reducing environment footprint. The Company has ventured into the steel recycling business to establish an alternate business model, leveraging the expected increase in availability of scrap in India, going forward. Environment-friendly business models such as these are expected to make us future-ready and will be a source of competitive advantage in future.

## Opportunities arising from the changing technological landscape

With the growth in the economy, there is a large opportunity for new materials and applications for existing and new sectors. Tata Steel aspires to be a technology and innovation leader in the industry, and create new businesses in high-potential alternate materials (e.g., FRP composite and graphene). These new businesses are expected to contribute 10% of our revenues going forward. Along with new and enriched revenue streams, technology leadership will also enable Tata Steel to innovate, maintain cost leadership as well as provide differentiated offerings in existing businesses. There is also an opportunity to leverage the innovative potential of start-ups by creating external collaborations and partnerships. Tata Steel is also taking steps to capitalise on the large opportunity to move towards Industry 4.0 through digital-enabled business models.


Kalinganagar Steel Plant

CORPORATE GOVERNANCE

# Progressing with integrity

Tata Steel embeds the highest standards of governance in its operations, striving to manage its affairs in a fair and transparent manner and create long-term value for all stakeholders. Our focus is not only to follow corporate governance guidelines, but global best practices as well.

The Company has laid a strong foundation for making corporate governance a way of life by constituting a Board, which is active, well informed and independent, using several Board Committees as a mechanism for managing the affairs of the Board.

With regulations becoming more stringent on the domestic as well as international fronts, our policies and the Tata Code of Conduct (TCoC) are implemented to ensure that business is conducted ethically and responsibly, through a well-defined ethical governance framework.

Tata Steel's rigorous approach to Enterprise Risk Management (ERM) enables the Management to protect and enhance the value of assets, people, performance and reputation. To manage risks throughout our value chain, we have a robust risks management framework in place across the organisation, overseen by the Risk Management Committee at the Board level.

Sustainability is embedded in our business operations. We aspire to be an industry leader in sustainable business practices. To prepare for the future, we are taking steps to reduce our environmental footprint and contribute towards the creation of a circular economy.


**Mr. T. V. Narendran, CEO & MD, Tata Steel and Principal Ethics Officer, addressing the delegates at Tata Network Forum India East - Ethics Conclave FY 2018-19**

## A benchmark for business ethics

**Recognised as one of the World's Most Ethical Companies by Ethisphere in 2019, for the eighth time and the only Indian company to win the award in the Metals, Minerals and Mining sector.**

## Corporate ethics

We, at Tata Steel, are driven by the Group's core values enshrined in the Tata Code of Conduct (TCoC).

The TCoC is deployed across the organisation through a formalised Management of Business Ethics (MBE) structure, which is built on the foundation of Tata Core Values — Integrity, Excellence, Unity, Responsibility and Pioneering — and functions on the basis of four pillars:

1 **Leadership Engagement**

2 **Compliance Structure**

3 **Communication and Training**

4 **Measurement of Effectiveness**

### 1 Leadership Engagement

This pillar focusses on setting up direction, governance structure and role modelling. The Chief Executive Officer and Managing Director is the Principal Ethics Officer of Tata Steel Limited. To ensure adherence to the TCoC, monitor concerns and report compliances, the Principal Ethics Officer appoints the Chief Ethics Counsellor (CEC).

Departmental Ethics Coordinators (DECs) are appointed across the organisation for supporting Management of Business Ethics (MBE) deployment. To increase the involvement of frontline employees (employees + contract employees), a team of 'Ethics Champions', who are frontline employees, has also been developed and trained.

World's Most Ethical Companies Award 2019

Tata Network Forum India East - Ethics Conclave FY 2018-19 Brand where Ethics makes a Difference

## 2 Compliance Structure

This pillar focusses on the development and dissemination of policies supporting the TCoC for all stakeholders. All employees are required to read and accept the TCoC and declare their Conflict of Interest (COI) status through the 'Ethics Compliance Register – DARPAN', accessible on the Company's intranet and mobile. To encourage and protect whistle-blowers, the toll-free third-party helpline 'Intouch', popularly known as 'Speak Up', maintained by an independent UK-based company, has been extended to all stakeholders. The Chief Ethics Counsellor reports the performance of MBE deployment, including TCoC violations, to the Board level (Audit Committee) and Management level committees (Apex Ethics Committee and Ethics Committee).

**Policies supporting TCoC:**

- **Whistle-Blower Policy for Directors, Employees and Associates**
- **Receipt of Gifts and Hospitality**
- **Prevention of Sexual Harassment Policy at Workplace and Guidelines**
- **Conflict of Interest Policy**

Tata Steel has always been committed to creating a positive business ecosystem in all the spheres it operates. We are in the process of developing the Anti-Bribery & Anti-Corruption and Anti-Money Laundering (ABAC/AML) policy, which will strengthen our internal and external processes against financial risks.

## 3 Communication and Training

Communication and training programmes have been designed to raise awareness of Tata values, TCoC and ethical policies and practices among all stakeholders. The senior executives communicate on various forums, such as Group Ethics Conclave, Ethics Town Hall and MD Online, to keep up with the ethical benchmark at Tata Steel and its group companies.

For effective dissemination to the frontline and contractual employees, local languages are also used in communications. To help people relate with practical situations, snippet stories, 'Neeti Katha', with various dilemma scenarios were introduced. In Financial Year 2018-19, scenarios on 'The Ethics of Safety' and 'Trust Behaviour' were communicated.

The senior executives communicated with vendors and suppliers during regular Business Associate's (BA's) meets/dialogues. They also accept the TCoC and declare their COI during the registration process.

## 4 Measurement of Effectiveness

To assess the level of deployment of various MBE initiatives across the organisation, an MBE assessment framework was developed involving site assessment, which resulted in increased cross learnings between DECs and improved MBE deployment. The MBE survey and assessment by the Tata Business Excellence Group were also conducted in Financial Year 2018-19.

In Financial Year 2018-19, we conducted a benchmarking exercise with GoodCorporation and General Electrics, apart from sharing ethical practices in various international forums such as the Business Ethics Leadership Alliance (BELA) summit and the Ethisphere Summit.

### Key Performance Indicators Financial Year 2018-19

**Whistle-Blower Cases***
UoM (Nos.)

| Received Total | Closed | Open |
|---|---|---|
| 436 | 334 | 102 |

**Sexual Harassment Cases**
UoM (Nos.)

| Received Total | Closed | Open |
|---|---|---|
| 20 | 19 | 1 |

**Training on Ethics**
UoM (man-hours trained)

| Officers | Frontline Employees | Contract Employees | Vocational Training |
|---|---|---|---|
| 4,003 | 7,080 | 23,798 | 1,999 |

*** exclusive of sexual harassment cases**

# Corporate sustainability

Tata Steel is committed to incorporating sustainability into all facets of its business, from governance to strategy formulation to execution. The performance related to various sustainability aspects is reviewed at the corporate as well as the Board level.

The scope and membership of Board-level committees has been detailed in the Corporate Governance Report. At the corporate level, various committees review the sustainability and governance initiatives. These include the Apex Safety Committee, Apex Environment Committee, Apex HRD Committee, Apex CSR Committee, Apex R&D Committee and Quality and Production Meeting and Centre of Excellence for GHG emission reduction and mitigation. These Committees are chaired by the Chief Executive Officer and Managing Director or the Executive Director and Chief Financial Officer or Vice President Safety, Health & Sustainability.

The climate change-related risk assessment in accordance with the Task Force on Climate-related Financial Disclosures has been initiated and mitigation strategies will be incorporated subsequently.

Our senior leaders actively engage with various industry bodies such as the World Steel Association, the Confederation of Indian Industry (CII), the Global Reporting Initiative, the International Integrated Reporting Council and the Task Force on Climate-related Financial Disclosures, guiding the Company further on implementing sustainability practices. Various external assessments such as the Dow Jones Sustainability Index and those conducted by the CII drive improvements in our efforts of embedding sustainability.

Tata Steel has entered into a partnership with the Cambridge Institute for Sustainability Leadership for capability development through an immersion programme for Board Members, Senior Management and Union Leadership.

**Sustainability Immersion Programme for Board Members and Senior Leadership by Cambridge Institute for Sustainability Leadership, UK**

OUR CAPITALS

# Managing resources and relationships for the long term

The six capitals represent the resources and relationships that we depend on to create value. Judiciously managing the capitals is key to meeting our strategic objectives.

## Financial Capital

We generate financial capital in the form of surplus arising from current business operations as well as through financing activities, which include restructuring of debts aligned with market conditions and other investments.

PAGE 42

## Manufactured Capital

We continuously invest in our integrated steel plants, our iron-making, steel-making and rolling facilities and warehouses, along with logistics operations, while ensuring the safety and reliability of our operations.

PAGE 46

## Intellectual Capital

Our focus on innovation and research reinforces our drive for operational efficiency and resource optimisation, while adhering to the Standard Operating Procedures. We incorporate customer requirements in our product development, while also collaborating with experts for our Research and Development efforts.

PAGE 52

## Human Capital

Our people form the core of our operations. We invest in employee welfare and happiness to drive performance excellence. Our work culture ensures safety, health, competency enhancement, and the overall well-being of our employees.

PAGE 58

## Natural Capital

We depend on natural resources such as iron ore, coal and other minerals, which constitute our key raw materials. At the same time, land and water are indispensable for our operations. We strive for excellence in environmental performance and resource efficiency to mitigate our ecological footprint.

PAGE 68

## Social and Relationship Capital

Our communities, customers and suppliers are critical to our social license to operate and business continuity. We believe in building long-term, transparent and trust-based relationships with them through continuous stakeholder engagement and innovation.

PAGE 76

# Financial capital

## Investing in tomorrow with efficiency, strategy and prudence

At Tata Steel, we endeavor to optimise returns for providers of financial capital. We seek to maximise surplus funds from both business operations as well as relevant monetisation of assets and investments.

We are seeking to invest our surplus in attractive growth opportunities in our core market. We also continue to opportunistically raise finance based on prevailing market conditions at the best possible cost and on suitable flexible terms given the cyclical nature of the steel industry.

Cash Generated from Operations

**₹19,726 Cr.**

Net Debt to Equity

**0.42**

Basic EPS

**₹90.41**

Our long-term investments are focussed on strategic growth opportunities, in order to maximise returns for providers of financial capital.

### STRATEGIC FOCUS

SO1 SO2 SO3

To enable growth without increasing leverage and enhancing internal cash generation through efficiency and productivity

Focus on divestments, build synergies from acquisitions, and allocate capital efficiently

### WAY FORWARD

- Deleveraging through internal cash flows and portfolio restructuring
- Aligning debt maturity profile to the long gestational nature of steel projects
- Divesting of non-synergistic assets
- Allocating capital on efficient and value-accretive opportunities

### GOALS

**Consolidate leadership position in India with organic and inorganic expansions**

**Sustain value creation across the cycle and build resilience against down cycles**

**Maintain global cost leadership**

### IMPACT ON SDGs


## Managing financial capital

During the year, we focussed our financial capital towards strengthening our Indian operations and establishing our leadership position in the Indian market, through the acquisition of Bhushan Steel Limited (later renamed Tata Steel BSL Limited). We have also invested our financial capital towards expansion of the Kalinganagar Plant from 3 MnTPA to 8 MnTPA.

Tata Steel BSL Limited has been a 'value-accretive' acquisition that will give us additional capacity to retain our market share in a growing market, higher downstream integration, value addition with a complementary product mix, closer access to key markets in the northern and western regions of the country, and the option to scale up capacity through brownfield expansions.

We have also commissioned the expansion of the Kalinganagar plant to 8 MnTPA, to build state-of-the-art facilities, to strengthen our position in the high-end value-added segments such as automotive, infrastructure, lifting and excavation, etc.


Tata Steel BSL Steel Plant

**SO1 - Industry leadership in steel**
**SO2 - Consolidate position as a global cost leader**
**SO3 - Insulate revenues from steel cyclicality**

## Key initiatives

As per our strategic priorities, we are focussed on deleveraging and enhancing cash flows.

- During the second half of Financial Year 2018-19, post acquisition of Tata Steel BSL Limited, we took steps to deleverage the balance sheet at the Tata Steel group level to the tune of ₹17,864 crore.
- Despite some stress in the domestic debt markets, we extended our debt maturity profile by successfully raising ₹4,315 crore through non-convertible debentures with a maturity of 15 years.
- The Board has recommended dividend at ₹13 per Fully Paid Share and ₹3.25 per Partly Paid Share, which is higher as compared to previous years.

### Reinforcing shareholders' trust

**Moody's Investors Service has upgraded our Corporate Family Rating (CFR) to Ba2 from Ba3. The Company's CFR is supported by its significant, diversified and growing operating base as well as its globally cost-competitive steel operations in India.**

## Operational achievements

During the year under review, the Company achieved strong operational performance due to supportive realisation, cost reduction initiatives, and increase in deliveries owing to faster ramp-up of the Kalinganagar plant.

### IMPROVED TURNOVER

The turnover during the current period was ₹70,611 crore, 16.7% higher than the previous year.

### INCREASED NET CASH

The net cash from operating activities was ₹15,193 crore during Financial Year 2018-19 as compared to ₹11,791 crore in the previous year.

### STRATEGIC CAPITAL ALLOCATION

The Company spent ₹3,677 crore towards capital expenditure (70% towards Phase II expansion of Kalinganagar).

### MOVEMENT IN EBITDA

The EBITDA of the Company is at ₹20,744 crore, improved by 31% mainly on account of improved steel margins, attributable to higher volumes and higher realisations.

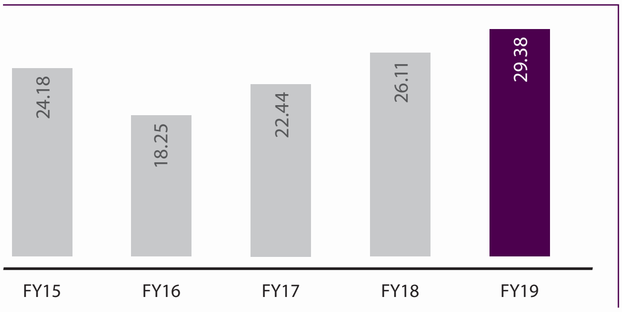
### IMPROVED EPS

The basic earnings per share was at ₹90.41 for Financial Year 2018-19.

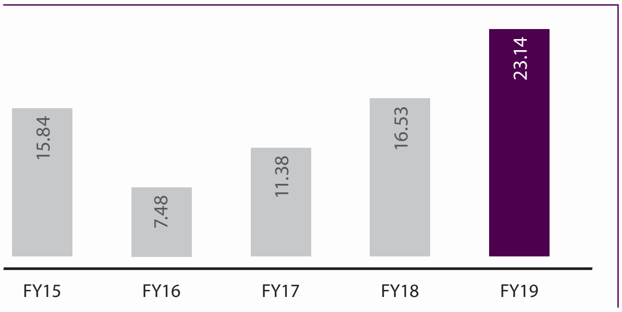

Kalinganagar Steel Plant

## KEY PERFORMANCE INDICATORS (Standalone)

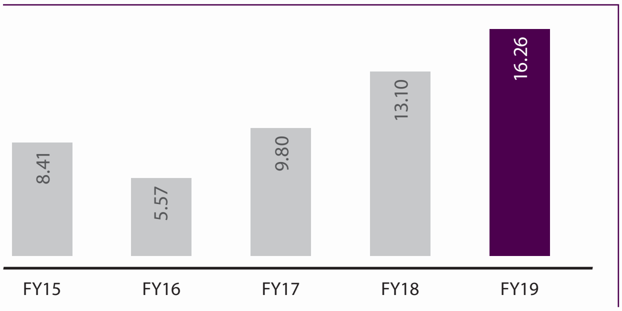
EBITDA / Turnover (%)



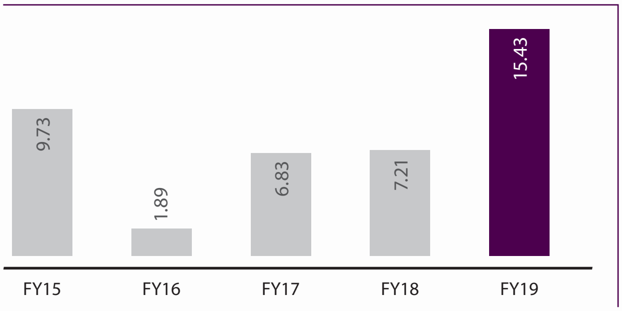

PBET / Turnover (%)



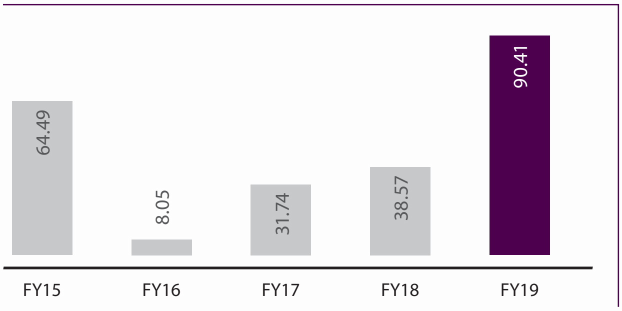

Return on Average Capital Employed (%)



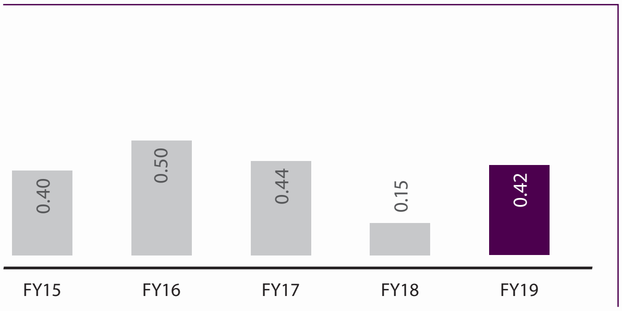

Return on Average Net Worth (%)




Basic Earnings per Share (INR/Share)




Net Debt / Equity (Times)

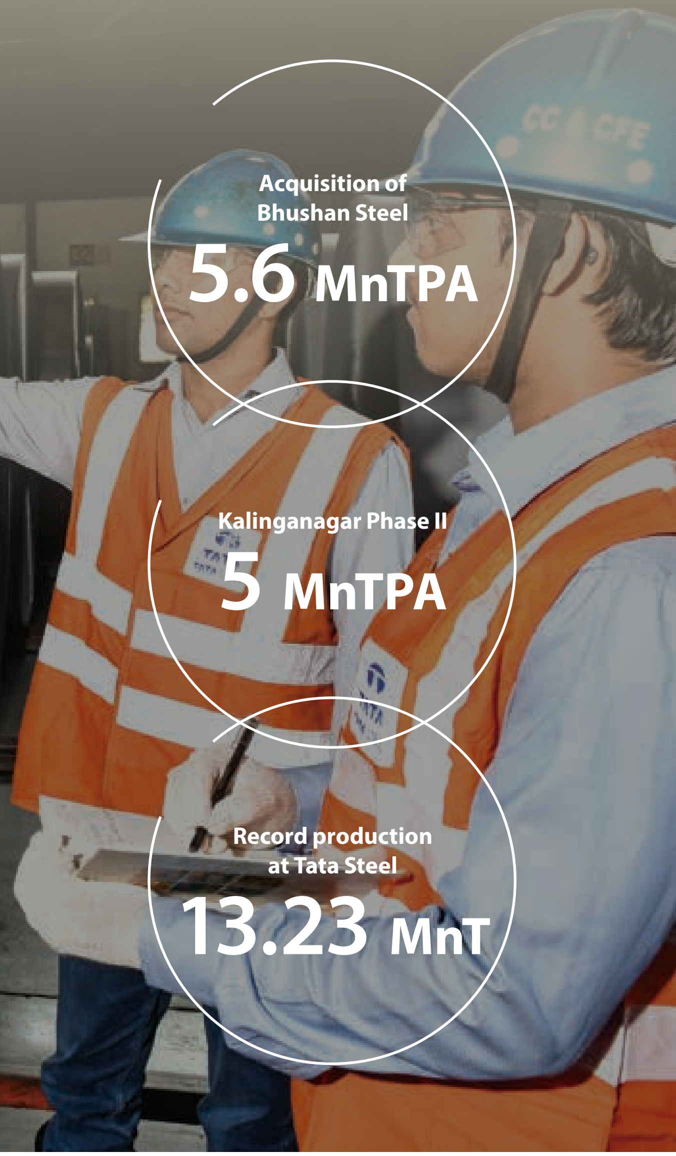



**Note : FY16 to FY19 as per IND AS and FY15 as per I GAAP**

# Manufactured capital

## In pursuit of excellence, beyond tomorrow

India's first private integrated steel company, Tata Steel, is engaged in mining, iron-making, steelmaking, casting, rolling, finishing, supply chain, and marketing and sales. We have been strengthening our operations through a combination of organic and inorganic growth initiatives. Our steelmaking operations at Jamshedpur and Kalinganagar secure raw material supply from captive iron ore mines. This help us to maintain cost-competitiveness and derive production efficiencies.



Acquisition of Bhushan Steel
**5.6 MnTPA**

Kalinganagar Phase II
**5 MnTPA**

Record production at Tata Steel
**13.23 MnT**

We aim to attain improved efficiency through technology and a culture of innovation and excellence.

### STRATEGIC FOCUS

SO1 SO2

Efficient operations and value chain are critical to meet growth aspirations and address the evolving needs of customers. We continue to invest in facilities that enable us to be a leader in steel technology.

### WAY FORWARD

- Implementing Kalinganagar Phase II expansion and augment capacity to 8 MnTPA
- Upgrading Jamshedpur facilities
- Optimising the use of captive raw materials and improving mine life

### GOALS

**Achieve production capacity of 30 MnTPA in India, by 2025**

**Maintain cost leadership position**

### IMPACT ON SDGs

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## Our manufacturing facilities

### TATA STEEL JAMSHEDPUR (TSJ)

TSJ is our flagship facility and has been operational for over a century now. Equipment upgrades and effective maintenance ensure consistent production levels of 11 MnTPA. Equipment upgrades include the installation of a new boiler, which will enable 100% use of off-gas from blast furnaces, installation of Coke Dry Quenching (CDQ) facilities, modification of Induration Burner System to utilise excess coke oven gas, and installation of edge trimming facility for the Galvanised Annealed (GA) skin panel. Further, various environment-related projects were completed in Financial Year 2018-19, which include the installation of the blast furnace dedusting equipment, lime plant process bag filter, Continuous Emission Monitoring Systems (CEMS) highline bag filter, blast furnace sludge drying, secondary emission system for steelmaking, and construction of a flyover to decongest traffic within the facility. These changes have helped us sustain production levels, drive resource efficiency, and progress towards meeting stringent environmental norms. Our focus on asset management using data analytics and predictive modelling, has resulted in more than 90% availability of our key manufacturing units at Jamshedpur.

Coke Dry Quenching Facility, Tata Steel Jamshedpur

**Availability of critical manufacturing units at TSJ in Financial Year 2018-19**

Coke Ovens
**99.8%**

Blast Furnaces
**97.3%**

Agglomerates
**94.1%**

Steelmaking
**93.7%**

Capacity
**10 MnTPA**

**SO1 - Industry leadership in steel**
**SO2 - Consolidate position as a global cost leader**

## TATA STEEL KALINGANAGAR (TSK)

TSK has state-of-the-art equipment and utilities. Commissioned in 2016, TSK attained production levels at its rated capacity in less than two years. The 3 MnTPA plant is cost-competitive because of higher productivity, driven by automation and logistical advantage of proximity to ports and captive mines. TSK helped augment our product portfolio to serve new customer segments such as oil & gas and lifting & excavation. The expansion of the Kalinganagar plant to 8 MnTPA (TSK Phase II) has been initiated, which will further improve performance due to economies of scale.

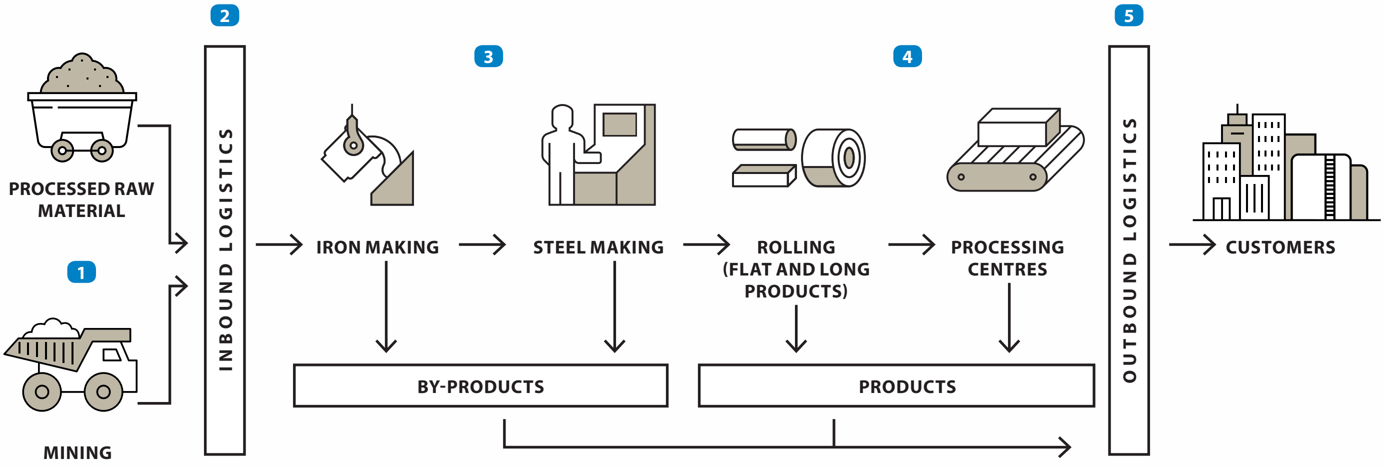
Phase II Expansion Work at Kalinganagar Steel Plant

**Present Capacity**
**3 MnTPA**

**Phase-II Expansion**
**5 MnTPA**

## Our manufacturing process

The following key activities summarised here constitute our manufacturing process:




### 1 RAW MATERIALS MINING AND PROCESSING

We are India's most integrated steel company with captive mines of iron ore and collieries located around our manufacturing facilities in Jamshedpur and Kalinganagar. We follow the highest standards of environmental management in our mining locations and use advanced technologies for our mining operations.

### 2 INBOUND LOGISTICS

We are strategically located for our inbound supplies and our imported raw materials sourced from around the world are routed through three major ports: Dhamra, Paradip and Haldia (approx. 350 km, 400 km and 250 km from Jamshedpur, respectively).

With a focus on efficient logistics, we collaborate with the Indian Railways for dedicated movement of raw materials from mines and ports to our manufacturing locations. Inbound logistics ensures uninterrupted supply of nearly 40 MnTPA of raw materials from ports and captive mines through railway wagons, ensuring quality and optimal cost. To transport raw materials inside the Works, a network of conveyor belts is used and solid waste is transported by road.

## 3 IRON AND STEEL MAKING

We produce steel through the Blast furnace route. We convert the raw materials to hot metal and crude steel through various supporting processes including coke making, sinter making, and pelletisation. Our processes, are designed to deliver high productivity with the available resources while managing slag rate and steelmaking requirements.

**Technologies deployed**

Stamp charging battery, CDQ, Open bed sintering, Fines utilisation as pellets, Bell-less top charge high-capacity furnaces, Basic Oxygen Furnace for steelmaking, Online granulation of Blast Furnace Slag, De-sulphurisation, Secondary steelmaking

## 5 OUTBOUND LOGISTICS

Our outbound logistics, consisting of a network of warehouses and Steel Processing Centres (SPCs), ensure timely delivery and transportation of finished products to meet on-time delivery expectations of customers through a network of 6 hubs and 18 stockyards at strategic locations across India. This ensures delivery cycles as low as 48 hours from the stockyards. Output volumes comprising 34 product types from 49 production units move primarily through Indian Railways and trailers, covering distances from about 15 km to over 2,300 km.

## 4 ROLLING AND PROCESSING

(FLAT AND LONG PRODUCTS AND OTHER VALUE-ADDED PRODUCTS)

Our rolling mills help us manufacture a diverse product mix with customised shapes, sizes, and various chemical and technical properties. Aligned with customer specifications and requirements, our products undergo stringent quality checking and assurance processes. We produce a range of value-added products for the retail markets and provide customised solutions to several of our industrial buyers.

**Technologies deployed**

Slab to coil, Billet to bar/rod, Rolling Tandem Mill for pickling and rolling, Hot dip galvanising

**By-products business**

Operating on the 3R principle – Recover, Reuse and Recycle–our Industrial By-products Management Division (IBMD) deals in a variety of by-products and scrap in the entire steel value chain. It offers a wide range of industrial by-products that serve as key raw materials to various industries, including aluminium and copper, coal tar, galvanised scrap, zinc by-products, ground granulated blast furnace slag (GGBS), to name a few. It handles more than 13 MnTPA with more than 25 products and 150+ Stock Keeping Units (SKUs) in its portfolio.

# Operational excellence maximising efficiency and improving cost performance

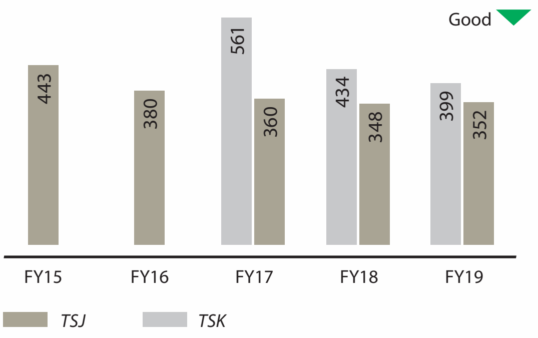
## IMPROVING COKE RATE AND REDUCING EMISSION

Coke rate is an important operating KPI for an integrated steel plant, impacting cost, $CO_2$ emission and energy intensity. At Tata Steel, we aim to reduce the coke rate in our blast furnaces while optimising our raw material cost. In Financial Year 2018-19, the coke rate at our Kalinganagar plant improved significantly from 434 kg/tonne of hot metal to 399 kg/tonne. The combined coke rate and energy intensity for Jamshedpur and Kalinganagar in Financial Year 2018-19 was 363.15 kg/tonne of hot metal and 5.82 Gcal/tcs, respectively.

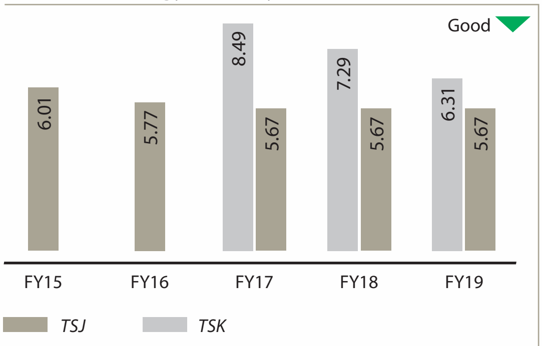
## BUILDING SUPPLY CHAIN EFFICIENCY

Supply chain management is key to the operations of an integrated steel plant and requires optimum inventory management of raw materials without compromising on timely delivery and supply of finished products to customers located across India and abroad in the most safe, cost-effective and environment-friendly manner. Our manufacturing sites are located in the eastern part of the country, while delivery points are pan-India. Given the challenges of logistics in eastern India, we use a multi-modal logistics chain, which includes roads, railways and shipping. Currently, our inbound logistics for raw material transportation is completely dependent on the Indian Railways, while outbound logistics for finished products is dependent about 60% on railways and 40% on roadways.

**TSJ & TSK - Coke rate* (Kg/tonne of hot metal)**




**TSJ & TSK - Energy intensity (Gcal/tcs)**




*** Coke rate means kilograms of coke used to produce 1 tonne of liquid iron in blast furnace**

# We Innovate

# Beyond Steel

Continuing with our spirit of innovation, we are moving beyond steel into services and solutions, and materials for the future. Our Services & Solutions business is focussing on scaling up offerings such as Pravesh and Nest-In, while the new Materials Business is focussing on Fibre Reinforced Polymer Composites and Graphene.

**~10%**

Targeted size of revenue from new materials by 2025

#WeAlsoMakeTomorrow

# Intellectual capital

## Innovating tomorrow with technology and digitalisation

**Tata Steel aspires to be a pioneer in leading the fourth industrial revolution and is committed to developing cutting-edge technologies, and design solutions, that help transform processes, leverage digital technology to improve efficiencies, and enhance customer experience.**

**R&D spend**
**₹216 Cr.**

**Patents granted**
**72**

**New products* launched**
**114**

* New product is defined as product developed at Tata Steel through new processes and technology and then commercialised

Amidst changing customer needs, competition from alternate materials and increasing regulatory risks, we strive to continuously innovate and adapt to change.

### STRATEGIC FOCUS

SO3

Technology and a culture of continuous improvement are key enablers towards achieving the strategic objectives of industry leadership and cost leadership.

### GOAL

**To be one of the top five technologically advanced global steel companies**

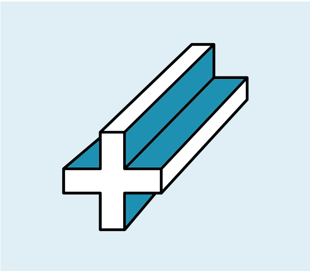
### WAY FORWARD

- We will continue to enhance our new product portfolio, cost-competitiveness, and environmental performance through capability building and collaboration with technology and research partners.
- We aim to co-develop and adapt new business models that can bring about a paradigm shift through world-class partners and start-ups.

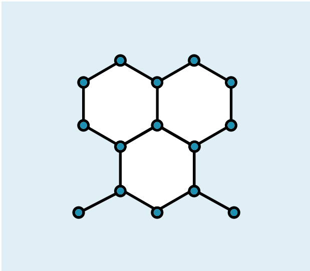
### IMPACT ON SDGs


## Innovation focus of Tata Steel

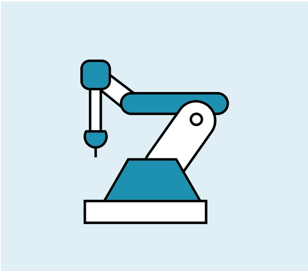
We are focussed on leveraging our R&D capabilities through



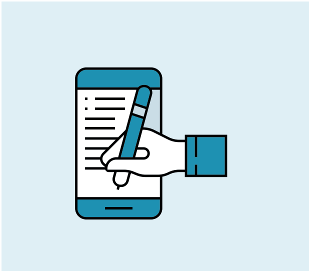
**New products**



**Advanced materials**



**Process improvements**



**Digitalisation across the value chain**

Innovation is driven and leveraged by the technology organisation, new materials business, and services and solutions business. The process also focusses on building new competencies and capabilities to enable our organisation to be future-ready.

**SO3 - Insulate revenues from steel cyclicality**

# Driving innovation at Tata Steel

## Tata Steel has a two-pronged approach towards innovation, supported by robust resource allocation and organisational commitment.

We engage engages in innovative ideas that lead to significant continuous improvements driven by the transforming the business landscape, enabling us to become best-in-class, and setting benchmarks in the industry.

We also pursue breakthrough ideas to create new value propositions, businesses and technology shifts.

### Factors that help us drive innovation

Our R&D function has over 200 researchers and collaborations with 40 institutes.

In-house platforms such as Innovent support our strong culture of innovation.  Innovent focusses on identifying key customer insights and translates them into tested and scalable business models.

Innovation council led by R&D aims to generate novel ideas and enable implementation. New collaborations as well as advancements in new materials and solutions are some key outcomes of this process.

We have set up enhanced research facilities with latest laboratories such as APERTA (Thermochemical Simulation), enGENE (Biotechnology Solutions), PEARL (Product Forming and Performance Research), SeFondre (Welding) and Reynolds (Mathematical Modelling).

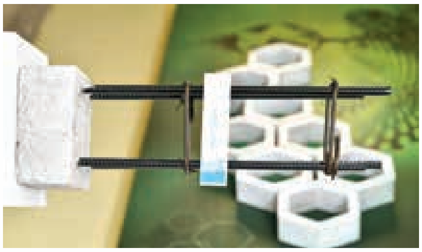
**India's First Fibre Reinforced Polymer (FRP) based Foot Over Bridge Installed at R&D Division, Tata Steel Jamshedpur**

## New product development

Special focus was given to new steel product development for the Pre-Engineered Building (PEB), Lifting and Excavation (L&E) and Oil & Gas (O&G) segments. The production facility at Kalinganagar helped develop new products in an accelerated timeline. In-house R&D efforts, collaboration with Tata Steel Europe and technical institutions helped us expedite the product and process design for these products.

Tata Steel has developed and successfully commercialised the first-of-its-kind **Pravesh Vista** steel windows in Financial Year 2018-19. **This product has won the 8th CII Design Excellence Awards 2018 under the Industrial Design: Architecture and Interior Products category**

## New materials



**Graphene**
Graphene-doped plastic products that were used in Tata Steel for industrial use showed a two-fold increase in life as compared to existing products.

**Fibre Reinforced Polymer (FRP)**
Our new materials business has adopted an asset-light model through partnerships and collaborations to develop FRP products that cater to automotive, industrial, infrastructure, and railway sectors. This includes FRP solutions for streetlight poles, pressure vessels, pipes, modular toilets, chemical tanks, and foot over bridges.

To enhance our innovation in this segment, we are collaborating with National Composite Centre - Bristol UK, Indian Institute of Science - Bangalore, IIT Roorkee, NIT Rourkela and other Council for Scientific and Industrial Research (CSIR) Labs. Apart from FRP Composite and Graphene, there is focus on building other advanced materials, e.g., ceramics, into our portfolio to expand the New Materials Business.

## Process improvement

**Use of High Gradient Magnetic Separator (HGMS) for iron ore slime beneficiation**
Currently, the Noamundi iron ore mine discards 16% of wet run of mine output as slime, which has 8% alumina and 55% iron content. Implementation of HGMS is expected to recover 50% of slime containing iron content of 63%. This initiative is in its pilot stage and is expected to save virgin raw materials and increase mine life through improved beneficiation.

**Reducing carbon footprint using Carbon Composite Briquettes**
Sintering route has low carbon utilisation as super fines escape through the sinter bed, resulting in low efficiency and poor work environment. A new technique of super fine agglomeration called carbon composite briquetting was developed and charged into the blast furnace. A successful plant trial resulted in a favourable drop in coke and carbon rate. This will be adopted across facilities over the next three years.

INTELLECTUAL CAPITAL (Continued)

## Moving ahead with digitalisation

In Financial Year 2018-19, we embarked on a long-term digital technology led business transformation programme to drive value creation across the enterprise. We have set ourselves stringent targets towards digitalising our plants and processes, and have taken definitive steps towards building capabilities to deliver transformative solutions. The goal is to become agile, intelligent and smart in all our business processes, and enhance stakeholder experience, while generating substantial EBITDA improvement.

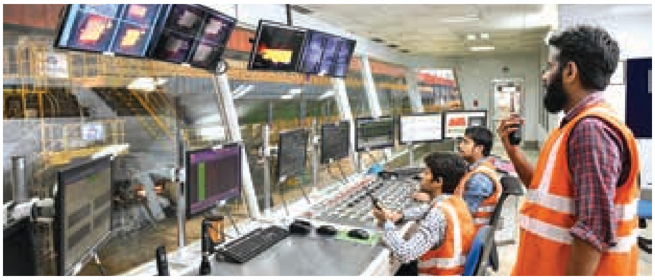
### Domains under focus for digitalisation

**Our key business transformation initiatives are in the domains of Integrated Supply Chain and Logistics, Smart Asset Maintenance, Customer-facing Digital Platforms, Smart Closure of Financial Accounts, Smart Procurement, and Energy Management.**

To drive and sustain transformation of this scale and deploy digital solutions, we have structurally altered our IT infrastructure spend. We have moved from being capex-heavy to capex-light by opting for managed services to augment the IT layers of connectivity, infrastructure and cyber-security.

### DATA SECURITY

With increasing connectivity and data flow, we are exposed to the risk of new-age cyber crimes. We have deployed a full-scale Security Operations Centre (SOC) to safeguard our IT and Operational Technology (OT) data and applications, which has the capability to analyse 30,000 events/sec, resulting in proactive detection and defence from cyber threats.



### PREDICTIVE ANALYTICS

We have built and deployed over 40 Advanced Analytics models to enhance operational efficiencies, which include:

- Reduction of ore stickiness in our iron ore mines and turnaround time of wagons, leading to lower demurrage
- Reduction of downtime of apron feeders
- Improvement in quality of pellet, coke and sinter to blast furnaces at optimum cost and lower emission, further aided by in-process hot metal temperature and furnace
- Permeability prediction models that improve iron making at reduced coke rates
- Optimisation of the slitting of mother coils to reduce yield loss at Steel Processing Centers, and reduction of Stock Keeping Units of Pravesh doors that resulted in improved delivery time for customers
- Optimisation of our distribution costs

TATA STEEL AASHIYANA
Dream•Click•Build

https://aashiyana.tatasteel.com

### CUSTOMER INTERFACE

Our customer-facing digital platforms–Aashiyana, DigECA and Compass–have resulted in additional revenue and continue to be one of the enablers in improving our customer satisfaction.


Tata Steel joins the CII led collegium of futuristic business houses to pledge support to the start-up ecosystem


'Mind Over Matter' Programme - Tata Steel's Annual Innovation Challenge for Engineering Students

## INDUSTRY KNOWLEDGE LEADERSHIP AND COLLABORATIONS

Tata Steel leads industry efforts in supporting knowledge transfer and capability building across and beyond its sector. We have worked extensively with the Government and regulators to shape policies that influence the sustained economic growth towards national priorities. Our leadership is on numerous committees that engage in dialogue on issues ranging from environment, financial practices to social initiatives and others. Our senior leadership is engaged at a global level to help formulate paths towards Industry 4.0.

Our organisation regularly supports industry bodies and peer networks in sharing best practices, training, research, and ideas that enhance the overall performance of the Indian industry. Events such as annual fraternity meets are held for maintenance communities that connect engineers from all locations with the objective of sharing best practices and achievements.

Other forums used to promote cross-learning and sharing of best practices are the shared services technical meet and quarterly meet of experts at Kalinganagar.

Tata Steel collaborates with various technical institutes and technology start-ups/SMEs nationally and internationally to create an ecosystem for cross-learning and collaborative working. The collaborative projects range from emerging technologies, environment, Artificial Intelligence, robotics and other long-term research assignments. These collaborations work in a two-way manner where students from institutes work at Tata Steel and Tata Steel employees are sent for research fellowships to study at different universities. Tata Steel is also engaged with government-funded research programmes such as Uchhatar Avishkar Yojana (UAY). The Value Analysis and Value Engineering (VAVE) programme is an engagement mechanism where Tata Steel engages with customers on topics such as how best to use steel, simulations, modelling for light weighting, and optimum material usage.

The senior leadership of Tata Steel is part of various national level research missions such as the Centre of Excellence in Steel Technology (CoEST, IIT Bombay) and the Advanced Manufacturing Centre at IIT Kharagpur, among others.

## CONTINUOUS IMPROVEMENT - SHIKHAR25

Total Quality Management (TQM) is deeply embedded in the ethos of Tata Steel. It involves all sections of the workforce in driving improvement projects for enhancing performance. Initiatives for achieving operational excellence have reduced operational cost and environmental impact while delivering higher EBITDA margins.

The Shikhar25 programme focusses on delivering superior product quality, optimising product mix, improving operational efficiency to lower carbon footprint, reducing waste generation, improving waste utilisation, and maximising energy and material efficiency.

In Financial Year 2018-19, we successfully implemented 427 Shikhar25 projects, resulting in total savings of ₹2,801 crore. We also increased the coverage of Shikhar25 and started two new IMPACT centres. These IMPACT centres focus on cross-functional themes, digital initiatives, new technology, and collaboration with suppliers to identify new avenues for improvement.

In addition, we implemented over 34,000 kaizens, 367 green belt projects and over 100 other TQM projects. We achieved 92.6% employee involvement in improvement activities. 'Manthan Ab Shopfloor Se (MASS)' is an idea generation initiative for shop-floor employees, focussing on issues such as safety, cost, operational excellence, environment, etc.

# Human capital

## Preparing people for tomorrow

We have a strong commitment towards our people, which is demonstrated through our industry-leading employee welfare practices and a culture of working together. Industrial harmony of over 90 years and a century-old trade union is a testament to our culture of working together.

**32,984**
Employees on roll (India)*

**49%**
Reduction in LTIFR in last 10 years

**~6.5%**
Women in the workforce

* Employees on roll means full-time employees on payroll of Tata Steel.

A pioneer in progressive people practices, our aspiration is to be the employer of choice in the steel industry, taking care of the needs of a diverse workforce of officers, unionised employees, and contract workers. Further, we will be building the capability to support our new businesses. Our Occupational Health and Safety (OHS) practices are aimed at developing a culture of safety and care.

## STRATEGIC FOCUS

SE

Investing in people and striving to be employer of choice is an area of focus for Tata Steel. Creating a safe and healthy workplace is a key priority. Care for the communities and people we touch in our operating areas is embedded in our way of working through our CSR practices.

## WAY FORWARD

Continuing to focus on:

Employee engagement | Diversity and inclusion | Leadership development | Employee experience | Zero harm to contract partners | Upskilling of women across locations | Enabling the inclusion of PWDs

## GOALS

**Improve employee productivity**

**Be one of the best places for people to work**

**Zero fatality**

**25% diversity in workforce by 2025**

**2% improvement in health index year-on-year**

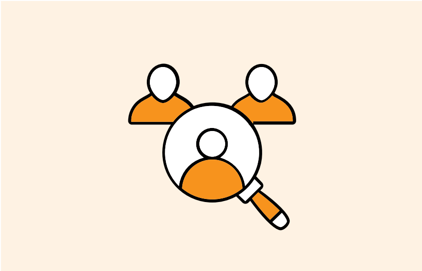
## IMPACT ON SDGs

3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH | 5 GENDER EQUALITY

**We focus on three thrust areas across the value chain to build and nurture our human capital:**

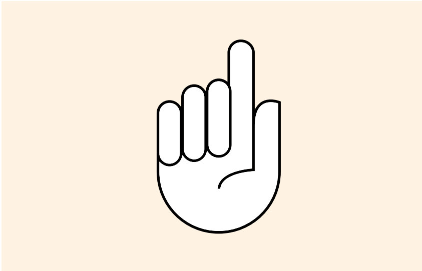
### Occupational Health and Safety (OHS)

Being in an inherently hazardous industry, ensuring the highest degree of physical, mental, and social well-being of the people in and around our plants always remains a top priority for us. We work to ensure our operations are fatality free and become a benchmark in the steel industry. Currently, we are working on six safety and health strategies, which drive our corporate objective of 'Committed to Zero'.



### Human Resource Management

With 32,984 employees, Tata Steel continosly strives to be an employer of choice. Diversity within our workforce is of paramount importance as it enhances our overall capabilities and promotes a culture of innovative thinking. To attract and retain diverse talent is a challenge considering the nature and breadth of our operations.



### Human Rights

Tata Steel employs and impacts a huge workforce throughout its value chain. Any risk of human rights violation could have significant reputational repercussions. Therefore, we are actively engaged in upholding human rights in areas where we operate.

SE - Strategic Enabler

# Occupational Health and Safety (OHS)

Occupational Health and Safety (OHS) is a key material issue for Tata Steel and is a priority focus at all levels of leadership. We have instituted policies that drive a culture of safety consciousness and prevention across our entire operations. Our commitment is reflected in the successful ramp-up of the Kalinganagar facility while maintaining the best practices in health and safety.

## SAFETY GOVERNANCE AT TATA STEEL

We have a strong governance structure driven by the Safety, Health and Environment Committee of the Board (chaired by an Independent Director) and the Apex Safety Council (chaired by the Chief Executive Officer and Managing Director). Their directives are cascaded through sub-committees chaired by relevant Vice Presidents through monthly reviews, which are then executed across the organisation.

**'Committed to Zero Harm'**
**Employee at Steel Melting Shop, Jamshedpur Steel Plant**


**Safety and Health Excellence Recognition 2018 by World Steel Association**

## Key initiatives for OHS in Financial Year 2018-19

**Impacts**

### Building leadership capability for safety at all levels to achieve zero harm

Tata Steel is committed to building leadership capabilities in safety across all levels. Health and safety is integrated into our annual business plan. Executives have safety targets that are embedded in their annual performance metrics and are linked to remuneration. An integrated health, safety & environment risk management system was rolled out across the organisation to identify hazards, and assess and mitigate risks. A new Health and Safety Reward and Recognition policy has been formulated to promote positive safety behaviour.

**~26%**
**reduction in high potential incidents**

**~12%**
**increase in 'Near Miss'[1] captured over the last financial year**


### Building competency and capability for hazards and risk management

Frontline leaders have been trained on the recalibrated risk management process. E-Work permit systems have been successfully piloted and rolled out. 57 Safety standard audits by Cross Functional Teams (CFTs) were carried out across locations to identify and address the safety standard deployment gap.

**1,201**
**officers trained on recalibrated risk matrix**

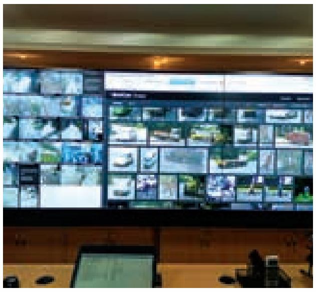
**2,928**
**opportunities for improvement identified by these CFT audits**

### Contractor safety risk management

Our operation and maintenance activities engage a sizeable contract workforce. We have established the process of Contractor Competency Assessment (star-rating system on a scale of 0-5) for our service providers. Tata Steel deploys only 3-star and above rated vendors on high-risk jobs. Workshops and incentive schemes are used to motivate 3-star rated vendors to upgrade to 4 and 5 stars. Skill certification training and mentorship programmes by Felt Leadership trained supervisors were introduced for the contract workforce.

**1,035**
**vendors assessed, of which 173 were rated as 4-star and 5-star**

**12,366**
**contract workforce (10,594 workers and 1,772 supervisors) trained and certified**



### Elimination of safety incidents on road and rail

Tata Steel value chain depends on safe and efficient transport through both road and rail logistics. We are enforcing road safety related behavioural changes across our organisation. To make it safer, various infrastructure improvement initiatives such as traffic segregation and streamlining, drop gates, transport park, smart buses, radar-based speed monitoring, and introduction of digitalisation at gates for materials have been introduced.

**Sustained**
**Zero**
**fatalities inside plant premises for the last four years across Tata Steel**

**56%**
**reduction in road LTI over Financial Year 2017-18**

**[1] Occupational Safety and Health Act (OSHA) defines a near miss as an incident in which no property was damaged and no personal injury was sustained, but where, given a slight shift in time or position, damage or injury easily could have occurred**

## Key initiatives for OHS in Financial Year 2018-19

### Excellence in Process Safety Management (PSM)

Center of Excellence (CoE) on Process Safety Management (PSM) was established in Financial Year 2014-15 to ensure effective control of risks at high hazard operations. In the last year, it was extended to eight new departments. 19 exemplars were developed to support PSM CoE implementation across the organisation. A procedure for process hazard analysis has been developed and piloted on new projects. A structured asset management standard framework has also been developed.

### Establishing industrial hygiene and improving occupational health

Tata Steel's integrated approach in industrial hygiene and occupational health is underpinned by the three pillars of prevention, promotion and reintegration. We follow the World Health Organisation's model of 'healthy workplace' for creating a workplace that does not harm the mental and physical well-being of people. The 'Wellness at Workplace' programme was initiated to create awareness among people to adopt a healthy lifestyle and control lifestyle-related diseases. The effectiveness of the initiative is monitored through the Health Index[1]. Tata Steel has collaborated with external partners to understand and improve workplace ergonomics through risk assessments and implementation of ergonomics control measures.

### Impacts

**Recognised by World Steel Association in 2018 for process safety journey through CoE**

**1.2%**

**improvement in Health Index**

**56%**

**high-risk cases related to lifestyle diseases transformed to moderate or low risk**

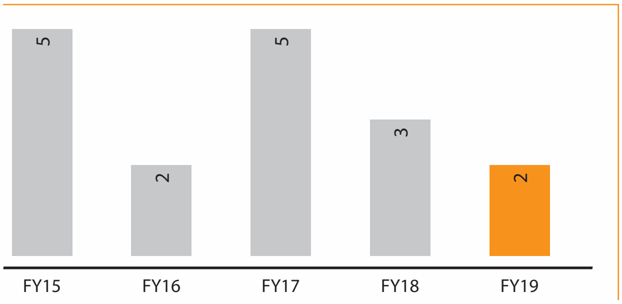
**10**

**hazard control projects**

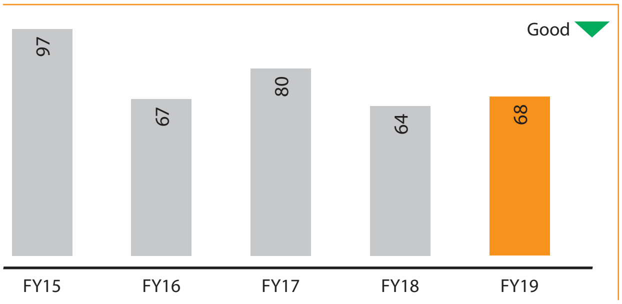
**12**

**ergo control projects implemented**

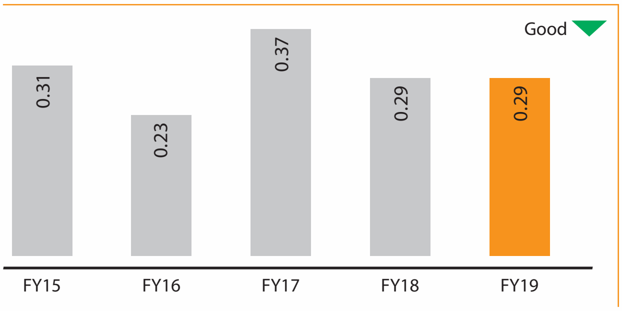
Fatality (Nos.)



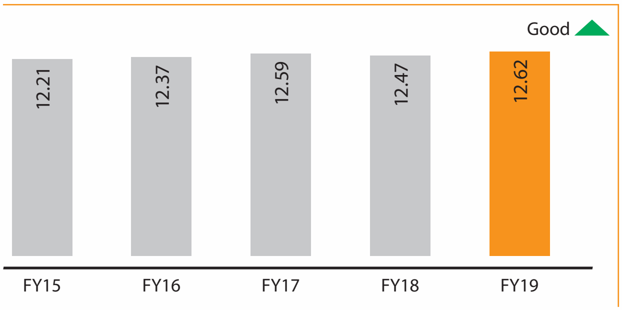

Lost Time Injury (LTI) (Nos.)




Lost Time Injury Frequency Rate (LTIFR) (Index)




Health Index (Score out of 16)




[1] **Health Index consists of four parameters – blood pressure, blood sugar, serum cholesterol and Body Mass Index. Employees' health is evaluated on these four parameters and a score is generated on a scale of 16. A score of 0 in any of the Health Index parameters is deemed as high risk.**

# Human resource management

## EMPLOYEE PRODUCTIVITY

In Financial Year 2018-19, we implemented an Employee Productivity Framework across our facilities and continued to identify redundancy through programmes such as right skilling, Sunhere Bhavishya Ki Yojna (SBKY) and Job-for-Job scheme. We made significant progress in simplifying the organisation structure, systems and communications. Numerous programmes were held to sensitise employees on productivity improvement. In Financial Year 2018-19, employee productivity at TSJ was 748 tcs/employee/year and at TSK was 1,054 tcs/employee/year.

**800tcs/employee/year**

**employee productivity in FY 2018-19**

Centenary Year Celebrations of the Tata Workers' Union

## DIVERSITY AND INCLUSION

Tata Steel envisions to become a 'truly world-class organisation that respects the uniqueness of individuals to create a diverse and inclusive atmosphere, to have a competitive edge in business by having access to a larger talent pool'. Diversity and Inclusion is a way of life to ensure fair and equal opportunity for all employees.

MOSAIC – a diversity and inclusion initiative– covers four aspects, gender, Person with Disabilities (PwDs), LGBTQ+, and different sections of society (e.g., Affirmative Action Community). 32% of management trainees hired from top business schools are female, a result of our diversity-focused recruitment processes.

**~17%**

**employees from the Affirmative Action Community**

### Fostering a diverse workforce through MOSAIC

**Recruitment**
'Women of Mettle' to induct women engineers into the manufacturing sector

**Sensitisation**
Zubaani, Panel Discussions and Debates, MOSAIC Speak, Joint Development Council Meetings, Power of Inclusive Management, C-suite level sensitisation

**Retention and development**
Tata mentors, Reach Out, Tata Steel Engage, Tata Steel Ignite, Step-up to Success, Launch of Wings, SABAL for PwDs

**Infrastructure**
Creches, restrooms, accessible washrooms and other infrastructure for the workforce with special needs

**Celebration**
Events such as International Women's Day, and International Day of Persons with Disabilities

### Policies to drive diversity and flexibility

**Paternity leave for the blue-collared workforce**
A progressive step introduced to help develop bonding between fathers and their new borns

**Take Two Policy**
A career option for women to return. We offer project-based and full-time roles to women through this opportunity to engage with Tata Steel

**Satellite office operation**
Helps employees who have a location constraint by giving the option to operate from a location of choice, where Tata Steel has presence

**5-day work week**
Has been implemented with the view of improving work-life balance

**Adoption leave**
This policy also includes single males and transgender employees

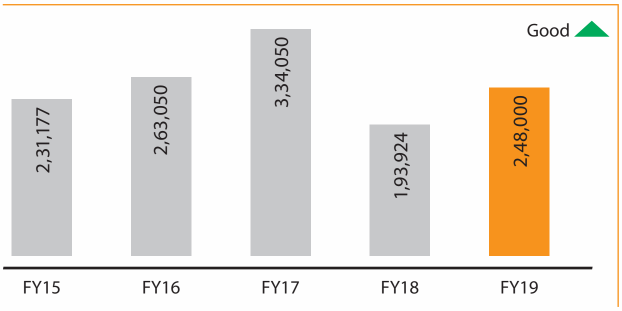
**Menstrual leave 'Raahat'**
No approval from superior is required to take this leave

## WORKFORCE CAPABILITY DEVELOPMENT

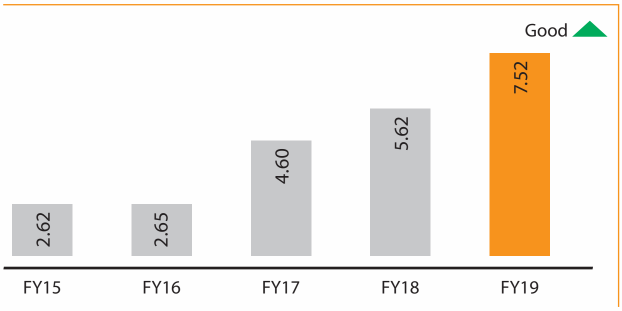
Tata Steel has a Workforce Capability and Capacity Framework to assess capability needs across the workforce for skill and competence building, customer focus, organisational performance, innovation, health and safety, and environment and business ethics. We are continuously upgrading our training infrastructure, methodologies and programmes. Customised awareness programmes and focussed campaigns for relevant aspects of sustainability were conducted for Tata Steel employees and are also made available to external stakeholders such as suppliers and the community.

**₹132.87 crore**
**Investments in employee training and development in FY 2018-19**

**Employee trained (Mandays)**




**Training per employee (Mandays/employee/year)**




# Human Rights

Tata Steel is committed to upholding human rights across its value chain. Our commitment is reflected in the following policy documents (for more information, visit www.tatasteel.com).

The implementation of the Human Rights Policy at workplace is done through the adoption of the principles of SA8000 and the United Nations Global Compact based on the Universal Declaration of Human Rights (UDHR) and ILO conventions.

## Human Rights Policies

- **Tata Code of Conduct**
- **Social Accountability Policy (Human Rights at the Workplace)**
- **Prevention of Sexual Harassment (POSH) and Anti Sexual Harassment Initiative (ASHI)**
- **Safety Principles and Occupational Health**
- **Affirmative Action**
- **Corporate Social Responsibility and Accountability**

We actively seek to strengthen our mechanism to prevent and mitigate adverse human rights issues through SA8000 audits of our workplace. Appropriate corrective and remedial measures (checks and balances) have been identified to address any non-compliances. Tata Steel underwent SA8000 surveillance audit in Financial Year 2017-18, and improved its Social Finger Print Score from 3.9 to 4.3 on a scale from 1 to 5.

## APPROACH TO PROTECTING HUMAN RIGHTS

### For full-time employees

Tata Steel is an equal opportunity employer and does not discriminate on the basis of gender, caste, religion or disability. During recruitments, we exercise positive discrimination in favour of socially disadvantaged communities, provided the prospective candidates fulfil our merit-based criteria. Our systems and processes in this regard are monitored for compliance and are subject to continuous improvement through the SA 8000 standards and third-party verification. A special forum on diversity called MOSAIC has been created across all locations of Tata Steel in India to sensitise the workforce as well as undertake initiatives on promoting diversity.

### For contract workforce

A dedicated contractor's cell was established to ensure that no human rights violations take place at the workplace. The cell also looks at corrective and preventive measures to deal with cases of violations of our TCoC and Social Accountability Policy. The contractor safety management process ensures that a safe and healthy workplace is provided to the entire contract workforce. Periodic assessments and ratings are carried out to upgrade the contractor's safety standards.

### For supply chain partners

All our business associates are mandated to conform to and sign the Business Associates Code of Conduct. The Code lays down human rights and safety specific requirements that need to be maintained. Every year, the procurement team undertakes sample assessments for human rights (for potential high-risk suppliers) to ensure compliance.

### For indigenous communities

Tata Steel's operations require significant resettlement and rehabilitation of indigenous communities residing in proximity of its operating sites. Our Affirmative Action Policy and Corporate Social Responsibility and Accountability Policy lay down the rules of engagement with the affected parties. The CSR team ensures that Tata Steel upholds the highest standards of human rights as part of rehabilitation and resettlement, both before and after project completion.


**Promoting Gender Diversity**
**Employees Celebrating International Women's Day 2019**

# We Contribute

# Towards a sustainable world

Acting responsibly towards the environment and the communities we operate in is embedded in our core values. We also relentlessly focus on ensuring the well-being and safety of people at our workplaces, balancing economic prosperity, and generating social benefits for the surrounding communities.

## 2018 Steel Sustainability Champion

Recognised by World Steel Association

#WeAlsoMakeTomorrow

# Natural Capital

## Conserving natural resources for tomorrow

At Tata Steel, we continuously strive to protect the environment. Our philosophy of minimising environmental impact and promoting resource efficiency guides our investment decisions to monitor and mitigate the impact of our operations. The iron and steel making process involves the use of natural resources such as iron ore, coal, limestone and ferro-alloys and is water and energy intensive. The GHG (particularly $CO_2$) and dust emissions emitted during the process are key contributors to air pollution and global warming. Maintaining sustainable operations and continually making improvements to our products and processes help us minimise our environmental footprint.

Featured among top
**7**
integrated steel companies globally in CDP 2018

Y-o-Y reduction in specific water consumption
**~8.5%** TSJ
**~10%** TSK

**100%**
LD slag utilisation at TSJ and TSK

We are in constant pursuit of minimising our environmental impacts and conserving the natural environment around us.

## STRATEGIC FOCUS

SO4

To achieve industry leadership in Corporate Social Responsibility and Safety Health & Environment.

## WAY FORWARD

We are investing in technologies to achieve the highest environmental performance standards. We plan to achieve this by adopting breakthrough technologies for raw materials management, higher utilisation of LD slag, setting up the steel recycling business, achieving zero water discharge, carrying out lifecycle assessments of our products and embedding the principles of circular economy in our operations.

# Managing environmental impact of operations

We have policies and processes in place for reducing energy usage and minimising our environmental footprint across the value chain. We have set stringent targets for energy intensity, greenhouse gas emission, and water conservation. Our efforts also focus on reducing waste, enabling a sustainable supply chain and understanding the impact of our products on the environment through lifecycle assessments.

## RAW MATERIALS MANAGEMENT

Our Raw Materials Division not only provides cost-competitiveness to our steel business but also ensures the sustainability of our operations by way of assured supply of requisite quantity and quality of raw materials required for steelmaking. The division is actively engaged in incorporating state-of-the-art technologies while mitigating the possible adverse impact on the environment.

Although, Tata Steel's current operations in India are not located in any of the identified biodiversity hotspots or protected areas, our mining operations (being extractive in nature) impact the flora and fauna in the region. Therefore, we voluntarily partnered with the International Union for Conservation of Nature (IUCN) at our raw material locations in Jharkhand and Odisha for the implementation of biodiversity management plans.

## GOALS

**<2 $tCO_2$/tcs GHG emission intensity by 2025**

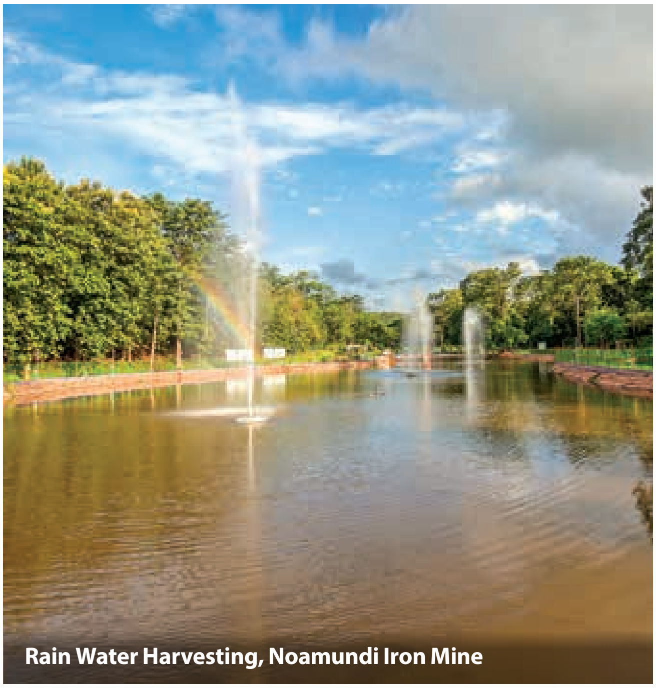
**Zero effluent discharge by 2025**

**Sustain LD slag utilisation at 100%**

**Ensure no net loss of biodiversity at our mining locations**

## IMPACT ON SDGs

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND



Rain Water Harvesting, Noamundi Iron Mine

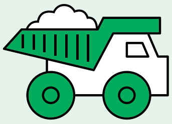
## NATURAL CAPITAL (Continued)

The mining operations of Tata Steel are working towards enhancing progressive reclamation activities of the mine dumps and ecosystems. In Financial Year 2018-19, the following activities were undertaken in line with our policy objectives of restoring the floral diversity and conservation of keystone species:

- Optimised the plantation programme in terms of precise type and number of native species to be used. The diversity of the native species being used for plantation activities increased by 22% and plantation of primary keystone species increased five times
- Completed the mapping distribution of invasive species at the Joda East iron mine and a systematic eradication and restoration plan is now being implemented
- Planted over 2 lakh saplings of native species across raw material locations

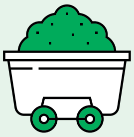
Bird activity was spotted in about 80% nest boxes that were installed last year at Noamundi iron ore mines. This niche nesting programme is being replicated at the Company's other mining locations.

**Mined raw materials**



**28 MnT**

**Imported raw materials**



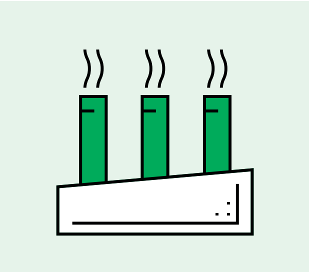
**~12 MnT**

**Niche Nesting, Noamundi Mine Area**

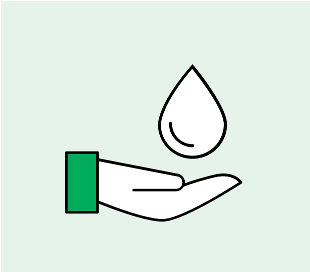
## ENVIRONMENTAL MANAGEMENT

We believe responsible environmental performance is an inherent element of our business strategy and these practices help us achieve a leadership position in the industry. In Financial Year 2018-19, we spent ₹286 crore on environmental management efforts focussed on the four pillars of emission, water management, circular economy and biodiversity.

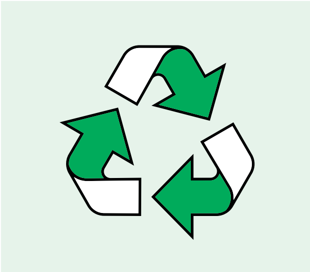
### Four pillars for environmental management



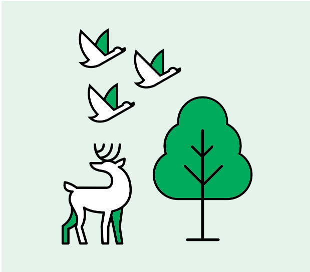
**Emissions performance**



**Water management**



**Circular economy**



**Biodiversity**

### Emissions performance

**$CO_2$ emission**

The Paris agreement aims at arresting the global warming to <2 degrees celsius for which the key requirement is to make $CO_2$ emission net zero by 2050. The steel industry contributes to about 6-8% of global emission and is considered to be a ‘hard to abate sector’ since carbon is used as a reductant in the steelmaking process and low carbon steelmaking technologies are yet to be commercialised. Cognisant of India’s commitment and the sectoral requirements, Tata Steel has set an aspirational goal of <2 $tCO_2$/tcs emission by 2025.

Over the years, the adoption of best available technologies for waste heat recovery such as Top Recovery Turbine (TRT), Coke Dry Quenching (CDQ), use of by-product gases in power generation and other energy efficiency initiatives have resulted in improving resource efficiency as well as reducing carbon footprint. We continue to implement Internal Carbon Pricing in our capital expenditure appraisal process with the shadow price of carbon at US$ 15 /$tCO_2$.

## A benchmark for the industry

**Tata Steel Jamshedpur is the Indian benchmark for $CO_2$ emission intensity at 2.29 $tCO_2$/tcs and energy intensity at 5.67 GCal/tcs for steel production through Blast Furnace - Basic Oxygen Furnace (BF-BOF) route.**

Top Recovery Turbine, Jamshedpur Steel Plant

A Centre of Excellence with members from iron making, steelmaking, R&D and technology groups was constituted in Financial Year 2018-19 to identify and implement projects for $CO_2$ reduction. Some such projects are:

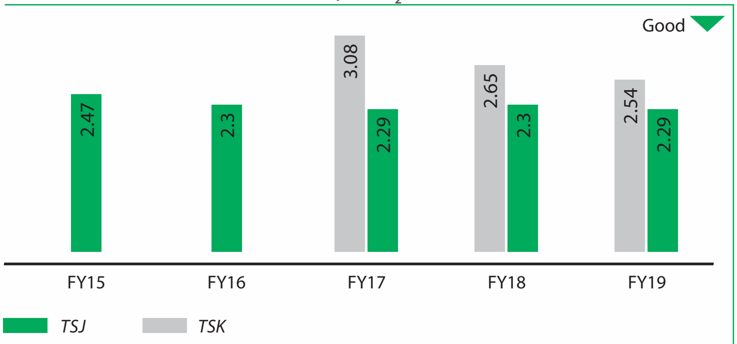
- Carbon Capture and Use (CCU) at Tata Steel Jamshedpur and at the Ferro-Chrome plant at Bamnipal
- Assessing renewable energy potential across our locations in India
- Maximising scrap utilisation in steelmaking

**GHG emission from our steelmaking operations (Absolute emission in million $tCO_2$)**

| Steelmaking Sites | Particulars | FY15 | FY16 | FY17 | FY18 | FY19 |
|---|---|---|---|---|---|---|
| India (TSJ + TSK) | Scope 1 | 21.10 | 21.02 | 25.53 | 26.52 | 27.14 |
| | Scope 1.1 | 2.27 | 2.31 | 3.69 | 3.96 | 4.53 |
| | Scope 2 | 0.72 | 0.74 | 1.11 | 1.17 | 1.17 |
| | Scope 3 | -1.08 | -1.19 | -2.21 | -1.99 | -1.81 |
| | Overall | 23.02 | 22.89 | 28.11 | 29.66 | 31.03 |
| Europe (incl. UK) | Overall | 26.96 | 25.48 | 19.27 | 19.18 | 18.75 |
| South East Asia (NatSteel + Tata Steel Thailand) | Overall | 0.91 | 0.98 | 0.91 | 1.04 | 0.96 |

*** Based on revised methodology of World Steel Association - User Guidance 9, V22 since 2017-18**

TSJ & TSK - GHG emission intensity ($tCO_2e/tcs$)




## Product Lifecycle assessment

**Tata Steel uses Life Cycle Assessment (LCA) as a tool to assess environmental impacts at the various stages of its products' lifecycle. Moving forward, LCA would be used to undertake Environmental Product Declaration (EPD) for key products of Tata Steel. In Financial Year 2018-19, Tata Pravesh Doors, Tata Structura and Tata Pipes achieved the GreenPro certification by CII Green Business Centre – these are the first steel products in India to get the eco-label using the LCA study.**

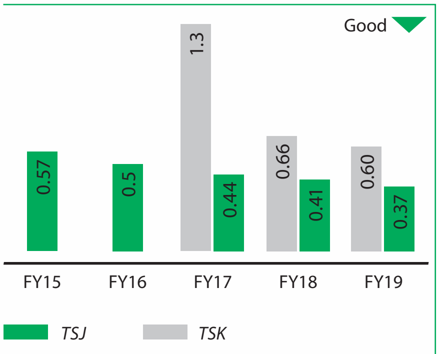
In recognising the tangible business benefits of disclosure through Carbon Disclosure Project (CDP), Tata Steel is well placed to take meaningful steps to address its environmental impacts. This can help to ensure the Company's long-term sustainability and profitability, as well as equipping it to respond to regulatory and policy changes, such as the Paris Agreement. ”

**Damandeep Singh**
Director, CDP India

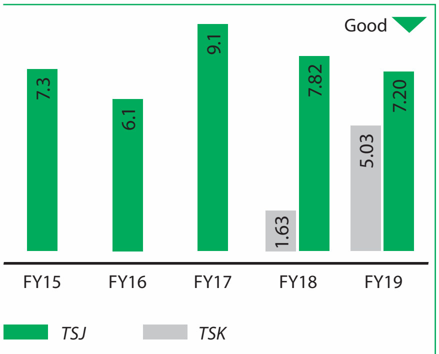
**Minimising dust and gaseous emissions**

Over the last two decades, Tata Steel has made investments in installation and upgradation of air pollution control equipment at both its manufacturing sites. Over the last five years, a total of 24 projects have been implemented to upgrade the existing air pollution control equipment, including upgradation of all Electrostatic Precipitators (ESPs) at the sinter plant. An online stack monitoring system has been commissioned in all major stacks. Dust emission (PM2.5 and PM10) is also a key material issue especially at TSJ, since the steel plant is located in the midst of the city. These efforts have resulted in 68% reduction in dust emission at TSJ since 2005. While production at TSJ has more than doubled since 2005, absolute dust emission has reduced by approximately 35%. Pollution control facilities were fully commissioned during the ramp-up at our Kalinganagar facility, resulting in a reduction of almost 9% dust emission over the past year.

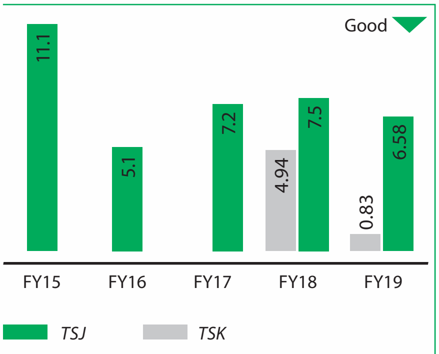
TSJ and TSK - Dust emissions intensity (kg/tcs)




TSJ and TSK – Nitrogen oxides (NOx) emission (kt)




TSJ and TSK – Sulphur oxides (SOx) emission (kt)

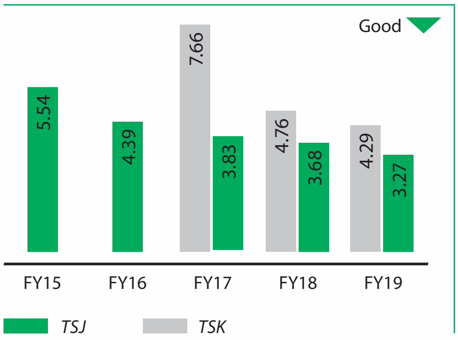


## Water management

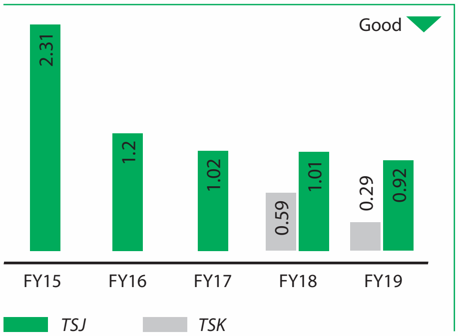
Water is a critical resource used as a coolant in the steelmaking process. Currently over 3m$^3$ of freshwater is required per tonne of crude steel produced. Our operations in India are located near the Subarnarekha (TSJ) and Baitarani (TSK) rivers. We also have a water reservoir, Dimna Lake, at Jamshedpur with a holding capacity of 6,292 million gallons of rain water, which can meet nearly 14% of freshwater demand of the township. A river basin study has been initiated for the Subarnarekha river to assess watershed level risks for TSJ and implement better water management plans for improving the water scenario in the district watershed and to ensure optimum water flow in the river throughout the year.

Our water sustainability strategy for future-readiness is to continue investing in Sewage Treatment Plant (STP) and creating new Rain Water Harvesting (RWH) structures at various locations to improve the ground water table. In Financial Year 2018-19, 29 million litres of RWH structures were added at the Joda east iron ore mine. We have also created various rainwater harvesting structures beyond the fence as part of our community initiatives (ponds and check dams) and township infrastructure (rooftop) at Jamshedpur and our mining locations. A 25 MLD tertiary treatment plant was commissioned at Bara STP to convert sewage water of the Jamshedpur township into process water for reuse in Jamshedpur steel works. This will help us reduce our freshwater consumption by 18% in the future.

**TSJ and TSK – Specific water consumption* (m$^3$/tcs)**




**TSJ and TSK – Effluent discharge intensity (m$^3$/tcs)**




*** Specific water consumption is defined as freshwater consumption per tonnne of crude steel produced (at TSK water loss at clarifier is excluded in the calculation)**

**Tata Steel Bara Tertiary Treatment Plant, Jamshedpur**
**'Industrial Water Project of the Year 2019' Award by the Global Water Intelligence (GWI)**

NATURAL CAPITAL (Continued)

## Towards circular economy

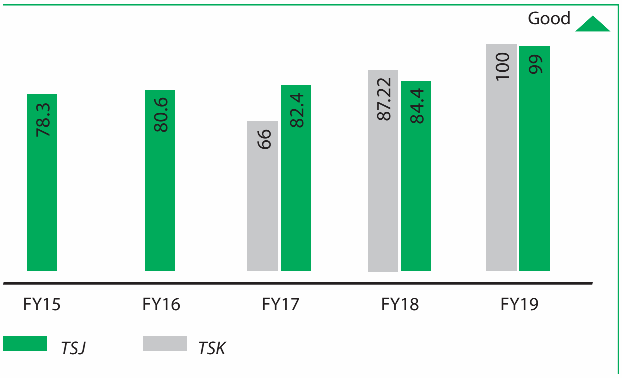
### Solid waste utilisation

Steel industry is favourably placed for implementing circular economy principles, given the ability to recycle steel as well as use solid waste by-products. The by-products generated across the entire steel value chain include coal rejects from the washeries, coal tar, slag, and scrap from steelmaking shops and rolling mills. Our key initiatives to maximise the utilisation of our by-products are described below:

- **Recovery and reuse of metal from steelmaking slag:** Recovered metal from steel slag is used in the steelmaking process. This scrap is used in steel melting shops along with clean scrap and pooled iron.
- **Blast furnace slag and steelmaking (LD) slag utilisation:** Annually, Tata Steel handles ~17 MnTPA of by-products, which are converted and sold across 20+ product categories. The key solid waste generated during an integrated steel plant operation are the blast furnace and LD slag, which, if not utilised would require to be stored in engineered landfills. Granulated blast furnace slag is 100% utilised in Portland slag cement making. However, the LD slag, because of its chemical composition and reactive nature, has limited applications. Tata Steel has developed and launched India's first ever LD slag branded products – Tata Nirman (for construction application) and Tata Aggreto (for building roads). Road construction is a big market for Tata Aggreto made from processed LD slag. Tata Steel is engaged with government institutions such as Indian Road Congress (IRC) and National Highways Authority of India (NHAI) to promote the use of LD slag as a substitute of natural aggregates in road construction. Sales of Tata Nirman and Tata Aggreto launched last year increased significantly from 230 kt in the previous year to 370 kt this year. Tata Nirman was adjudged as the winner under Green Building Material for AAC Blocks/Bricks & Others at the 8th edition of the National Fly Ash Utilisation Conference held in Goa.

We have achieved nearly 100% slag utilisation across our operations by investing in the processing of by-products and developing alternative use in the construction industry. Facilities for de-phosphorisation, slag granulation and briquetting are under development, which would further ensure sustained utilisation with higher value addition through usage in sinter making, construction, road making, agriculture, etc.

**TSJ and TSK – Solid waste utilisation (%)**




Tata Aggreto used as a Replacement of Natural Aggregates in Road Construction

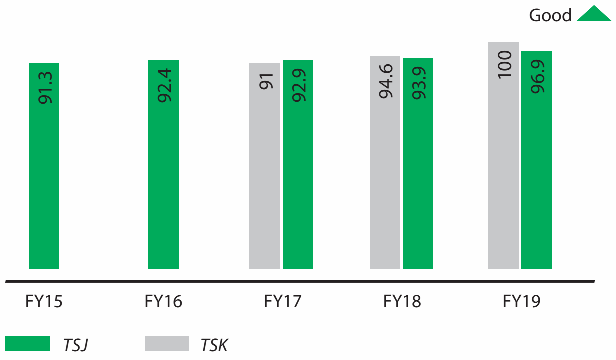
## Steel recycling business

Steel is 100% recyclable and can be recycled infinitely to create new steel products, making it suitable for a circular economy. Recycled steel maintains the inherent properties of original steel. Steel scrap demand in India at present is 30 MnTPA, with 5 MnTPA being imported. The demand and supply is likely to increase as a result of government policies, rapid urbanisation and economic activity. However, the Indian scrap industry is highly fragmented and unorganised with a complex supply chain, where availability of clean scrap is a challenge. There are many small aggregators who collect scrap from various sources and sell unprocessed scrap with inconsistent quality. There is also a lack of requisite policy framework for this industry in India. Most operations are manual and there is little concern towards safety and environmental issues.

Tata Steel is taking the lead in setting up a steel recycling business with the objective of collecting, aggregating and processing scrap in a formalised way, which can subsequently be used for steelmaking through the Electric Arc Furnace (EAF) route. Steel production through the EAF route uses scrap as key input and is a more sustainable way of producing steel. This could reduce carbon emission by 50-60% as compared to traditional steel production. Through collaboration with the government, Tata Steel wants to formalise this industry and enhance scrap utilisation through partnerships across the supply chain, such as with aggregators, processors, dismantlers, logistics partners and end consumers.

Looking beyond its own operations, Tata Steel is actively working on policy advocacy with various government and industry bodies to build scrap utilisation networks. The resource efficiency policy has been released and the steel scrap policy is in the draft stage. The Bureau of Indian Standards has also constituted a technical committee to review the Scrap Codes.

TSJ and TSK – Material efficiency (%)





Steel Scrap

### A step towards formalising the steel recycling industry

**The first steel scrap processing unit is being set up at Rohtak, Haryana, for which Tata Steel has entered into a long-term build-own-operate agreement with Aarti Green Tech Limited. With an investment of ₹150 crore, the first unit will have an installed capacity of 0.5 MnTPA. Digital platforms and channel networks will help collect scrap from various segments such as households, industries and end-of-life vehicles. This scrap will be processed through mechanised equipment and used as an input raw material for downstream steelmaking through EAF. Commercial production is expected to begin in Financial Year 2019-20 with plans to subsequently expand across India.**

# Social and relationship capital

## Strengthening relationships for a sustainable tomorrow

**Our long-term relationships with customers, suppliers and communities are key to our business sustainability. Nurturing these relationships for the long term is integral to our strategy.**

**>1.1 million**
lives touched through CSR initiatives

Customer satisfaction index (steel) consistently above
**80** (out of 100)
over the last 4 years

**~1,400**
suppliers trained through Vendor Capacity Advancement Programme (VCAP)


# Customers

## BUILDING RELATIONSHIPS WITH CUSTOMERS

In line with the motto of 'Reshaping our business for tomorrow', Tata Steel is serving the growing needs of our B2B (Business Accounts), B2C (Individual Consumers) and B2ECA (Emerging Corporate Accounts) - customer segments by offering differentiated products and services. Our end-to-end operation across the value chain, from mining to finished steel goods, enables us to deliver superior quality products. Over the years, we have built strong relationships with the channel partners that has allowed us to serve existing B2C and B2ECA customer segments through our nation-wide professional distribution network. We are now leveraging this extensive network established for steel products to extend our customer-centric services and new solutions such as Tata Pravesh Doors & Windows to markets in urban and rural India.

## ENTERING NEW MARKET SEGMENTS

While our customers in the automotive and construction segments enjoy our unwavering commitment and focus, Tata Steel has entered into new attractive segments and micro-segments by adding new facilities, and by creating market differentiators through user-friendly services and solutions. In our constant endeavour to meet the future needs of our customers, we have forayed into other materials such as Fibre Reinforced Polymers and Graphene.

Customer Meet - Reinforcing Relationships

## STRATEGIC FOCUS

SO1 SO3

To meet our objective of becoming the industry leader in steel and insulating revenue from steel cyclicality, we are is going beyond the traditional products by offering a range of customised services, solutions and value-added products across traditional and new customer segments

## WAY FORWARD

- Expand Tata Pravesh into Tier 3 and Tier 4 towns
- Increase share of high-strength steel in the Lifting & Excavation segment
- Build customer base aligned to the health and sanitation agenda through municipal corporations and corporates
- Scale up new wire fabric product – Sm@rtFAB
- Develop and scale up the new materials business

## GOALS

**Increase revenue from our services and solutions business**

**Improve downstream products business**

**Enhance B2C business**

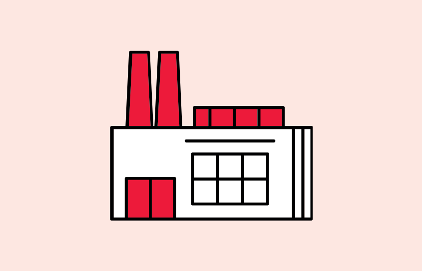
**Increase revenue from new materials business**

## IMPACT ON SDGs


**SO1 - Industry leadership in steel**

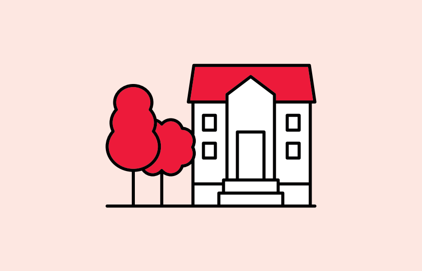
**SO3 - Insulate revenues from steel cyclicality**

## Value Proposition for different Customer Groups



### B2B (Business Accounts)

- High product quality and performance
- Cross-functional engagement through customer service teams
- Extended long-term relationships with customers
- Value-added engineering onsite support to OEM customers
- 'COMPASS': A digital platform for supply chain visibility



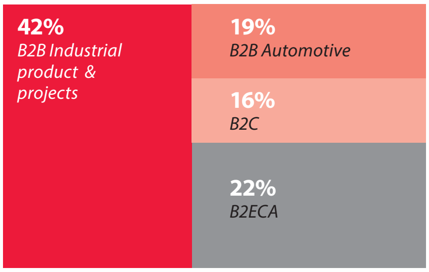
### B2C (Individual Consumers)

- Offer design consultations for optimised product usage
- Branded products that offer quality and trust
- Network and channels that enable products to reach customers just-in-time
- Digital platforms such as 'Aashiyana' for early engagement and e-commerce

### B2ECA (Emerging Corporate Accounts)

- Branded products that offer quality and durability
- Customised grades and products through micro-segmentation
- Customer forums to share best practices, including safe working practices, and to build capability
- Digital platforms such as DigECA enable our channel partners to serve the customers better

## Tata Steel domestic sales (MnT)




## BENEFITS CUSTOMERS DRAW FROM BHUSHAN STEEL ACQUISITION

Our customers also stand to gain from our acquisition of Bhushan Steel (now Tata Steel BSL), through which we will be able to provide them an enhanced product portfolio. Our customers will now have the advantage of choosing from our quality offerings in colour-coated products and precision tubes. This expanded capacity, leading to ramping up of volumes of Tata Shaktee, Tata Kosh, Tata Steelium and Tata Astrum, will empower our customers by eliminating stock outs at their end and serve their demands better. In addition to leveraging our customer outreach and sales, we can now provide a better range by manufacturing complementary products.

In Financial Year 2018-19, more than two-third of our output were served to our automotive and construction customers who continue to be our valued partners. We also catered to the engineering sector, in which our comprehensive portfolio of solutions range from engineering services to custom-made plant and equipment. Our product range in high-quality agricultural implements is allowing our customers in Indian rural markets get value for money. Beyond this, Tata Steel continues to expand into the oil & gas and lifting & excavation segments by enhancing its expertise and preparing downstream facilities to serve the segment. We are continuously striving to meet the evolving needs of our customers by effectively engaging with our channel and ecosystem partners to enhance their capacity and capability.

## Key initiatives to enhance value for customers in Financial Year 2018-19

### Automotive

In India, Tata Steel continues to retain a leadership position in the automotive segment.

- Providing focussed customer initiatives such as Customer Service Teams, Value Analysis and Value Engineering and Advanced Technical Support
- Provided high-end grades through the Kalinganagar plant
- Attained 41% growth in high-end cold rolled coils and sheets through JCAPCPL (joint venture between Nippon Steel & Sumitomo Metal Corporation and Tata Steel)
- New materials business developed FRP products for the automotive sector

### Construction

Tata Steel is in the process of shaping the construction industry by maintaining its leadership position in specific segments such as individual house builders, medium and small housing and construction, and rural roofing segment.

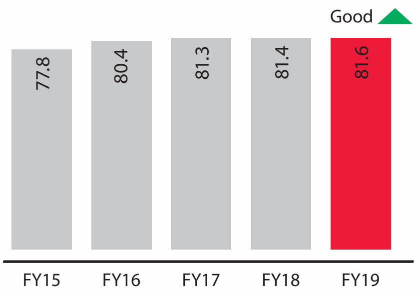
- Tata Steel is investing in downstream products, which help reduce overall cycle time and project costs for our customers
- We are enhancing the quality of consumer experience through various initiatives. E-sales of Tata Tiscon and Tata Shaktee have been scaled up through the early engagement portal 'Aashiyana'
- India's first-ever Fibre Reinforced Plastic foot over bridge was set up by the New Materials Business in March 2019

### Engineering

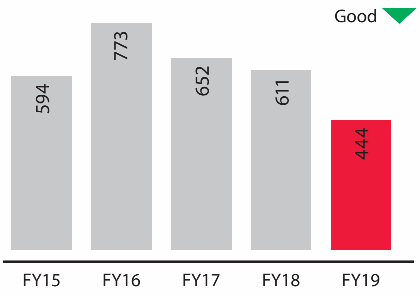
Tata Steel is working closely to develop new grades of steel with its ECA brands.

- Over 157 customer engagement activities were organised for 7,000+ Emerging Corporate Accounts (ECAs), through the Ecafez Qualithon platform
- 5 ECA conclaves (an Engagement forum for ECA customers with senior leadership of Tata Steel) was conducted for ECA customers across India
- Leveraged initiatives through the deployment of customer service teams, Value Analysis and Value Engineering (VAVE) and Technology Day

**Customer Satisfaction Index (Steel) (Score out of 100)**




**Customer complaints (PPM)**




Happy working with Tata Steel which is providing resource-effective and sustainable systems that are adding value to our CSR initiatives.

**Sanjay Khajuria**
Senior Vice President, Corporate Affairs, Nestlé India Limited

# Suppliers

## FOSTERING LONG-TERM RELATIONSHIPS WITH SUPPLIERS

As an integrated steel manufacturer, we work very closely with our network of supply chain partners in upstream as well as downstream. Our supply chain process is focussed on using a multi-pronged approach of vendor segmentation and developing long-term supplier partnerships. We treat our 5,000+ vendors as business partners through a fair and transparent governance process. All our supply chain partners are required to comply with the Tata Code of Conduct (TCoC) which enumerates the principles of fair business practice, ensuring human rights, complying with environmental regulations and standards, and adhering to health and safety requirements. The supply chain partners are covered under the whistle blower policy and a formal grievance redressal system. To ensure high standards of occupational health and safety in the supply chain, suppliers are rated on a 5-star scale. Contracts with high safety risks are awarded only to partners who score 4 and above on this scale. We also conduct periodic audits to ensure compliance to good human rights practices. 359 vendors have been trained on TCoC and SA8000, and eight have been blacklisted due to non-compliance with the TCoC.


Supplier Sustainability Expo 2018

**>5,000** Suppliers

## STRATEGIC FOCUS

SO2 SO4

Maintain cost leadership and care for people across our supply chain through partnerships with our suppliers

## GOAL

**We aim to create value creating partnership with our supplier community, based on a foundation of ethical conduct, high standards of working conditions and concern for the environment**

## WAY FORWARD

Further deepen our relationship building and process strengthening initiatives

## IMPACT ON SDGs


## SUPPLIER RELATIONSHIP MANAGEMENT (SRM) PROGRAMME

The SRM programme is aimed at collaborating with strategic vendors on digitalisation and innovation. We are including suppliers in technological knowledge transfer and capacity building programmes to enhance operational efficiencies, reduce transaction time and bring in transparency. Around 1,400 suppliers were covered through the Vendor Capability Advancement Programme (VCAP) under various topics such as TQM, finance, skill development, operational excellence, ethics, safety, and sustainability.

Further, to support the local communities and encourage the inclusion of marginalised sections of the society, we develop entrepreneurial capabilities and promote vulnerable communities by positive differentiation through Affirmative Action (AA) Programme of Tata Steel. Nearly 25% of our supply chain partners are local, out of which 70 are AA suppliers.

**359** vendors trained on TCoC and SA8000

**70** AA suppliers

**1,035** suppliers assessed on safety parameters

**~25%** suppliers are local

SO2 - Consolidate position as a global cost leader

SO4 - Industry leadership in CSR and SHE

# Communities

## SHARING VALUE WITH COMMUNITIES FOR A SUSTAINABLE TOMORROW

For Tata Steel, the well-being of communities and employees is at the core of its business. We operate in the remote regions of Jharkhand and Odisha whose overall socio-economic development is not at par with other parts of the country. The mining and metals industry has an inherent, significant and lasting adverse social and environmental impact on the surrounding population. We have mitigated these impacts by delivering a number of path-breaking interventions since inception. Townships with necessary facilities (utilities, healthcare, education and opportunities for earning a livelihood) provide a superior quality of life equally benefitting employees, their families and the local population.

## STRATEGIC FOCUS

SO4

Industry leadership in CSR and SHE

## GOAL

**Touching > 2 million lives by 2025**

## WAY FORWARD

- Establish district models in improving access to and quality of education and healthcare for infants, mothers and adolescents
- Continue to engage with tribal communities and nurture leadership potential among tribal youth
- Adopt innovative ways of enhancing household income, community nutrition, completion of basic education till matriculation by all, dealing with endemic water deficiency, supporting the differently abled and enabling better self-governance among citizens at the panchayat level
- Explore partnerships with governments, social sector organisations, academia, experts and other organisations in the national development space

## IMPACT ON SDGs


## OUR CSR INTERVENTIONS GO BEYOND REGULATIONS

Tata Steel has over a century of shared context, with communities giving it a microscopic view of their critical needs and aspirations. This has enabled the design of focussed initiatives which have matured over the years, from service provision to empowering communities in forging their future. CSR interventions are deployed by almost 600 professionals with diverse skills interacting directly with the community daily, partnered by organisations of national and global repute. TSL consistently commit resources to bold and innovative projects designed at scale. This approach is the bedrock of our strong and enduring community relationships with mutual trust and respect. It has significantly contributed to growth in our business, setting the Company apart from other mining and metals corporations.

A comprehensive range of themes with multiple initiatives aligned to globally accepted guidelines, including the UN SDGs, go well beyond the CSR mandate in the Companies Act, 2013. They cater to the most vulnerable sections among communities, addressing the challenges of today and building lasting solutions for the future. Focussed projects in health, drinking water, sanitation, education, livelihoods and infrastructure meet community needs. Sports and youth empowerment initiatives engage them meaningfully. Our 'Tribal Identity' theme is an emerging signature theme unique among corporates. It includes sustained efforts to preserve and promote aspects of heritage (language, culture, art forms and sports), ground-breaking efforts such as Samvaad and the Tribal Leadership Programme, which provide platforms for expression of and debate on tribal issues across India.

## Our CSR strategy

Tata Steel's CSR strategy looks at establishing replicable change models which impact core development gaps across India (Signature Programmes) and enhance thematic development focus on communities in operating areas (Proximate Community Development). In addition, TSL continues to strengthen its CSR governance and consolidate its leadership position by intensifying deployment of its key initiatives through the Tata Steel Foundation.

3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION

## Initiatives for health, drinking water and sanitation

**Impact**

### Maternal and New Born Survival Initiative (MANSI)

MANSI focusses on working with pregnant women, mothers and children on the issue of infant mortality through partnerships with the government, and national and international NGOs.

**Infant mortality reduced in 12 blocks of Odisha and Jharkhand**

**A real-time digital tracking system was launched to provide vital support to Sahiyas and ASHAs to respond to high-risk cases**

**Almost 1,855 high risk child and mother cases identified**

**~44% reduction in death rate achieved**

### Regional Initiative for Safe Sexual Health by Today's Adolescents (RISHTA)

RISHTA focusses on working with the adolescents to educate them on the importance of nutrition and their rights while imparting life skills training.

The RISHTA Android application enables detailed profiling and tracking of each adolescent over the project period, leading to focussed health inerventions and linkage to government programmes.

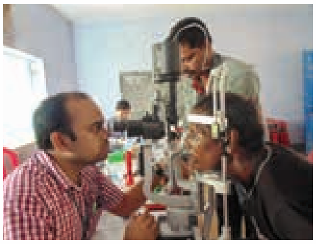
**Reached out to**

**15,000+**

**adolescents**

**990+**

**Peer educators developed from adolescent population**



### Outreach clinical healthcare services

We invest in Mobile Medical Units (MMUs), health camps, cataract screenings, surgeries and provision of eye glasses.

Mobile Eye Surgical Units (MESU) - a Sankara Nethralaya – IIT Chennai collaboration–takes world-class cataract surgical care to remote locations in Jharkhand through a fully equipped mobile operating theatre.

**3,800+**

**Cataract cases operated**

**2,400+**

**surgeries conducted by MESU**

### HIV-AIDS and leprosy

We are working with the LEPRA Society to spread awareness, and provide treatment and rehabilitation to leprosy patients. We invest in truckers intervention to raise awareness about HIV-AIDS.

**~ 1,905**

**leprosy cases availed awareness, treatment and rehabilitation, which included 31 surgeries**

### Drinking water

We install and repair drinking water facilities such as hand tube wells and deep bore wells, and piped drinking water, and are working on solar-powered drinking water projects.

The Springs initiative was an experiment conducted to prevent contamination of natural perennial springs. It enabled availability of clean water to five villages throughout the year.

**1.2 lakh +**

**beneficiaries impacted through installation of these facilities**

2 ZERO HUNGER

4 QUALITY EDUCATION

## Initiatives for Education

**Impact**

### Thousand Schools project

Thousand Schools project is working on the deployment of the Right to Education Act by enabling access for children to school, improving teaching and learning levels and improving school governance through School Management Committees.

Learning Beyond School is a fully community managed education resource centre that enables children to learn beyond school hours and become familiar with digital technology.

**1,170**

**schools reached out in Odisha and 248 in Jharkhand**

**1,50,000+**

**students covered in Odisha and Jharkhand**

**1,600+**

**habitations have become Child Labour Free Zones, out of the total 2,239 being addressed in Odisha since the inception of the project**

### Residential camp schools

We conduct residential camp schools (Masti Ki Pathshala) for children who are either dropouts or from vulnerable backgrounds engaged in child labour.

Our Saving Lost Childhood programme aims to reduce child labour in Jamshedpur.

**3**

**new Masti ki Pathshalas created in FY 2018-19 in Jamshedpur – total 4 schools catering to 50 girls and 260 boys**

**Almost 40 boys were mainstreamed to CBSE-based formal schools in FY 2018-19 from the first Masti Ki Pathshala**

**Pipla school in Jamshedpur now caters to around 100 girls from nearby areas who require bridging and mainstreaming to formal schools**

### Scholarships

We offer Tata Steel Scholars Programme and Jyoti scholarships that provide financial assistance to meritorious SC/ST students for post-graduate professional courses. Jyoti fellowship is also offered to SC/ST students from Class VII to post-graduation.

**90+**

**students received scholarships under Tata Steel Scholars Programme for Jharkhand and Odisha**

**3,300+**

**students received scholarships under Jyoti Fellowship in Jharkhand and Odisha**

**7**

**Tata Steel Scholars received pre-placement offers from Tata Steel in FY 2018-19**

### Child education for Particularly Vulnerable Tribal Groups (PVTG)

We work with the PVTG communities to provide them access to good education facilities.

**About 260 students enrolled in 7 residential English-medium schools in FY 2018-19, most of them first generation learners from PVTG families**

2 ZERO HUNGER | 4 QUALITY EDUCATION | 5 GENDER EQUALITY

## Initiatives for Livelihood

**Impact**

### Technical education institutes

We develop technical education institutes to improve employability of the youth in the community through professional skilling courses.

Ek Pahal is a skilling initiative to constructively engage prison inmates by imparting in-house training to enable them to secure gainful employment, both within and outside the jail.

Digital skills for rural children are imparted through a classroom-on-wheels called 'Kaushalyan' using an air-conditioned bus with workstations, an LED TV display as well as a trained computer faculty.

The nursing programme aimed at addressing the issues of poverty, unemployment and mass migration through nursing training.

**~4,800**
**youth enrolled**

**~2,500**
**youth trained**

**~2,000**
**youth placed/ self-employed**

### Women Self-help Groups (SHGs)

We have created women SHGs in our communities to impart skills and empower them to run an enterprise.

**~10,000**
**women empowered through SHGs in 95 gram panchayats**

### Improve agricultural productivity

We boost farmers' income through improved agricultural productivity by investing in improved irrigation facilities for the community, waste land development and other allied activities

**20,000+**
**farmers benefitted through agriculture productivity techniques and allied activities**

**~85**
**ponds constructed/repaired in Jharkhand and Odisha for agricultural and domestic use**

11 SUSTAINABLE CITIES AND COMMUNITIES

## The Development Corridor

**Impact**

### A 280 km well-being trail

**The Corridor is the route connecting Tata Steel's Jamshedpur and Kalinganagar operations. The project has extensive data on over 3.6 lakh population (>90,000 households) in 71 Gram Panchayats across 5 districts using the Data, Evaluation, Learning, Technology and Analysis (DELTA) digital microplanning system of the Tata Trusts**

3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY

## Initiatives for youth empowerment

**Impacts**

### Youth empowerment through sports

We empower youth by training them and providing them access to good sports facilities and nurturing sporting talent with career potential

**40,000+**

**youth engaged through different sports activities**

10 REDUCED INEQUALITIES

## Initiatives for tribal identity

**Impact**

### Connecting tribal communities

We created 'Samvaad', a national platform for discussion among tribal communities

**6 regional editions of Samvaad held across India. 1,680 tribals representing 99 tribal communities, delegates from 27 Indian states and 17 countries attended the Samvaad 2018 event**

### Tribal heritage

We work with 12 tribal organisations to revive and rejuvenate tribal language, literature and cultural heritage.

**Almost 16,480 students of Jharkhand and Odisha enrolled in 317 language centres providing instructions in 6 tribal languages**

**Created 'Rhythms of the Earth', a pan-India tribal musical group comprising 75 members from 5 states covering 14 tribes**

### Tribal sports

We also encourage and promote tribal sports

**Almost 4,200 tribal youth of Jharkhand and Odisha were engaged through tribal sports**

### Tribal Leadership Programme

The residential programme is for individuals from tribal communities willing to work to bring about a positive change in society.


Jubilee Park, Jamshedpur


Tata Main Hospital, Jamshedpur


Summer Camp, JRD Tata Sports Complex , Jamshedpur

## Quality of life for communities

### Jamshedpur - Celebrating 100 years of our legacy township

Jamshedpur is the only million-plus city in India without a municipal corporation, with Tata Steel providing all amenities, such as power, water, sewage line, and sanitation facilities resulting in high Quality of Life (QoL) for its citizens. Tata Steel has progressively met the challenges posed by the surge in urban growth and increasing aspirations of a world-class city. With 37.5% green cover, Jamshedpur scores 101 on the QoL index, which is similar to the best cities in India.

Tata Steel caters to the healthcare requirement of its employees, their families, and the community around its area of operations. The medical facilities are extended through a network of Tata Main Hospital (TMH) located in Jamshedpur – 1,000+ bed tertiary care hospital supported by 8 TMH clinics spread across the city and raw material locations such as Jamadoba, Noamundi, Sukinda, West Bokaro and Joda.

**Catering to healthcare of our communities**

**1.64 million**
**OPD patients**

**59,000**
**Indoor admissions**

**21,000**
**Surgeries and procedures**

## TSK - A new beginning

The wilful relocation and resettlement of 100% of families staying inside the Tata Steel Kalinganagar (TSK) project area as per the R&R guidelines of the Government of Odisha was completed in Financial Year 2018-19. Beyond the R&R guidelines, Tata Steel is planning to develop model colonies with self-contained facilities such as portable water supply, water treatment plant, rain water harvesting, and solid waste management. Water treatment plant with a capacity of 1 million litres per day has been completed and made operational since March 14, 2019. For promoting education of the children of relocated families and the nearby community, Loyola School, Kalinganagar has been constructed with all standard facilities to cater to 1,400 students.

A 200-bed facility of Tata Steel-Medica Hospital is operational and is catering to quality healthcare needs of the people living in and around Kalinganagar. Multi-specialty health camps are also being organised to provide specialised healthcare services to people. An integrated township, with a plan of 1,004 flats are being constructed.  In the first phase, 188 flats, were completed and handed over in Financial Year 2018-19.


Tata Steel Medica Hospital, Kalinganagar, Odisha

## Sports - A way of life at Tata Steel

Tata Steel engages employees, their families and the community in sporting activities through its:

- Sports academies (Tata Football Academy, Tata Archery Academy and Naval Tata Hockey Academy)
- Extension centres run along with Sports Authorities of India (Athletics and boxing)
- Training centres covering 17 disciplines, including basketball, badminton, volleyball, table tennis and chess.


## Some key highlights of our sports initiatives in FY 2018-19

- Padma Shri laureate, Ms. Bachendri Pal, the first Indian woman to climb Mt. Everest, was conferred the Padma Bhushan in 2019. The Tata Steel Adventure Foundation (TSAF) headed by her, has enabled seven members of the community to scale Mt. Everest. TSAF has also formed a Climbing Academy.
- Apart from regular runs and half marathons at Jamshedpur, Kolkata, Bhubaneswar and Noamundi, a run was organised at Angul (location of Tata Steel BSL) and a run was sponsored at Indore, both of which were new initiatives.
- The Naval Tata Hockey Academy, which has a world-class AstroTurf, is focussed on the tribal communities. The team won the JSA Cup and nine boys were selected to attend the National Camp for the junior team.
- The Tata Archery Academy has over the last 16 years trained 127 cadets, 45 of whom have represented India. In Financial Year 2018-19, Deepika Kumari from the Academy won the gold medal at the World Cup Stage 3 at Kolkata and bronze medal in the finals in Antalya, Turkey. Deepika and Prachi Singh won a gold medal in the Asia Cup in Taiwan.

**Tata Football Academy and Tata Trusts collaborate with Atlético de Madrid to develop Indian Football**

- Established in 1987 to train and nurture budding Indian footballers, Tata Football Academy (TFA) continues to serve national level football 141 out of 213 cadets have represented the country. In Financial Year 2018-19, TFA entered a tie-up with La Liga Giants Atlético de Madrid.
- Jamshedpur Football Club (JFC) continued its participation in the ISL and brought together some of India's top talents, youngsters and experienced foreign players. JFC continued to have its impact on the overall ecosystem of football in our areas of operation, including grassroots football, youth football and women football, and on improving the infrastructure, training and development.

## Tata Steel Training and Feeder Centre sports achievements in FY 2018-19

| Level | Participation | Gold | Silver | Bronze | Total |
|---|---|---|---|---|---|
| District | 247 | 57 | 28 | 34 | 119 |
| State | 414 | 202 | 131 | 116 | 449 |
| Zonal | 69 | 42 | 22 | 16 | 80 |
| National | 182 | 14 | 16 | 18 | 48 |
| International | 6 | 3 | 1 | 3 | 7 |
| **Total** | **918** | **318** | **198** | **187** | **703** |

# Awards and recognitions

We are a leading corporate in the Indian and global steel industry. We continue to be recognised for our operational excellence, as well as, environmental and social stewardship.


**PM's Trophy for the Best Performing Integrated Steel Plant for 2016-17**


**Steel Sustainability Champions 2018 recognition by World Steel Association**

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

SAM
Sustainability Award
Gold Class 2019

**'Global Steel Industry Leader' in the Dow Jones Sustainability Index (DJSI) 2018**

GreenPro

**Tata Pravesh Doors, Tata Pipes & Tata Structura have been certified as green products through 'GreenPro' certification by the Confederation of Indian Industry (CII).**

**(First steel products in India to get this eco-label)**

AEO
भारतीय सीमा शुल्क
INDIAN CUSTOMS

**Awarded the Authorised Economic Operator (AEO) Status (Tier 2) in March 2019 by The Directorate of International Customs (Ministry of Finance)**

# Board's Report

To the Members,

Your Directors take pleasure in presenting the 4th Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the 112th Annual Accounts on the business and operations of your Company, along with the summary of standalone and consolidated financial statements for the year ended March 31, 2019.

## A. Financial Results

(₹ crore)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Revenue from operations | 70,610.92 | 60,519.37 | 1,57,668.99 | 1,24,109.69 |
| Total expenditure before finance cost, depreciation (net of expenditure transferred to capital) | 50,047.98 | 44,740.41 | 1,28,285.65 | 1,02,676.50 |
| Operating Profit | 20,562.94 | 15,778.96 | 29,383.34 | 21,433.19 |
| Add: Other income | 2,405.08 | 763.66 | 1,420.58 | 881.10 |
| Profit before finance cost, depreciation, exceptional items and taxes | 22,968.02 | 16,542.62 | 30,803.92 | 22,314.29 |
| Less: Finance costs | 2,823.58 | 2,810.62 | 7660.10 | 5,454.74 |
| Profit before depreciation, exceptional items and taxes | 20,144.44 | 13,732.00 | 23,143.82 | 16,859.55 |
| Less: Depreciation and amortisation expenses | 3,802.96 | 3,727.46 | 7,341.83 | 5,741.70 |
| Profit/(Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax | 16,341.48 | 10,004.54 | 15,801.99 | 11,117.85 |
| Share of profit/(loss) of Joint Ventures & Associates | - | - | 224.70 | 239.12 |
| Profit/(Loss) before exceptional items & tax | 16,341.48 | 10,004.54 | 16,026.69 | 11,356.97 |
| Add/(Less): Exceptional Items | (114.23) | (3,366.29) | (120.97) | 9,599.12 |
| Profit before taxes | 16,227.25 | 6,638.25 | 15,905.72 | 20,956.09 |
| Less: Tax Expense | 5,694.06 | 2,468.70 | 6,718.43 | 3,392.33 |
| **(A)** Profit/(Loss) after taxes - from Continuing operations | 10,533.19 | 4,169.55 | 9,187.29 | 17,563.76 |
| Profit/(loss) before tax from Discontinued operations | - | - | (98.60) | 206.96 |
| Less: Tax expense of Discontinued Operations | - | - | (9.64) | 13.06 |
| Profit/(Loss) after tax from Discontinued Operations | - | - | (88.96) | 193.90 |
| Profit/(Loss) on Disposal of Discontinued Operations | - | - | - | 5.15 |
| **(B)** Net Profit/(loss) after tax - from Discontinued operations | - | - | (88.96) | 199.05 |
| **(C)** Net Profit/(Loss) for the Period [ A + B ] | 10,533.19 | 4,169.55 | 9,098.33 | 17,762.81 |
| Total Profit/(Loss) for the period attributable to: | | | | |
| Owners of the Company | - | - | 10,218.33 | 13,434.33 |
| Non-controlling interests | - | - | (1,120.00) | 4,328.48 |
| **(D)** Total other comprehensive income | (50.22) | (61.12) | 7.79 | (3,078.01) |
| **(E)** Total comprehensive income for the period [ C + D ] | 10,482.97 | 4,108.43 | 9,106.12 | 14,684.80 |
| Retained Earnings: Balance brought forward from the previous year | 18,700.25 | 12,280.91 | 7,801.99 | (11,447.01) |
| Add: Profit for the period | 10,533.19 | 4,169.55 | 10,218.33 | 13,434.33 |
| Less: Distribution on Hybrid perpetual securities | 266.12 | 266.13 | 266.12 | 266.13 |
| Add: Tax effect on distribution of Hybrid perpetual securities | 92.99 | 92.70 | 92.99 | 92.70 |
| Add: Other Comprehensive Income recognised in Retained Earnings | 3.88 | 155.39 | (425.92) | (2,780.05) |
| Add: Other movements within equity | 1.49 | 3,427.46 | (1,995.47) | 9,926.37 |
| Balance | 29,065.68 | 19,859.88 | 15,425.80 | 8,960.21 |
| Which the Directors have apportioned as under to: | | | | |
| (i) Dividend on Ordinary Shares | 1,145.92 | 971.22 | 1,144.76 | 970.05 |
| (ii) Tax on dividends | 224.86 | 188.41 | 224.61 | 188.17 |
| **Total Appropriations** | **1,370.78** | **1,159.63** | **1,369.37** | **1,158.22** |
| Retained Earnings: Balance to be carried forward | 27,694.90 | 18,700.25 | 14,056.43 | 7,801.99 |

**Notes:**

(1) On January 28, 2019, T S Global Holdings Pte. Ltd. (**'TSGH'**) (an indirect wholly-owned subsidiary of the Company) executed definitive agreements to divest its entire equity stake in NatSteel Holdings Pte. Ltd. (**'NSH'**) and Tata Steel (Thailand) Public Company Ltd (**'TSTH'**). As per the agreements, the divestment will be made to a company, to be formed, in which 70% equity shares will be held by an entity controlled by HBIS Group Co. Ltd. and 30% will be held by TSGH.

The assets and liabilities of NSH and TSTH have been classified as 'held for sale' as on March 31, 2019 and have been presented separately in the Consolidated Balance Sheet. The results for the current period of NSH and TSTH have been disclosed within discontinued operations and results for the previous periods have been restated accordingly.

(2) During the year under review, exceptional items (Consolidated Accounts) primarily represents:

a) Provision for demands and claims amounting to ₹329 crore relating to certain statutory demands and claims on environment and mining matters at Tata Steel Limited (Standalone).

b) Provision of ₹172 crore in respect of advances with public bodies paid under protest by Tata Steel BSL Limited.

c) Provision for Employee Separation Scheme ('**ESS**') under Sunehere Bhavishya Ki Yojana ('**SBKY**') scheme amounting to ₹35 crore at Tata Steel Limited (Standalone).

d) Impairment charges of ₹10 crore in respect of property, plant and equipment (including capital work-in-progress and capital advances) and intangible asset at Tata Steel BSL Limited.

Partly offset by:

e) Profit on sale of non-current investments amounting to ₹180 crore, primarily in TRL Krosaki Refractories Limited (an associate of the Company) and certain other subsidiaries and joint ventures.

f) Restructuring and write back of provisions amounting to ₹245 crore which primarily includes write-back of liabilities no longer required at Tata Steel BSL Limited and arbitration settlement at Jamshedpur Utilities & Services Company Limited, partly offset by charge at Tata Steel Europe.

The exceptional items (Consolidated Accounts) in Financial Year 2017-18 primarily include:

a) Gains arising out of modification in benefit structure for members of the new pension scheme ('**NBSPS**') versus their benefits under Tata Steel Europe's British Steel Pension Scheme ('**BSPS**'), offset by settlement charges for those members who did not join the NBSPS and one-off costs at Tata Steel Europe amounting to ₹13,851 crore.

Partly offset by:

b) Provision of ₹3,214 crore in respect of certain statutory demands and claims relating to environment and mining matters, net of liability written back towards District Mineral Fund at Tata Steel Limited (Standalone).

c) Provision for advances paid for repurchase of equity shares in Tata Teleservices Ltd. from NTT DoCoMo Inc. amounting to ₹27 crore at Tata Steel Limited (Standalone).

d) Provision for Employee Separation Scheme (**'ESS'**) under Sunehere Bhavishya Ki Yojana (**'SBKY'**) Scheme ₹108 crore mainly at Tata Steel Limited (Standalone) and at Jamshedpur Utilities & Services Company Limited.

e) Impairment charges ₹903 crore in respect of Property, Plant and Equipment (including capital work-in-progress) and intangible assets relating to Global Mineral entities.

## 1. Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**'Listing Regulations'**) the Board of Directors of the Company **('the Board')** formulated and adopted the Dividend Distribution Policy (**'the Policy'**). As per the Policy, the Company, after considering various external factors that may have an impact on the business as well as internal factors such as the long-term growth strategy of the Company and the liquidity position including working capital requirements and debt servicing obligations, will endeavour to pay dividend up to 50% of profit after tax of the Company, subject to the applicable rules and regulations.

The Policy is annexed to this report (**Annexure 1**) and is also available on our website www.tatasteel.com

## 2. Dividend

The Board recommended a dividend of ₹13 per fully paid Ordinary Share on 112,64,89,680 Ordinary Shares of face value ₹10 each, for the year ended March 31, 2019. (Dividend for Financial Year 2017-18: ₹10 per fully paid Ordinary Share on 112,64,84,815 fully paid Ordinary Shares of face value ₹10 each).

The Board also recommended a dividend of ₹3.25 per partly paid Ordinary Share on 7,76,36,705 partly paid Ordinary Shares of face value ₹10 each (paid up ₹2.504 per share) for the year ended March 31, 2019. [Dividend for Financial Year 2017-18: ₹2.504 per partly paid Ordinary Share on 7,76,34,625 partly paid Ordinary Shares of face value ₹10 each (paid-up ₹2.504 per share)]. The Board recommended dividend based on the parameters laid down in the Dividend Distribution Policy.

The dividend on Ordinary Shares (fully paid as well as partly paid) is subject to the approval of the Shareholders at the Annual General Meeting (**'AGM'**) scheduled to be held on Friday, July 19, 2019.

The dividend once approved by the Shareholders will be paid on and from Tuesday, July 23, 2019. If approved, the dividend would result in a cash outflow of ₹1,795.87 crore inclusive of dividend distribution tax of ₹306.21 crore. The dividend on Ordinary Shares (fully paid as well as partly paid) is 130% of the paid-up value of each share. The total dividend pay-out works out to 17% (Previous Year: 33%) of the net profit for the standalone results.

The Register of Members and Share Transfer Books of the Company (for fully paid as well as partly paid shares) will remain closed from Saturday, July 6, 2019 to Friday, July 19, 2019 (both days inclusive) for the purpose of payment of the dividend for the Financial Year ended March 31, 2019 and the AGM.

## 3. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2018-19 in the statement of profit and loss.

#### 4. Capex and Liquidity

During the year under review, the Company, on a consolidated basis spent ₹9,091 crore on capital projects across India, Europe and Canada largely towards essential sustenance, replacement and on-growth projects in India (Kalinganagar plant and Tata Steel BSL Limited), and in the Netherlands. Despite this significant spend, the Company was able to keep the gross debt level stable during the year.

The Company's liquidity position remains strong at ₹15,284 crore as on March 31, 2019, comprising ₹5,937 crore in cash and cash equivalent and ₹9,347 crore in undrawn bank lines.

#### 5. Management Discussion and Analysis

The Management Discussion and Analysis as required in terms of the Listing Regulations is annexed to the report (**Annexure 2**) and is incorporated herein by reference and forms an integral part of this report.

### B. Integrated Report

In keeping with the Company's commitment to society, in 2016, we transitioned from compliance based reporting to governance based reporting by adopting the <IR> framework developed by the International Integrated Reporting Council.

We present to you our 4th Integrated Report which highlights the Company's efforts during the year that contribute to long-term sustainability and value creation, paving way for a better tomorrow.

### C. External Environment

#### 1. Macroeconomic Conditions

Following an upswing in the last two years, global growth declined to 3.6% in 2018, owing to various factors such as increase in trade tensions and tariff hikes between the United States and China, decline in business confidence, tightening of financial conditions, and higher policy uncertainty across many economies. While the first half of 2018 witnessed strong growth at 3.8%, the second half saw a deceleration in global economic activity, in light of the various factors affecting major economies.

Growth in China was at 6.6%, its slowest pace since 1990, due to necessary domestic regulatory tightening, slower domestic investment, and tariff hikes and trade tensions with the United States. The United States witnessed a growth of 2.9%, the highest since 2015, with major contribution coming from personal spending, fixed investment, public expenditure and inventories. Growth in the Euro area economy slowed to 1.8% in 2018, owing to weakening consumer and business sentiments, disruptions in car production in Germany due to delay in introduction of new fuel emission standards, fiscal policy uncertainty, elevated sovereign spreads, and declining investment in Italy, and drop in external demand, especially from emerging Asia. Growing concerns about a no-deal Brexit also probably weighed on investment spending within the euro area. Activity in Japan weakened mainly due to natural disasters.

Growth in India was 7.1%, primarily due to growth in construction sector (8.9%) and manufacturing sector (8.1%). The Gross fixed capital formation is estimated to have increased by 10%, thereby contributing to 32.3% of GDP.

Overall, increasing trade tensions took a toll on business confidence, worsening financial market sentiments. Also, tightening financial conditions for vulnerable emerging markets in early 2018 and for advanced economies later in the year showed its impact on global demand, leading to a slowdown in global economic growth.

#### 2. Economic Outlook

According to the International Monetary Fund (**'IMF'**), global economic growth is expected to further decline to 3.3% in 2019 but return to 3.6% in 2020. While the slow paced growth in the second half of 2018 is likely to continue in the first half of 2019, growth in the second half of 2019 is expected to gain momentum, owing to an ongoing build-up of policy stimulus in China, improvements in global financial market sentiment, waning of some temporary drags on growth in the euro area, and a gradual stabilisation of conditions in stressed emerging market economies. Improved momentum for emerging market and developing economies is projected to continue into 2020, primarily reflecting developments in economies currently experiencing macroeconomic distress.

Growth in advanced economies is expected to slow down from 2.2% in 2018 to 1.8% in 2019 to 1.7% in 2020. The United States is expected to grow at a slower pace of 2.3% in 2019, down to a further 1.9% in 2020 as the impact of the fiscal stimulus fades. Growth in the Euro area is expected to decline to 1.3% in 2019 as the effect of the weakness in 2018 is likely to carry forward to the first half of 2019. China's economic growth is expected to be at 6.3% in 2019 due to lingering impact of trade tensions with the US.

The Indian economy is expected to grow at about 7.3% in 2019 and further by 7.5% in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Resolution of Non-Performing Assets (**'NPA'**) and other recoveries over the past year have been efficacious. Large NPA accounts should continue to see resolution in 2019. The projected increase in growth rate can also be attributed to sustained rise in consumption, gradual revival in investments, and greater focus on infrastructure development.

### D. Steel Industry

#### 1. Global Steel Industry

According to the World Steel Association (**'WSA'**), global crude steel production reached 1,808.6 MnT in 2018, an increase of 4.6% over 2017. This increase is primarily due to growth in steel consumption in infrastructure, automotive, manufacturing and equipment sectors. China continued to be the world's largest crude steel producer, contributing to 51.3% of the global crude steel production. Crude steel production in India, increased to 106.5 MnT. India's crude steel production increased by 4.9% over the previous year, making India the second largest crude steel producing country.

Despite slowdown in the economy, global steel demand increased by 2.1% in 2018. The marginal increase over 2017 was mainly supported by government stimulus in China and better than expected economic activity. However, steel demand in developed economies slowed to 1.8% in 2018 as compared to 3.1% in 2017.

Steel demand in the European Union (**'EU'**) grew by 2.2% in 2018 as against 3.4% in 2017. Output growth in the steel consuming sectors in the EU eased in the second half of 2018, especially in the automotive sector. Output of passenger cars was negatively impacted by the introduction of new emission testing procedures and a slowdown in demand both inside and outside the EU. In 2018 the EU was a net importer of steel at 16.9 MnT. Exports from China to the rest of the world decreased again in 2018 to 68.8 MnT. Changing trade flows in the global steel market have caused an increase in the amount of anti-dumping measures.

### 2. Outlook for Steel Industry

As per WSA, global steel demand is forecasted to reach 1,735 MnT in 2019, an increase of 1.3% over 2018. In 2020, global steel demand is expected to reach 1,752 MnT, reflecting an increase of 1%. Although steel demand is expected to grow, the rate of growth will be lower owing to slowdown in global economy. Further, China's deceleration, uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment.

China plans for a major structural overhaul of the steel sector by 2020. Further, it plans to reduce the steel output which would ease the uneven supply-demand situation in the sector, modernise the steel mills to achieve energy consumption and pollutant emissions within the nation standard by 2020. Steel demand in developing Asia excluding China is expected to grow by 6.5% and 6.4% in 2019 and 2020 respectively, making it the fastest growing region in the global steel industry. In the ASEAN region, infrastructure development is expected to support demand for steel. Steel demand in advanced economies is expected to grow at a slower pace owing to trade tensions and lower spend on construction activities.

Steel demand in India is expected to grow at 7% in 2019 as well as in 2020. Steel demand in India will be driven by broad based growth across sectors. Construction is expected to grow boosted by government spending on infrastructure. The automotive sector is expected to grow at about 7.5% in 2019 which is lower than that of 2018 as sales slowed towards the end of 2018 and early 2019. Policy to support real estate sector will lead to stronger growth in 2019. Recovery in the capital goods sector witnessed in 2018 is expected to sustain in 2019. The sector is expected to grow above 7% aided by increasing demand for construction and earthmoving equipment.

Industry consolidation through the Insolvency and Bankruptcy Code, 2016, is expected to lead to improved discipline in the marketplace and stable pricing. Change of ownership will also lead to improved capacity utilisation levels over the next 1-2 years.

## E. Operations and Performance

### 1. Tata Steel Group

During the year under review, Tata Steel Group (**'the Group'**) recorded total deliveries of 26.80 MnT (previous year: 22.89 MnT). Increase in deliveries was due to acquisition of Bhushan Steel Limited [renamed Tata Steel BSL Limited (**'TSBSL'**)] along with higher volumes from Tata Steel Kalinganagar. The turnover for the Group was at ₹1,57,669 crore (previous year: ₹1,24,110 crore), an increase of 27% over the previous year. This increase is primarily attributable to increase in deliveries and realisations from domestic operations and increase in realisations at Tata Steel Europe.

The Group EBITDA was ₹29,770 crore (previous year: ₹21,369 crore), an increase of 39% over the previous year. EBITDA increased mainly at Tata Steel Limited (Standalone) on account of improved steel margins attributable to higher volumes, higher realisations and acquisition of TSBSL. Increase in EBITDA at Tata Steel Europe is attributable to better than expected market conditions with higher selling prices in the European market.

During the year under review, the Group reported a consolidated profit after tax (including discontinued operations) of ₹9,098 crore (previous year: ₹17,763 crore) which translated into a basic Earning per share of ₹87.75. Profits were lower than previous year as previous year's profit included an exceptional gain of ₹9,599 crore primarily due to non-cash accounting surplus arising from the formation of new British Steel Pension Scheme, as against a charge of ₹121 crore during the current year.

### 2. India

During the year under review, total deliveries at Tata Steel Limited (Standalone) were at 12.69 MnT (previous year: 12.15 MnT), recording an increase of 4.5% over the previous year. Turnover was ₹70,611 crore (previous year: ₹60,519 crore), 16.7% higher than that of the previous year. EBITDA from Tata Steel Limited (Standalone) was ₹20,744 crore (previous year: ₹15,800 crore), 31% higher than that of the previous year.

During the year under review, crude steel production in India (including TSBSL) increased by 35% to 16.81 MnT. Total deliveries at Tata Steel India were at 16.26 MnT, recording an increase of 34% over the previous year due to the acquisition of TSBSL and a ramp up at both Kalinganagar and TSBSL. Volumes from Indian operations account for more than 61% of the consolidated volumes.

The turnover (excluding inter-company eliminations and adjustments) from Indian operations (including TSBSL) was ₹88,987 crore, 47% higher than that of previous year. This was mainly due to higher steel realisation and volumes.

Indian operations including TSBSL reported EBITDA (excluding inter-company eliminations and adjustments) for the year was ₹23,777 crore, which has been highest ever in history. This has been achieved by strong operating and commercial performance.

Company's leadership position in chosen segments has been growing continuously and industrial products and project segments sales grew by 42% year-on-year. The branded products retails and solutions business grew by 30% year-on-year, the automotive segment sales increased by 21% year-on-year, and the automotive steel sales volume crossed 2.25 million mark in Financial Year 2018-19.

The Company is striving for a sustainable business model and has undertaken a number of initiatives that will reduce its carbon footprint across the value chain. The $CO_2$ emission intensity at Jamshedpur plant improved to 2.28 tonnes of carbon per ton of steel in Financial Year 2018-19. The solid waste utilisation was in excess of 99%. Tata Steel Kalinganagar Phase - II expansion is progressing as per plan and is scheduled for completion in Financial Year 2021-22.

### 3. Europe

During the year under review, production at European operations was lower by 381k tonnes (4%) on account of operational issues at both the sites, mainly due to overrun of BF5 life extension works in the UK Pellet plant overhaul issues and fire at caster 22 in IJmuiden. Deliveries declined by 350k tonnes (4%) in line with lower production.

The turnover increased from ₹59,985 crore in previous year to ₹64,777 crore during the year owing to increase in average revenue per tonne due to improved market conditions. EBITDA increased by ₹1,701 crore (46%) attributable to better than expected market conditions with higher selling prices in the European market.

The European Operations reported loss before tax as compared to profit reported in the previous year which included gain of ₹13,851crore relating to non-cash accounting surplus arising from the formation of new British Steel Pension Scheme.

## F. Strategy

The year under review has been quite rewarding for the Company in terms of meeting profitability targets, preparing for the future and witnessing progress on initiatives commenced in the previous years.

The acquisition of Bhushan Steel Limited (renamed Tata Steel BSL Limited) has enhanced the overall capacity of the Company by 5 MnT, thereby providing the structurally strong Indian business operations the required scale. The Company has further growth plans including growth of its long products business. During the year, the Company also entered into definitive agreements to divest majority stake in its South-East Asian operations in order to focus resources on growth in India.

The Company has also taken steps to establish a sustainable leadership position through simplification of the organisation and building scale in capabilities and new businesses. As part of its strategy, various teams have been set up to achieve certain goals for the organisation. These teams include: (i) an integrated technology team, to achieve the goal of being amongst the top 5 in steel technology globally; (ii) a One IT team to achieve the goal of value creation through digital transformation by investing in the required infrastructure and partnerships; and (iii) an integrated supply chain team to enable multi-locational growth and greater efficiency. In the Services & Solutions portfolio, 'Pravesh' (steel doors and windows) is making progress towards achieving the required scale.

The Graphene and Fibre Reinforced Polymer businesses have also established required enablers to scale up. The Steel Recycling Business is setting up the required business model and capabilities.

Going forward, the Company aspires to further strengthen its leadership position in the industry and is pursuing the following priorities in the medium term:

**Industry leadership in Steel:** In the near future, India, given its proposed infrastructure projects, is expected to be one of the largest consumers of steel and stimulators of steel demand. In order to meet this increasing demand, the Company has in place, plans to consistently grow through brownfield expansions as well as value creating acquisitions. In order to attain leadership position in the steel industry, key priority for the Company is to progress on implementation of TSK Phase - II. The Company is also working towards creating a larger long products portfolio to participate in the growing market for long products, driven by increase in urbanisation and infrastructure development. To achieve this objective, integration of the steel business of Usha Martin Limited and a roadmap for growth in Long Products will be the areas of focus for the future. The Company also aspires to attain leadership position in new segments viz. Lifting and Excavation, Oil and Gas, Pre-Engineered Buildings, etc. and to maintain leadership position in segments such as Automotive, Emerging Corporate Accounts (Small and Medium Enterprises), Individual House Builders, etc.

**Consolidate position as global cost leader:** The Company has consistently been one of the most profitable and lowest cost producers of steel in the world. Cost of captive iron ore and coal represents almost 50% of the operational cost base of the Company. Structural cost reduction projects in areas of operational efficiency, employee productivity, logistics, digital-enabled efficiency enhancement, etc. are being undertaken to consolidate and to maintain the Company's position as a cost leader. Realisation of the planned synergy benefits with Tata Steel BSL Limited is also a top priority in this area.

**Insulate revenues from steel cyclicality:** The steel industry is cyclical in nature. In order to insulate itself from this cyclicality, the Company is focusing on strengthening the branded consumer business and downstream product portfolio. Tata Steel has embarked on Services & Solutions (**'S&S'**) business to reduce the impact of steel cyclicality. Pravesh and Nest In are examples of our offering in S&S. These businesses are seeing significant growth. Leveraging our deep knowledge of customer needs and ability to execute insight-driven innovation, we believe that this portfolio will provide us with significant competitive advantage in future. We are planning for strong growth in S&S and these businesses can contribute 20% of our revenue going forward.

Tata Steel is also scaling up a portfolio of new materials, currently comprising of Graphene and Fibre Reinforced Polymer. These new businesses have exciting possibilities and we will use technology to create differentiating value propositions and new applications. S&S and new materials businesses will provide added impetus to our differentiated play and provide a unique growth opportunity.

**Industry leader in Corporate Social Responsibility and Safety, Health and Environment:** As one of the leading steel producers in the world, the Company aspires to be a leader in sustainable business practices in the industry. Towards this objective, the Company is taking steps to reduce its environment footprint. Focusing on steel scrap recycling business to promote sustainable steel making and to create a circular economy for steel is one of the key elements of our business model for growth in Long Products. The Company also recognises the need to create a safe and healthy environment for all employees and stakeholders and desires to be an industry leader in Corporate Social Responsibility (**'CSR'**) and Safety, Health & Environment (**'SHE'**). This will be achieved through enhanced focus on reducing unsafe incidents at the workplace, carbon emissions and consumption of natural resources such as water. The Company will continue to deepen the engagement with communities, aiming to touch many more lives through its CSR initiatives.

**Strategic enablers:** Creation of a set of core capabilities in the organisation is essential for the Company to achieve its Strategic Objectives. People are the key to success for any organisation and hence, the Company continues to direct its efforts towards building a skilled, engaged and diverse workforce. Along with this, the Company is also focussed on creating the right organisation culture that encourages agility and innovation. The Company is also focussed on investing in various digital initiatives, enabling new business models and enhancing the digital maturity of the organisation. During the year under review, initiatives were taken to put in place an innovation framework. In the coming year, the focus will be to put in place a structure and engagement mechanism for partnering with startups. The Integrated Technology Organisation will focus on creating outcome-based external collaborations and developing deep expertise in identified strategic thrust areas.

## G. Key Developments

### Acquisitions and Investments

#### Acquisition of Bhushan Steel Limited (renamed Tata Steel BSL Limited)

During the year under review, the Company through its wholly-owned subsidiary, Bamnipal Steel Limited (**'BNPL'**) completed the acquisition of controlling stake of 72.65% in Bhushan Steel Limited (renamed Tata Steel BSL Limited) (**'TSBSL'**), pursuant to the Resolution Plan (**'RP'**) as approved by the National Company Law Tribunal vide its Order dated May 15, 2018, under Corporate Insolvency and Resolution Process (**'CIRP'**) of the Insolvency and Bankruptcy Code, 2016 (**'IBC'**).

In March 2019, the Company acquired 1070,00,00,000 – 11.09% Non-Convertible Redeemable Preference Shares of face value ₹10 each, aggregating to ₹10,700 crore, in two tranches and 900,00,00,000 – 8.89% Optionally Convertible Redeemable Preference Shares of face value ₹10 each, aggregating to ₹9,000 crore, in two tranches, of TSBSL.

Further, on April 25, 2019, the Board of Directors of the Company approved the amalgamation of BNPL and TSBSL into and with the Company by way of a composite scheme of amalgamation and have recommended a merger ratio of 1 equity share of ₹10 each fully paid up of the Company for every 15 equity shares of ₹2 each fully paid up held by the public shareholders of TSBSL.

As part of the scheme, the equity shares held by BNPL and the preference shares held by the Company in TSBSL shall stand cancelled. The equity shares held by the Company in BNPL shall also stand cancelled. The amalgamation is subject to shareholders and other regulatory approvals.

#### Acquisition of Creative Port Development Private Limited

In January 2017, the Company entered into definitive agreement to acquire 51% equity stake in Creative Port Development Private Limited (**'CPDPL'**) for the development of Subarnarekha Port at Odisha through a wholly-owned subsidiary Subarnarekha Port Private Limited. On September 18, 2018, the Company completed the acquisition of 51% equity stake in CPDPL, a proposed greenfield port project.

#### Acquisition of Steel Business of Usha Martin Limited

On September 22, 2018, the Company, as a part of its strategy to grow in long products, executed definitive agreements for acquisition of steel business of Usha Martin Limited (**'UML'**), a special steel and wire rope manufacturer, through a slump sale on a going concern basis.

Tata Sponge Iron Limited (**'TSIL'**), a 54.5% subsidiary company engaged in the sponge iron business, had been evaluating various strategic options to enhance its product portfolio and had identified an entry into steel manufacturing in long products as a route to ensure sustainable value creation for its shareholders.

On October 24, 2018, the Company extended support for TSIL's entry into steel business and identified it as the strategic vehicle for acquisition of steel business of UML.

On April 9, 2019, TSIL completed the acquisition of steel business undertaking including captive power plants, for a cash consideration of ₹4,094 crore, which is subject to further hold backs of ₹640 crore, pending transfer of some of the assets including mines and certain land parcels.

#### Investment in TRF Limited

In March 2019, the Company acquired 25,00,00,000, 12.5% Non-Convertible Redeemable Preference Shares of face value ₹10 each of TRF Limited on private placement basis, aggregating to ₹250 crore.

#### Investment in Tata Metaliks Limited

In March 2019, the Company acquired 27,97,000 equity shares of face value ₹10 each of Tata Metaliks Limited at a price of ₹642 per equity share aggregating to ₹179.57 crore and 34,92,500 Warrants of face value ₹10 each at a price of ₹642 per Warrant, with a right exercisable by the Company to subscribe for one equity share per Warrant of face value of ₹10 each, aggregating to ₹224.22 crore (25% paid on application).

### Divestments

#### Divestment of stake in Black Ginger 461 Pty. Ltd.

On October 18, 2018, T S Global Minerals Holdings Pte. Ltd. entered into an agreement with IMR Asia Holding Pte Ltd, a group company of IMR Metallurgical Resources AG, a global metals and mining group headquartered in Switzerland, to divest its entire stake in its wholly-owned step down subsidiary Black Ginger 461 Pty. Ltd. which in turn holds 64% in Sedibeng Iron ore Pty Ltd, South Africa, the operating company. The divestment was completed on February 18, 2019.

#### Sale of shares in NatSteel Holdings Pte. Ltd. ('NSH') and Tata Steel (Thailand) Public Company Ltd. ('TSTH')

T S Global Holdings Pte. Ltd. (**'TSGH'**), an indirect wholly-owned subsidiary of the Company, executed definitive agreements to divest its entire equity stake held in NSH (100%) and TSTH (67.9%) to a company in which 70% equity shares will be held by an entity controlled by HBIS Group Co. Ltd (**'HBIS'**) and the balance 30% will be held by TSGH.

The definitive agreements signed between the two companies is a significant milestone in strategic relationship, offering the South-East Asian business robust growth opportunities, given the access to resources, technical expertise and regional understanding of HBIS. The Company remains committed through its shareholding to help create a sustainable future for all stakeholders.

### Joint Venture between Tata Steel and thyssenkrupp AG

Following the signing of a Memorandum of Understanding in September 2017, the Company, on June 30, 2018, signed definitive agreements with thyssenkrupp AG to combine the European Steel Business into a 50:50 joint venture, named thyssenkrupp Tata Steel BV, which will be positioned as a leading pan European high quality flat steel producer with a strong focus on performance, quality and technology leadership. The joint venture is built on the strong foundations of common value systems and a long heritage in the industry. The transaction is subject to merger control clearance in several jurisdictions, including the European Union.

Tata Steel and thyssenkrupp have been engaging parallelly with the European Commission (**'EC'**) to provide information in relation to the businesses which would be part of the proposed joint venture. Following pre-notification engagement with the EC, both parties notified the proposed joint venture to the EC on September 25, 2018.

On October 30, 2018, in line with the expected timelines of the merger review process, the EC announced that it will undertake an indepth review of the merger proposal and investigate certain areas of preliminary competition concern. The Company has noted the EC's concerns and will continue its discussions with the EC including providing further information and analysis, especially in relation to sectors they have identified, to secure approval for the proposed joint venture. Until completion of the JV process, thyssenkrupp Steel Europe and Tata Steel Europe will continue to operate as separate companies.

### Issue of Securities

#### Issue of Debt Securities

On March 1, 2019, the Company allotted 43,150 - 9.8359% Unsecured Redeemable, Rated, Listed, Non-Convertible Debentures (**'NCDs'**) having face value ₹10 lakh each for an amount aggregating to ₹4,315 crore, to identified investors on private placement basis. The NCDs are listed on the WDM segment of BSE Limited. The NCDs mature in 4 equal instalments at the end of the 12th, 13th, 14th and 15th year from the date of allotment. The last and final maturity date of NCDs is March 1, 2034.

#### First and final call on Partly Paid Shares

In Financial Year 2017-18, the Board approved the simultaneous but unlinked issue of 4:25 fully paid shares for an amount up to ₹8,000 crore at a price of ₹510 per share and 2:25 partly paid shares for an amount upto ₹4,800 crore at price of ₹615 per share (₹154 paid-up) on rights basis. The shares were allotted to the shareholders on March 14, 2018.

The first and final call on partly paid shares was to be made within 12 months from the date of allotment. In terms of regulatory clarification(s) received, the Company is permitted to make the call on partly-paid shares beyond 12 months if (i) the issue size exceeds ₹500 crore and (ii) the Company complies with the requirement under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations regarding monitoring agency. The Company is in compliance with both these conditions. Accordingly, the Board will make the first and final call on the partly paid shares of the Company at an appropriate time.

### Credit Rating

During the year under review, Moody's Investors Services upgraded long-term Corporate Family Rating of the Company by one notch from Ba3 to Ba2 while S&P has revised its ratings outlook on the Company from 'Stable' to 'Positive' and affirmed the long-term credit rating of 'BB-'.

## H. Sustainability

Stemming from our founder's belief that, what comes from society should go back to society, sustainability is deep rooted in the culture of the organisation. The belief is embedded in Company's Vision which balances the aspiration of value creation and commitment to being a Corporate Citizen.

The sustainability approach of the Company is articulated in Sustainability Policy of the Company as well as in the Corporate Social Responsibility Policy, Environment Policy, Energy Policy, Climate Change Policy, Biodiversity Management Policy, Affirmative Action Policy, and Human Resource policy, etc which reinforces the triple bottom-line approach in its systems and processes. The Company also has systems in place to capture the voice of stakeholders periodically and review its long-term strategy in line with the stakeholder expectations.

Bracing itself for the future, the Company is working towards integrating the key issues on planet and people into its strategy and business practices across the value chain. During the year, Environment, Social and Governance aspects of material issues were revisited through a third party Materiality Study covering stakeholders across all locations. This will further reinforce the Company's strategy for value creation across all stakeholders and capitals. Aspirations of taking our carbon emissions to less than 2 $tCO_2$/tcs, zero waste and zero effluent discharge and doubling our CSR reach by 2025 are significant facets of this strategy.

In order to mainstream sustainability in the decision making, the Company organised a Sustainability Immersion Programme designed and facilitated by Cambridge Institute of Sustainability Leadership for Board Members, Senior Management, Senior Executives, and Union Leadership Team. During the year, the Company organised four batches of the programme covering majority of the Board Members, entire senior Management team and more than 100 senior executives and Union Leadership Team across locations.

The Company is committed to serving its customers through a portfolio of eco-friendly products. During the year, the Company obtained CII's GreenPro eco-label for Tata Pravesh Steel Doors and Windows and Tata Structura and Tata Pipes. The third party eco-label certification ensures customers of minimal environmental impacts of the certified products in a transparent way. For the first time in India, Steel Products have received the eco-label. Going forward, the Company will adopt the global best practice of having Environmental Product Declaration of key products to enable a transparent declaration of the environmental impacts of its products and processes in order to enable informed purchasing by the end consumer.

The continued focus on 'Sustainability' across the value chain has helped the Company in being adjudged as the Steel Industry Leader globally on Sustainability in Dow Jones Sustainability Index in 2018 with a top score of 100 percentile in Environmental Dimension. The Company has also received the distinction of being recognized as Sustainability Champion by World Steel Association for the second year in a row.

### Environment

The Company aims to be the benchmark for environmental stewardship in the steel industry by focusing on operational excellence aimed at resource efficiency through a 'Prevent, Minimise, Recover, Reuse and Recycle' hierarchical approach to reduce its ecological footprint. The Company is committed to responsible use and protection of the natural environment through conservation and sustainable practices. The Company has implemented environmental management systems that meet the requirements of international standard ISO 14001:2015 at Jamshedpur Works and has initiated proceedings at Kalinganagar Works. These systems provide the Company with a framework for managing compliance and improving environmental performance, making it future ready to address stakeholder requirements.

The Company pursues responsible advocacy on policy and regulatory issues by being member of the World Steel Association Environment Committee, the Central Pollution Control Board's National Taskforce, the Indian Steel Association, Confederation of Indian Industries and various other organisations. The Company has in place a board level Safety, Health & Environment Committee that provides necessary direction and guidance on matters relating to environment and monitors the performance of the Company and its impact on the environment.

During the year, Tata Steel continued its efforts to reduce its carbon footprint by adopting best available technologies for energy efficiency and heat recovery. The Plant at Jamshedpur is the benchmark in India for $CO_2$ emissions intensity at 2.29 tonnes of $CO_2$/tcs through BF-BOF route. The Company continues to use the internal Carbon Pricing mechanism for evaluation of capital expenditure projects with shadow price of carbon @US\$15/$tCO_2$. Contributing to national commitment towards the Paris agreement, the Company has taken up aspirational goals to achieve global benchmark levels of less than 2 t/tcs $CO_2$ emissions. Various cross functional projects have been undertaken to identify and reduce $CO_2$ emissions. Recycling steel scrap is an important lever to reduce carbon footprint and the Company has set up a Steel Recycling business unit which will facilitate formalisation of the scrap market in India and make more scrap available for conversion to steel.

In Europe, the Company continues to invest in short to medium term $CO_2$ emission reduction and energy efficiency improvements. In addition to these improvements, as a follow up to the ULCOS (Ultra-Low $CO_2$ Steelmaking, co-operative research initiative to achieve a step change in $CO_2$ emissions from steelmaking), the Company is also working on a major long-term project to develop a new smelting reduction technology (**'HIsarna'**) to produce steel without the need for coke making or agglomeration processes, thereby improving efficiency, reducing energy consumption and reducing $CO_2$ emissions. The pilot plant is located at the Company's IJmuiden site in the Netherlands.

### Climate Change

Climate change is one of the most pressing issues the world faces today and the Company recognises its obligation to minimise its contribution to climate change. The Company aims to play a leadership role in addressing the challenge of climate change. The Company recognises that, though steel is considered a 'hard to abate' sector globally, it will be an integral part of the solution to climate change because of its infinite recycling properties.

Considering all these factors, the Company has formulated a climate change strategy based on 5 key themes as outlined below:

**Emissions Reduction:** The Company will continue to improve its current processes to increase its energy efficiency and to reduce its carbon footprint.

**Investing in Technology:** The Company will continue to invest in long-term breakthrough technologies.

**Market Opportunities:** The Company endeavours to develop such new products and services that reduce the environmental impact over its products' life-cycles and help its customers to reduce their carbon footprints.

**Employee Engagement:** The Company will actively engage its workforce and encourage everyone to contribute to its strategy.

**Lead by Example:** The Company will further develop its pro-active role in global steel sector initiatives through the World Steel Association.

### Health and Safety

Health and Safety Management remains Tata Steel's foremost priority and we are committed to being a benchmark in the industry. To us, Health and Safety is not just a metric but a part of our value system. The desire to being a benchmark is demonstrated through leadership commitment and is cascaded across the organisation in the form of long, medium and short-term action plans.

The Company has been working on six corporate level long-term strategies viz. Build (Safety) leadership capability at all levels to achieve zero harm, improve competency and capability for hazard identification & risk management, contractor safety risk management, elimination of safety incidents on road & rail, excellence in process safety management, and establishing industrial hygiene and improving occupational health. These strategies are enablers through which several initiatives are undertaken that aid the Company in achieving its objective of 'Committed to Zero'.

For the Indian operations, one of the key initiatives undertaken during the year under review was to strengthen Company's quality management system, which is the foundation on which all other systems are based. The company-wide IT based, Generic Document Control System (GDCS) was re-designed and re-launched to ensure availability of latest and controlled Standard Operating Procedures (**'SOPs'**) to employees for performing their tasks safely. The plant at Jamshedpur was re-certified for OHSAS 18001:2007 and a similar process has begun for the plant at Kalinganagar.

During the year under review, a concerted effort has been made to increase risk sensitivity of the Company. A well articulated methodology to evaluate and assess safety related risks has been developed with its associated mitigation techniques. This is currently being rolled out in phases and it has already helped in achieving 26% reduction of high potential incidences in comparison to last year. The initiative to roll out Process Safety through a 'Center of Excellence' methodology at Jamshedpur has been appreciated by World Steel as the 'best practice' of 2018, across the industry. Currently, the process safety has been rolled out to 30 of 41 operating departments at Jamshedpur and Kalinganagar. The balance departments will be covered by Fiscal 2020.

Contractor employees' fatality remains the topmost safety concern for the Company. It is with deep regret that we report two fatalities in India and one fatality in Singapore involving our contractor partners. The Company is continuously channelising its efforts to eliminate such incidents and achieve zero fatality. Apart from taking various initiatives to improve their safety performance, the Company has also taken upon itself to ensure that contractor employees in India have the desired skills and competencies to perform their job safely. They are being tested and certified by Shavak Nanavati Technical Institute (**'SNTI'**) to ensure competence. In many cases they are also being trained to achieve desired skills and competence. During the year under review, the Company covered a large part of the contractor employee workforce in India. It's an ongoing process and we expect to achieve 100% coverage within a year.

The Company is leveraging state of the art digital technology at various places to improve surveillance and analytics, reduce hazardous man-machine interface and for various other corrective and preventive actions.

On the health front, during the year under review, three distinct campaigns were launched for the Indian operations. A detailed ergonomic study has been undertaken in labour intensive departments, industrial hygiene projects have been undertaken in departments where it has been assessed as a health risk and physical exercise has been introduced off duty hours, facilitated by a professional agency at various locations of the Company at Kalinganagar, Bhubaneswar, Joda, Jamshedpur, etc. to improve employee health and wellness. This has helped to improve health index of the Company vis-à-vis previous year. These initiatives will continue with increased intensity in times to come.

At Tata Steel Europe, the long-term strategies to focus on occupational health and process safety has facilitated in achieving zero fatality. Training for senior managers focusing on their leadership role related to health & safety continued during the year. The combined LTIFR in Financial Year 2018-19 for employees and contractors deteriorated to 1.45 as compared to 1.36 in the previous year. The recordable rate, which includes lost time injuries as well as minor injuries, also deteriorated from 4.13 in Financial Year 2017-18 to 4.92 in Financial Year 2018-19. A campaign focusing on hazard identification and risk minimisation continued during the year under review and there were various initiatives undertaken to accelerate deployment of standards, understand the mindset and behaviour and improve maturity of the Group's health & safety management system

### Research and Development

In line with the aspiration to be amongst the top five innovation driven companies in the world, the Company has put in place a new technology organisational structure. The technology road map exercise has materialised and teams are formed to work on selected projects. The year has been rewarding on many fronts for Research & Development. During the year under review, the Company became a leading player in the Indian Steel industry in terms of patent filing by crossing the 1,000 mark. There is a progress in Graphene work from commercialisation perspective. Industrial solutions developed with graphene doped composites have offered significant improvement in the operational costs of the process plants. Also, Graphene anti corrosion coatings have been established towards a green alternative to the current coating technologies. A number of breakthrough projects have crossed the 'proof-of concept' stage and ventured into advanced stages. The Company has successfully conducted trials on an innovative process to make use of non-coking coal along with coking coal. Amongst the notable new developments, a new process to produce high purity iron powder using in-plant byproducts has been developed. A grade of the said iron powder with high sinter ability and superior toughness properties has been tested and commercialised for Diamond cutting tools.

In Europe, Research & Development has contributed to several new products. The range of Prime Lubrication Treatment has been extended to the MagiZinc protective galvanising coating. XPF1000 has been launched as a new ultra-high strength steel grade for the Chassis & Suspension market, and a new range of hybrid sandwich panels is now available for Construction via Building Systems. Further, Research and Development has also been vital in getting many potential new products to reach higher Technology Readiness levels throughout the year.

In order to make technology development more effective and robust for the Company in the future, the cross-functional delivery of the TSE technology roadmap is now coordinated via a new committee, the Central Technology Committee, chaired by the Director R&D Europe and sponsored by the Chief Technology Officer. This Committee ensures that priorities and gaps in the delivery of technology are identified and dealt with in an appropriate manner. Research & Development continues to provide significant effort towards various research and technology initiatives such as sustainable and more environment friendly steel production through the HIsarna project that has progressed on the maturity ladder with a formal move from the HIsarna pilot plant from an R&D environment to full integration with the MLE manufacturing hub. HIsarna is a novel and more flexible reduction technology for iron production. In the past year, the HIsarna pilot plant has set several new production records. R&D will continue to support this development way forward.

### New Product Development

In order to achieve the Company's endeavour to create superior customer experience, the Company has adopted best in class manufacturing practices, invested in creating brands, developed products keeping customers at the centre, and focussed on environment and safety. Furthermore, the Company is steadily venturing into a new gamut of solutions and ready to use products for further value creation.

During the year under review, the Company developed 114 new products in India. Tata Steel Kalinganagar plant played a key role by developing 61 products such as high strength steel grades for global players in Lifting & Excavation, and Pre-Engineered Building (PEB) manufacturers, approval upto API 5L X60 grade from state owned Natural Gas Processing & Distribution company for Oil & Gas pipelines and the first approvals of hi-tensile (590MPa) grades in automotive applications. In addition, the products developed have also helped 'Tata Astrum' to enter in the Transmission & Distribution segment with high strength grade of ASTM A572 Gr 65.

Environment friendly products such as polysteel and chrome free passivation based coatings have been developed for the ECA (Emerging Corporate Accounts) business. Polysteel has the potential to eliminate the dependency on 7 tank degreasing process, which results in environmentally hazardous discharge. In addition, polysteel also provides long-term corrosion protection, better surface finish, anti-fingerprint surface and high scratch resistance. Chrome free passivation in galvanised products is environment friendly and eliminates requirement of oiling. The trials are successful for clean room partition panels and supply for appliance segment will be initiated shortly. Services and solution, a new business vertical, successfully launched Tata Pravesh vista windows, an extension of the existing product, Tata Pravesh doors. Vista windows were launched with 3 novel design elements: unique slide cum swing, concealed spring loaded auto lock tower bolt, and gas spring assist and hold, providing comfort and safety.

In Europe, 22 new products were launched during the year. These launches include major developments for the automotive, construction, and engineering markets. Notable example of product and service launches includes XPF1000. XPF1000, latest addition to Tata Steel's XPF hot rolled product family for the automotive chassis and suspension market, combines ultra-high 1000MPa tensile strength with excellent formability and fatigue properties. A new range of 25mm/1' gauge hot rolled products was developed for the engineering and yellow goods markets, enabling customers to replace equivalent reversing mill plate offerings and to achieve better part yield and surface finish. Improved Colorcoat® prepainted steels using Tata Steel's next generation MagiZinc® hot dip galvanised coating for optimised product longevity in construction building envelope applications was also developed. Packaging has continued to commercialise its already launched Protact® products, including Protact® for food.

### Customer Relationship

During the year under review, the Company undertook specially designed initiatives to create and maintain long-term relationship with channel partners and customers to be the first choice of producer. In India, the Company largely caters to B2B, B2C and B2ECA (Emerging Corporate Accounts) customer groups. These segments are further bifurcated into micro segments based on application and buying behaviour. The Company focusses to understand the expectations and requirements of current and potential customers/market segments to deliver customer specific products and services and provide value-creating solutions.

During the year under review, the Company organised its biennial 'Driving Steel' summit on Automotive Steels. The summit brought together industry experts including automotive majors and ancillaries, from around the globe as well as from India. The knowledge summit facilitated the Company to develop insightful understanding of the emerging trends in the automotive industry, and to help build new partnerships. The Company engages with B2B customers through cross-functional Customer Service Teams (**'CSTs'**) to work on new product development, quality improvement and value-creating ideas which help to achieve operational excellence. In addition, the Company has collaborated with key automotive customers to provide cost and weight reduction solutions using the Value Analysis & Value Engineering (**'VAVE'**) platform and the Advanced Product Application support. This has also enabled the Company to partner with discerning customers for future product launches. Engagement through CST and VAVE is deployed to B2B customers of Industrial Products and Projects Vertical. Senior leadership team actively engaged with leading B2B customers by visiting premises of customers and attending exclusive interacting sessions organised across regions.

Collaborative Reform with ECA for Advanced Technical Enhancement (**'CREATE'**) was conceptualised to provide support to various ECA customers by generating cost and weight savings via redesigning of components. Platforms such as APPLICON (Appliance segment), and PANORAMA (Panel segment) were conceived to gain deeper understanding and engagement with microsegments. These platforms witnessed participation of Original Equipment Manufacturers (**'OEM'**) from consumer durable industry and provided an opportunity to engage with policy making bodies such as CEAMA (Consumer Electronics & Appliance Manufacturers Association), and COSMA (Control Panel and Switchgear Manufacturers' Association) and to enable all stakeholders to understand the upcoming technologies in the microsegments.

During the year under review, the Company also rolled out various digital initiatives across customer groups. 'Aashiyana', an e-selling platform has been launched for multiple B2C brands and has crossed a turnover of ₹100 crore. 'COMPASS', a digital supply chain visibility solution rolled out to select B2B customers, generated 122KT of sales this year. DigEca, an initiative that captures lead management for ECAs has achieved 659 KT sales enquiries and 375 KT purchase orders making the process convenient for the customers.

In services & solutions space, select platforms have been developed to understand the consumer decision making, such as the 'Consumer Connect' programme wherein the lady of the house is invited to join the program, visit exclusive retail outlet for experience and have an option of display van carrying the product closer to the consumer and 'consultative selling' wherein a sales expert helps in product demonstration.

In Europe, the Company partners with customers to help them excel in their market, co-creating more sustainable value throughout the entire value chain. 'Customer Focus', contains several company wide and local programmes such as Strategic Account Management programme that reinforce our mission and drive towards customer centricity. Improvements on this front have also been acknowledged in the Tata Business Excellence Model assessment. The Company also has a value chain transformation programme known as 'Future Value Chain' programme, which focusses on driving service and quality improvements. European operations are also focusing on a balanced portfolio and differentiation strategy, which aims to increase the proportion of high-margin differentiated products. As part of the strategy, the Company launched 22 new products in Europe this year. These launches include major developments for the automotive, construction, and engineering markets. Along with products, the Company also offers services such as Electronic Data Interchange, Track and Trace, Early Vendor Involvement, Design and Engineering support, Building Information Modelling, Life Cycle Analysis and Technical Support. In addition, the Company has a commercial improvements programme called 'Future Commercial Excellence' which focusses on driving improvements for commercial terms.

### Human Resources Management & Industrial Relations

Human resource has always been one of the most valued stakeholders for Tata Steel. The Company is committed towards creating and maintaining an ideal work culture for engaged and capable workforce to deliver for the future. Tata Steel has strong values, pioneering practices, a culture of working together through joint consultation between Union and Management and a very strong commitment towards community development. Our people practices have always been centered around employee welfare and wellness, creating an environment of collaboration and connect which has aided us to achieve industrial harmony of over 90 years.

Improving employee productivity is of utmost importance to the organisation and achieving benchmark performance in this area year-on-year is the goal for the organisation. This led to an improvement in productivity from 769 tonnes of crude steel/employee/year to 800 tonnes of crude steel/employee/year and the employees on roll moving from 34,072 to 32,984.

The year under review was a milestone year for the Company as it embarked on major improvements in areas related to diversity and inclusion. Various initiatives such as Wings, an employee resource group for LGBTQ+; Take Two, a career opportunity for women on a break; Step-up-to-success, an in-house women's mentoring program; Deployment of women in B-shift operations; and Paternity leave for blue collared workforce, were introduced to bring about a change in the culture and mindset of the workforce with regard to the aspects of diversity and inclusion. The focus for the year was on Gender diversity and Differently Abled Persons. Efforts have been taken on hiring and creating infrastructure for diverse workforce as well as retaining and developing women leaders to create a pool of diverse talent in the organisation. Our continuous efforts in this direction have led to the increase in gender diversity from 6.1% to 6.5% of the total workforce.

Continuing the capability development journey, the Capability Development wing, during the year, started serving external clients as well as generating a revenue through their products and services.

The Management has been focusing on digitalisation since past few years. During the year under review, the role of digitalisation in providing a rich employee experience has been immense. The Company launched the first HR Chat-bot – 'Amigo' to provide interactive resolutions to the queries pertaining to HR policies. The year has also been significant for Digital HR owing to the major involvement of teams in designing and development of a customised HRM Talent Suite. Data analytics and reporting have become key inputs in formulating policies and strategies for the Company.

During the year under review, the Company acquired Bhushan Steel Limited (renamed Tata Steel BSL Limited). The seamless integration of the newly acquired organisation with Tata Steel was ensured through deployment of the Company's employees in the key functional areas such as Safety, Ethics, Supply Chain, etc. and senior leadership positions and by adopting and implementing various policies and practices. Trust was built among the workforce by bringing in transparency and openness in the system and by imbibing Tata Philosophy across the value chain.

During the year under review, Tata Steel was certified as Great Place to Work in the Great Place to Work study conducted for the year 2019. Tata Steel was declared as one of the top 25 'India's Best Places to Work in the Manufacturing sector' by Great Place to Work. Tata Steel also secured 8th rank in the 'Best Companies to work for' survey by Business Today and featured in the top 10 companies for the 2nd year in a row. Tata Steel won the Golden Peacock Award for HR Excellence (Steel Sector) in 2019. This recognition was bestowed on the Company for the 2nd year in a row. The Company was conferred with CII Eastern Region Productivity Award for overall improvement in productivity.

In Europe, the Company continues to invest in the recruitment, engagement, health and development of its employees. The Tata Steel Academy in Europe aims to strengthen the organisation's competitive advantage by enabling its people to achieve the highest standards of technical and professional expertise, with a combined use of practical 'on the job', virtual and classroom training to maximise training effectiveness. The Company aims to offer modern employment conditions that ensure healthy long-term employability and are responsive to the needs of both current and future employees. In Europe, the Company strives to ensure that the employees' motivation and capabilities are enhanced by its leaders, organisational structure, operational protocols, including daily management and operational excellence programmes, communication processes & business excellence and reward and recognition policies. The Company also focusses on promoting physical health through various central and local programmes and provides training and support to promote mental health inside and outside the workplace.

### Corporate Social Responsibility

The Company's vision is to be a global benchmark in 'value creation' and 'corporate citizenship'. The objective of the Company's Corporate Social Responsibility (**'CSR'**) initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders.

For decades, the Company has pioneered various CSR initiatives. The Company continues to remain focussed on improving the quality of life. During the year under review, the Company impacted the lives of more than a million children, women and men from our communities through initiatives in health, drinking water, education, livelihood, sports, infrastructure development, etc. The Company is working closely with tribal communities in its areas of operation in India. The Company has partnered with State Governments of Jharkhand and Odisha and with various reputed national and international development organisations in delivering its programmes.

The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company www.tatasteel.com

During the year under review, the Company spent ₹314.94 crore on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, is annexed to this report (**Annexure 3**).

In Europe, the Company focusses on local Communities. The Company nurtures and sustains the communities close to its operational plants. The Company conducts regular dialogues with these communities to understand and address their concerns. The Company is transparent with information on the environmental impact of its activities, as well as its goals and improvement targets. Local communities are part of the sustainable economy as we help each other to co-exist successfully with a good understanding of the mutual benefits that we provide to one another. The Company runs regular programmes to invite the public to see our work and also enjoy and see the important wildlife and flora that flourish on its sites. The Company sponsors local activities and support charities. In IJmond, the Company celebrated the annual Tata Steel Chess Tournament that attracts thousands of players and spectators and boosts the local tourism economy in the off-season in January. We sponsor local sports teams and children's events, most notably in recent years the Tata Kids of Steel® triathlons. We also engage with communities as an existing and potential workforce, running programmes to involve young people, and girls in particular, so that they can discover the interesting career opportunities that our organisation offers.

## I. Corporate Governance

At Tata Steel, we ensure that we evolve and follow the corporate governance guidelines and best practices dilligently, not just to boost long-term shareholder value but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding the operations & performance, leadership and governance of the Company.

In accordance with the Tata Steel Group's Vision, the Tata Steel Group aspires to be the global steel industry benchmark for value creation and corporate citizenship. The Tata Steel Group expects to realise its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

Pursuant to the Listing Regulations, the Corporate Governance Report along with the Certificate from a Practicing Company Secretary, certifying compliance with conditions of Corporate Governance, is annexed to this report (**Annexure 4**).

### Board Meetings

For seamless scheduling of meetings, a calendar is prepared and circulated in advance. The Board met 7 times during the year under review, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

### Selection of new Directors and Board Membership Criteria

The Nomination and Remuneration Committee (**'NRC'**) works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as for its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Company has in place a Policy on appointment & removal of Directors (**'Policy'**).

The salient features of the Policy are:

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

The Policy was adopted by the Board on March 31, 2015 and the same was revised on March 29, 2019 to incorporate the changes in regulatory requirements pertaining to criteria for determining independence of a director.

The Policy is available on the website of the Company www.tatasteel.com

### Familiarisation Programme for Directors

All new Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. Presentations are made by Senior Management giving an overview of the operations, to familiarize the new Directors with the Company's business operations. The new Directors are given an orientation on the products of the business, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company. Visits to plant and mining locations are organised for the new Directors to enable them to understand the business better.

During the year under review, no new Independent Directors were inducted to the Board. Details of orientation given to the existing independent directors in the areas of strategy, operations & governance, safety, health and environment, industry & regulatory trends, competition and future outlook are available on the website of the Company www.tatasteel.com

### Evaluation

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors.

The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The Chairman of the Board had one-on-one meeting with the Independent Directors (**'IDs'**) and the Chairman of NRC had one-on-one meeting with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board considered and discussed the inputs received from the Directors. Further, the IDs at their meeting reviewed the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Board after taking into account views of Executive Directors and other Non-Executive Directors.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

In the coming year, the endeavour is to enhance focus on de-leveraging Balance Sheet (Reduction of debt) and making the European Operations more sustainable.

### Remuneration Policy for the Board and Senior Management

Based on the recommendations of the NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel (**'KMPs'**) and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

- relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy for Directors, KMPs and other Employees was adopted by the Board on March 31, 2015.

The salient features of the Policy are:

- It lays down the parameters based on which payment of remuneration (including sitting fees and commission) should be made to Independent Directors (IDs) and Non-Executive Directors (NEDs).
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, bonus/ performance linked incentive, commission, retirement benefits) should be given to whole-time directors, KMPs and rest of the employees.
- It lays down the parameters for remuneration payable to Director for services rendered in other capacity.

During the year under review, there have been no changes to the Policy. The Policy is available on the website of the Company www.tatasteel.com

### Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report (**Annexure 5**).

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this report.

### Independent Directors' Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, read with Regulations 16 and 25(8) of the Listing Regulations that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the Listing Regulations.

### Directors

The year under review saw the following changes to the Board of Directors (**'Board'**).

#### Inductions to the Board

On the recommendations of the Nomination and Remuneration Committee, the Board appointed Mr. Vijay Kumar Sharma as Additional (Non-Executive) Director of the Company effective August 24, 2018. Mr. Sharma brings to Board valued insights and perspectives on complex financial and operational issues.

The resolution for confirming the appointment of Mr. Vijay Kumar Sharma as Director of the Company forms part of the Notice convening the Annual General Meeting (**'AGM'**) scheduled to be held on July 19, 2019.

#### Re-appointments

In terms of the provisions of the Companies Act, 2013, Mr. Koushik Chatterjee retires by rotation at the ensuing AGM and being eligible, seeks re-appointment.

During the year under review, based on the recommendations of Nomination and Remuneration Committee (**'NRC'**), the Board re-appointed Mr. T. V. Narendran as Chief Executive Officer & Managing Director of the Company for a period of five years effective September 19, 2018, not liable to retire by rotation. The Board approved the re-appointment of Mr. Narendran based on his significant contributions to the Company and the same is subject to the approval of the Members of the Company.

Based on the recommendations of the NRC and pursuant to the performance evaluation of Ms. Mallika Srinivasan as a Member of the Board, the Board proposed to re-appoint Ms. Srinivasan as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term effective August 14, 2019 through May 20, 2022.

Also, based on the recommendation of the NRC and pursuant to the performance evaluation of Mr. O. P. Bhatt as a Member of the Board, the Board proposed to re-appoint Mr. O. P. Bhatt as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term effective August 14, 2019 through June 9, 2023.

The necessary resolutions for re-appointments of Mr. Koushik Chatterjee, Mr. T. V. Narendran, Ms. Mallika Srinivasan and Mr. O. P. Bhatt form part of the notice convening the ensuing AGM scheduled to be held on July 19, 2019.

The profile and particulars of experience, attributes and skills of the above Directors is disclosed in the Notice convening the AGM to be held on Friday, July 19, 2019.

#### Cessation

Mr. D. K. Mehrotra stepped down as a Member of the Board effective May 16, 2018. Mr. Mehrotra joined the Board as a Non-Executive Director on October 22, 2012.

The Board of Directors places on record its appreciation towards Mr. Mehrotra's contributions during his tenure as Director of the Company.

## Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnels of the Company as on March 31, 2019 are – Mr. T. V. Narendran, Chief Executive Officer & Managing Director, Mr. Koushik Chatterjee, Executive Director & Chief Financial Officer and Mr. Parvatheesam K, Company Secretary & Chief Legal Officer (Corporate & Compliance). During the year under review, there has been no change in the Key Managerial Personnels.

## Audit Committee

The Audit Committee was constituted in the year 1986. The Committee has adopted a Charter for its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee met 5 times during the year under review, the details of which are given in the Corporate Governance Report. As on March 31, 2019, the Committee comprises Mr. O. P. Bhatt (Chairman), Mr. Aman Mehta, Dr. Peter Blauwhoff and Mr. Saurabh Agrawal.

## Internal Control Systems and Internal Audit

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

The Company has an IFC framework, commensurate with the size, scale and complexity of the Company's operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies. The controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on Internal Financial Controls over Financial Reporting has been reviewed by the internal and external auditors.

The Company uses various IT platforms to keep the IFC framework robust and our Information Management Policy governs these IT platforms. The systems, standard operating procedures and controls are implemented by the executive leadership team and are reviewed by the internal audit team whose findings and recommendations are placed before the Audit Committee.

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

The Audit Committee at its meetings reviews the reports submitted by the Internal Auditor. Also, the Audit Committee at frequent intervals has independent sessions with the statutory auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

## Risk Management

Given the uncertain and volatile business environment, companies face continuous changes in technology, geo-politics, financial markets, regulations, etc. which affect the value chain. To build a sustainable business that can weather these changes, companies need to manage risk and opportunities on a pro-active basis.

Keeping this in mind, the Company has adopted a robust Enterprise Risk Management (**'ERM'**) process across the organisation. The objective of the ERM process is to develop a 'risk intelligent' culture which drives informed decision making and builds resilience to adverse developments while ensuring that opportunities are exploited to create value for all stakeholders. In order to achieve this, the Company focusses on 4 broad principles viz. risk oversight, risk Infrastructure, risk process and ownership, and risk integration.

- The Risk oversight function consists of the Board of Directors, Risk Management Committee (**'RMC'**) and Group Risk Review Committee (**'GRRC'**) to oversee the risk management policy, to provide guidelines for implementing the ERM framework and ERM process across the Company. The RMC also reviews the key risks that the Company faces and the progress of the mitigation plans.

  GRRC is a Management Committee comprising the Senior Management team as its members. The GRRC is responsible for the implementation of ERM process across the Company and providing the necessary resources, framework & structures to enable the ERM. The GRRC reviews the risks and the proposed mitigation plans and engages with risk owners regularly across the business to drive mitigation.

  A dedicated ERM team has been set up to deploy the ERM process across the Business Units. The ERM team is led by Group Head – Corporate Finance & Risk Management who acts as the Chief Risk Officer (CRO) of the Company. The CRO regularly reports to the RMC and the GRRC on the progress of the implementation of ERM and the various risks faced by the Company

- The Company has developed a 5 step ERM process (establish context, risk identification, risk assessment & evaluation, mitigation and monitor, review & report), which takes inputs from international standards and references such as Committee of Sponsoring Organisation of the Treadway Commission (**'COSO'**), ISO 31000 and best practices from industries across the globe. For better efficacy, the process is deployed using a 'top down' and 'bottom up' approach.
- The Company strives to integrate the ERM process with the existing management processes and embed it across the Company. The top-down risks in conjunction with the bottom up risks identified by the Business Units drive the strategy and the capital allocation of the Company.

During the year under review, the Company has been continuously working on strengthening the ERM process including facilitating the top-down risk assessment process, deploying various analytical tools to analyse the risks, and strengthening the integration with strategy, capital allocation and internal audit. The strengthening has also enhanced coverage of ERM across the Company with the ERM roll out to new business units and domestic subsidiaries.

During the year under review, the Company was declared as Winner of 'Golden Peacock Award for Risk Management' for 2018 for attaining significant achievements in the field of Risk Management. The Company was also awarded the India Risk Management Awards for Best Risk Management Framework & Systems under the 'Metals & Mining' and 'Risk Governance' categories for the second year in a row.

### Vigil Mechanism

Commitment towards highest moral and ethical standards in the conduct of business is of utmost importance to the Company. To advance standards of ethical practices, the Company has deployed the Management of Business Ethics (**'MBE'**) across the organisation through a well-defined framework.

The Company also has a Vigil Mechanism that provides a formal channel for all its Directors, employees and vendors to approach the Ethics Counselor/Chairman of the Audit Committee and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct **('TCOC')**.

In order to adhere to the highest of the ethical standard, the vigil Mechanism includes policies viz. the Whistle Blower Policy for Directors & Employees, the Whistle Blower Policy for Business Associates, the Whistle Blower Protection Policy for Business Associates (vendors/customers), the Policy for Receipts of Gift and Hospitality and the Conflict of Interest Policy for Employees.

The Whistle Blower Policies for Directors & Employees and Business Associates are an extension of the TCoC that encourage every Director, employee and Business Associate to promptly report to the Management any actual or possible violation of the TCoC or any event wherein he or she becomes aware of any event that could affect the business or reputation of the Company.

The Whistle Blower Reward and Recognition Guidelines for employees has been implemented to encourage employees to report genuine misconduct or unethical activity taking place in the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Whistle Blower Policy.

The Whistle Blower Protection Policy for Business Associates including vendors and customers provides protection to Business Associates from any victimisation or unfair trade practices by the Company.

The Company has adopted a Policy for Receipts of Gift and Hospitality that requires its employees to take the right decisions when they are offered gifts or hospitality while conducting business or official transactions on behalf of the Company. The Company has also adopted a Conflict of Interest policy. The policy requires employees to act in the best interest of the Company without any conflicts and declare conflicts, if any (real, potential or perceived).

During the year under review, the Company undertook a series of communication and training programmes for internal stakeholders and vendors, with the aim to create awareness about Tata values, TCoC and other ethical practices of the Company. The Company undertook various theme based campaigns, town hall and departmental events. 'Neeti Katha' i.e. storytelling through snippet series on scenarios of 'The ethics of safety' and 'Trust Behaviour' were mailed to employees as part of the awareness campaign. The Company also celebrates the month of July as Ethics Month. All communications and programmes are theme based. This practice has helped in reinforcing employee involvement in driving the MBE.

The Company's robust system to raise concerns on unethical behaviour, efforts undertaken to make stakeholders aware of such systems as well as of their responsibility to report such concerns, practice of non-retaliation and strong mechanism to address such concerns instills in our stakeholders the confidence to report any ethical violations.

### Related Party Transactions

During the year under review, the Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the report, as the same is not applicable.

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

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

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

During the year under review, the Company received 20 complaints of sexual harassment, out of which 19 complaints have been resolved by taking appropriate actions. The 1 pending complaint is under investigation as on the date of this report.

**Directors' Responsibility Statement**

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2018-19.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability confirms:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures;

b) that we have selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual accounts have been prepared on a going concern basis;

e) that proper internal financial controls were laid down and that such internal financial controls were adequate and were operating effectively; and

e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**Business Responsibility Report**

The Securities and Exchange Board of India (**'SEBI'**) requires companies to prepare and present to stakeholders a Business Responsibility Report (**'BRR'**) in the prescribed format. SEBI, however, allows companies to follow an internationally recognized framework to report on the environmental and social initiatives undertaken by the Company. Further, SEBI has on February 6, 2017 advised companies that are required to prepare BRR to transition towards an Integrated Report.

As stated earlier in the Report, the Company has followed the <IR> framework of the International Integrated Reporting Council to report on all the six capitals that are used to create long-term stakeholder value. Our Integrated Report has been assessed and KPMG has provided the required assurance. We have also provided the requisite mapping of principles between the Integrated Report, the Global Reporting Initiative (**'GRI'**) and the BRR as prescribed by SEBI. The same is available on our website www.tatasteel.com.

**Subsidiaries, Joint Ventures and Associates**

We have 237 subsidiaries and 54 associate companies (including 28 joint ventures) as on March 31, 2019. During the year under review, the Board of Directors reviewed the affairs of material subsidiaries. We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared the consolidated financial statements of the Company and all its subsidiaries, which form part of the Integrated Report. Further, the report on the performance and financial position of each subsidiary, associate and joint venture and salient features of their Financial Statements in the prescribed Form AOC-1 is annexed to this report (**Annexure 6**).

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with the Listing Regulations, the audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and financial statements of the subsidiary companies will be available on our website www.tatasteel.com. These documents will also be available for inspection during business hours at the Registered Office of the Company and will also be kept open at the venue of AGM till the conclusion of AGM.

The names of companies that have become or ceased to be subsidiaries, and associates (including joint venture companies) are disclosed in an annexure to this report (**Annexure 7**).

**Auditors**

**Statutory Auditors**

Members of the Company at the AGM held on August 8, 2017, approved the appointment of Price Waterhouse & Co Chartered Accountants LLP (**'PW'**), Chartered Accountants, as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 110th AGM held on August 8, 2017 until the conclusion of 115th AGM of the Company to be held in the year 2022.

The report of the Statutory Auditor forms part of the Annual Report. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### Cost Auditors

In terms of Section 148 of the Companies Act, 2013 (**'Act'**), the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are made and maintained by the Company as required under Section 148(1) of the Act. The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Shome & Banerjee as the cost auditors of the Company (Firm Registration No. 000001) for the year ending March 31, 2020.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, appropriate resolution forms part of the Notice convening the AGM. We seek your support in ratifying the proposed remuneration of ₹20 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors for the Financial Year ending March 31, 2020.

M/s Shome & Banerjee have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

The Cost Audit Report of the Company for the Financial Year ended March 31, 2018 was filed by the Company in XBRL mode on August 21, 2018.

### Secretarial Auditors

Section 204 of the Companies Act, 2013 *inter alia* requires every listed company to annex to its Board's report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice.

The Board appointed Parikh & Associates, Practicing Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2018-19 and their report is annexed to this report (**Annexure 8**). There are no qualifications, observations, adverse remark or disclaimer in the said Report.

The Board has also appointed Parikh & Associates as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2019-20.

### Extract of Annual Return

The extract of the Annual Return in Form MGT-9, as per provisions of the Companies Act, 2013 and Rules thereto, is annexed to this report (**Annexure 9**).

The extract of Annual Return in Form MGT 9 as per provisions of the Companies Act, 2013 and Rules thereto is available on the Company's website at https://www.tatasteel.com/media/9083/mgt-9.pdf

### Significant and Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

### Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees given and investments made during the year under review in accordance with Section 186 of the Companies Act, 2013 is annexed to this report (**Annexure 10**).

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report (**Annexure 11**).

### Deposits

During the year under review, the Company has not accepted any deposits from public in terms of the Companies Act, 2013. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### Secretarial Standards

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

## J. Acknowledgements

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Governments where we have operations, Governments of various countries and other government agencies for their support and look forward to their continued support in the future.

On behalf of the Board of Directors

sd/-
**N. CHANDRASEKARAN**
Chairman
DIN: 00121863

Mumbai
April 25, 2019

## Declaration regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Tata Code of Conduct for its employees including the Managing Director and the Whole-time Directors. In addition, the Company has adopted the Tata Code of Conduct for the Non-Executive Directors. Both these Codes are available on the Company's website at www.tatasteel.com

I confirm that the Company has in respect of the Financial Year ended March 31, 2019, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Chief Executive Officer & Managing Director as on March 31, 2019.

sd/-
**T. V. NARENDRAN**
Chief Executive Officer &
Managing Director
DIN: 03083605

Mumbai
April 25, 2019

# ANNEXURE 1

# Dividend Distribution Policy

## 1. Preamble

**1.1** The Dividend Distribution Policy (hereinafter referred to as the **'Policy'**) has been developed in accordance with the extant provisions of the Companies Act, 2013 and SEBI regulations.

**1.2** The Board of Directors (the '**Board**') of Tata Steel Limited (the '**Company**') has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**Listing Regulations**') at its meeting held on April 20, 2017.

**1.3** Under Section 2(35) of the Companies Act, 2013, 'Dividend' includes any interim dividend. In common parlance, 'dividend' means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them. In case of listed companies, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend.

## 2. Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. April 20, 2017.

## 3. Purpose, Objectives and Scope

**3.1** The Securities and Exchange Board of India (**'SEBI'**) vide its Gazette Notification dated July 8, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalisation calculated as on the 31st day of March of every year.

**3.2** As the Company is one of the top five hundred companies as on March 31, 2016, the Board has laid down a broad framework for distribution of dividend to its shareholders and/or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

**3.3** Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

**3.4** The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

## 4. Parameters to be considered while declaring Dividends

### 4.1 Financial Parameters

a) **Magnitude of current year's earnings of the Company:** Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

b) **Operating cash flow of the Company:** If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

c) **Return on invested capital:** The efficiency with which the Company uses its capital.

d) **Cost of borrowings:** The Board will analyze the requirement of necessary funds considering the long-term or short-term projects proposed to be undertaken by the Company and the viability of raising funds from alternative sources vis-a-vis plough back its own funds.

e) **Obligations to lenders:** The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

f) **Inadequacy of profits:** If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

g) **Post dividend EPS:** The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

### 4.2 Proposals for major capital expenditures

The Board may also take into consideration the need for replacement of capital assets, expansion and modernisation or augmentation of capital asset including any major sustenance, improvement and growth proposals.

**4.3 Agreements with lending institutions/ Bondholders/ Debenture Trustees**

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

**4.4 Statutory requirements**

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve, etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

## 5. Factors that may affect Dividend Payout

**5.1 External Factors**

**Macroeconomic conditions:** Considering the current and future outlook of the economy of the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the global market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to meet the exigency during unforeseen circumstances.

**Cost of raising funds from alternative sources:** If the cost of raising funds to pursue its planned growth and expansion plans is significantly higher, the management may consider retaining a larger part of the profits to have sufficient funds to meet the capital expenditure plan.

**Taxation and other regulatory provisions:** Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend. Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

**5.2 Internal Factors**

- The Company's long-term growth strategy which requires to conserve cash in the Company to execute the growth plan.
- The liquidity position of the Company including its working capital requirements and debt servicing obligations
- The trend of the performance/reputation of the Company that has been during the past years determine the expectation of the shareholders.

## 6. Target Dividend

**6.1** The Company has adopted a progressive dividend policy, intending to maintain or grow the dividend each year.

**6.2** The Company targets to pay dividend up to 50% of profit after tax of the Company subject to the applicable rules and regulations.

## 7. Circumstances under which the Shareholders can or cannot expect Dividend

**7.1** The Board shall consider the factors provided under Clause 4 and 5 above, before determination of any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc.

**7.2** The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

## 8. Manner of Dividend Payout

**8.1** Given below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations

**8.2** In case of final dividends:

a) Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

b) The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.

c) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

**8.3** In case of interim dividend:

a) Interim dividend, if any, shall be declared by the Board.

b) Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

c) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

d) In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

## 9. Policy as to how the retained earnings will be utilised

**9.1** The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run.

**9.2** The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Long-term strategic plans
- Augmentation/Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernisation plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the company
- Other such criteria as the Board may deem fit from time to time.

## 10. Provisions in regard to various classes of shares

**10.1** The Company has only one class of equity shareholders and does not have any issued preference share capital. However, in case Company issue different class of equity shares any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.

**10.2** The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

**10.3** The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

**10.4** Dividend when declared shall be first paid to the preference shareholders of the Company, if any as per the terms and conditions of their issue.

## 11. Applicability of the policy

**11.1** The Policy shall not apply to:

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares

## 12. Reporting and Disclosure

As prescribed by Regulation 43A of the Listing Regulation, this Policy shall be disclosed on the Company's website and the Annual report.

## 13. Review of the Policy

**13.1** This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

**13.2** Such amended Policy shall be periodically placed before the Board for adoption immediately after such changes.

## 14. Compliance Responsibility

Compliance of this Policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

# ANNEXURE 2

# Management Discussion and Analysis

## A. Overview

The following operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of the Financial Year 2018-19. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with the Indian Accounting Standards (**'Ind AS'**) complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India (**'SEBI'**) from time to time.

This report is an integral part of the Board's Report. Aspects on industry structure and developments, outlook, risks, internal control systems and their adequacy, material developments in human resources and industrial relations have been covered in the Board's Report and is incorporated herein by reference and forms an integral part of this report. Your attention is also drawn to sections on Strategy, Risk and Opportunities forming part of the Integrated Report. This section gives significant details on the performance of the Company.

## B. Tata Steel Group Operations

### 1. Tata Steel India (TSI)

(₹ crore)

| | FY 19 | FY 18 |
|---|---|---|
| Turnover | 70,611 | 60,519 |
| EBITDA | 20,744 | 15,800 |
| Profit before tax (PBT), before exceptional | 16,341 | 10,005 |
| Profit before tax (PBT) | 16,227 | 6,638 |
| Profit after tax (PAT), before exceptional | 10,647 | 7,536 |
| Profit after tax (PAT) | 10,533 | 4,170 |

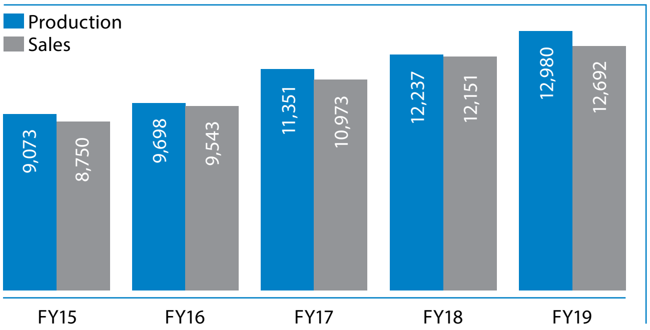
### a) Operations

(mn tonnes)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Hot Metal | 14.24 | 13.86 | 3 |
| Crude Steel | 13.23 | 12.48 | 6 |
| Saleable Steel | 12.98 | 12.24 | 6 |
| Sales | 12.69 | 12.15 | 4 |

The saleable steel production and sales trend over the years is as follows:

**PRODUCTION AND SALES OF STEEL DIVISION** (k tonnes)




During the Financial Year 2018-19, the saleable steel production stood at 12.98 MnT which is ~6.07% increase over the previous year. The hot metal production for the Financial Year 2018-19 was at 14.24 MnT which is 2.8% increase over previous year. The improvement in performance is due to stabilisation of operations and the ongoing improvement initiatives undertaken by the Company through the Shikhar25 program. Accordingly, Tata Steel Jamshedpur (**'TSJ'**) has achieved the Indian benchmark in specific consumption of energy, refractory, pulverised coal injection and coke rate.

At Tata Steel Kalinganagar (**'TSK'**), the commercial production at Phase-I of 3 MnTPA plant commenced since June 2016 and has achieved the rated capacity during the Financial Year 2018-19. TSK strives to maintain a world-class environment in the premises by following environmental management systems in accordance with rules and regulations framed by the Government and have comprehensive processes in place for ensuring health and safety of people, plant and equipment. The plant is designed to have minimal water foot print, by-product gas based power generation leading to reduction in carbon footprints, Coke Dry Quenching technology, zero-effluent discharge and significant reduction of noise and dust pollution.

Financial Year 2018-19 saw a significant quality ramp-up in steel making and rolling ahead of plan with successful development of new products that was well accepted by customers.

After successful ramp up, TSK has embarked upon second phase of expansion which will take its production capacity to 8 MnTPA.

### b) Marketing and Sales Initiatives

During Financial Year 2018-19, our Steel Business Unit (**'SBU'**) has achieved a growth in sales of ~4% over previous year contributed primarily from sales in domestic market.

The break-up of sales in our various segments and the break-up of domestic sales to exports are as follows:

(mn tonnes)

| | FY 19 | FY 18 |
|---|---|---|
| Automotive & Special products | 2.12 | 1.94 |
| Branded Products, Retail & Solutions | 3.90 | 3.80 |
| Industrial Products & Projects | 4.69 | 4.24 |
| **Domestic** | **10.71** | **9.98** |
| Exports | 1.06 | 1.15 |
| **Domestic + Exports** | **11.77** | **11.13** |
| Transfers (Wires, Tubes, Agrico, Tinplate) | 0.92 | 1.02 |
| **Total Deliveries** | **12.69** | **12.15** |

Following are the Key Business Initiatives and achievements of Financial Year 2018-19:

**Automotive and Special Products:** The Company achieved annual sales in Automotive sector of 2.12 MnT in Financial Year 2018-19 as against 1.94 MnT in the previous Financial Year. Further, the Company registered a growth of 8.2% as against industry growth of 6.3% and has retained its leadership in automotive flat products with a market share of 42% in the Financial Year 2018-19. Sales from Jamshedpur Continuous Annealing & Processing Company Private Limited (**'JCAPCPL'**) grew by 40% year-on-year to 289 kilo tonnes in Financial Year 2018-19 as against 206 kilo tonnes in previous year.

During Financial Year 2018-19, as a recognition of various initiatives and contributions, the Company received various accolades and awards from its key customers and automotive leaders, including the 'Overall Performance Award' for exhibiting exemplary performance in Quality, Cost, Delivery and Development for the 4th consecutive year and 'Gold Business Alignment Award' in recognition of its efforts to cater to increased volumes.

**Branded Products, Retail and Solutions:** During the Financial Year 2018-19, the Company achieved an annual sales of branded products at 3.9 MnT thereby registering growth of ~3% over previous year. Brands like Tata Tiscon and Tata Astrum achieved higher sales of 1.43 MnT and 1.52 MnT respectively during the Financial Year 2018-19, thereby registering a year-on-year growth of 3.5% and 9% respectively. The Company's first portal for the individual home builder, 'Aashiyana', crossed the milestone of ₹100 crore turnover in Financial Year 2018-19, since its launch in May 2018. The portal now hosts six retail brands – Tata Tiscon, Tata Pravesh, Tata Wiron, Tata Structura, Tata Agrico and Tata Shaktee and hosts over 5,000 service partners.

**Industrial Products, Projects and Exports:** The Company continues to enrich its product portfolio with its focus towards value added and engineering segments. The annual sales of value added flat products in industrial segment grew by 27% year-on-year with a total sales volume of 0.585 MnT. The Company continues to be the industry leader in Liquid Petroleum Gas and Medium & High Carbon segments. During the year under review, the Engineering Segment (Pre-Engineered Building, Lifting & Excavation, Construction & Projects and Oil & Gas) achieved annual sales of 0.450 MnT thereby registering a growth of 49% year-on-year. Despite rising protectionism, the Company maintained its presence in international markets and crossed 1 MnT in exports for second consecutive year. The Company has increased its downstream businesses such as Cut & Bend with Tiscon Readybuild, recording annual sales of 0.144 MnT in the Financial Year 2018-19 as against 0.138 MnT in previous financial year. Further, 'Sm@rtFAB' - India's first branded welded wire fabric achieved an annual sales of ~1,000 tonnes.

**Services & Solutions:** The Company has further strengthened its position in Service & Solutions space by providing better consumer connect and experience. Since inception, 1 lakh units of Tata Pravesh have been installed and over 10,000 consumers have been served until this financial year. During the year under review, the turnover from Tata Pravesh Doors and Windows have increased by ~80% as compared to previous year. Further, another premium Services & Solutions brand – 'Nest-In' has doubled its business during Financial Year 2018-19 compared to previous year.

**Digital Initiatives:** During the Financial Year 2018-19, the Company has rolled out various digital initiatives across various customer groups. E-selling platform 'Aashiyana' was launched for multiple B2C brands, 'COMPASS' - a digital supply chain visibility solution was rolled out to select B2B customers and an initiative called 'DigEca' was undertaken to capture lead management for Emerging Corporate Accounts (**'ECAs'**) for making the process convenient for the customers. These initiatives have contributed to the growth of Company's turnover for the Financial Year 2018-19.

### c) Sustainable Steel Business Initiatives

#### i) New Materials Business ('NMB')

The NMB was set up during the Financial Year 2018-19 with a vision to partially insulate revenues from cyclicity of the steel business and respond to growing demands of alternative materials from a range of industries.

NMB currently focusses on Fibre Reinforced Polymer (**'FRP'**) composites with products mainly made of Glass Reinforced Polymer (**'GRP'**). FRP is a composite material comprising glass/carbon/any other fibre, embedded in a resin matrix. Its key benefits include lightweight, corrosion resistance, high strength to weight ratio and design freedom. NMB successfully completed India's first ever FRP based foot over bridge project in March 2019 and sees a huge potential for such bridges in the country.

Further, the Company has set up a Graphene Centre to explore the potential usage of Graphene in a variety of applications. The main application was the development of anti-corrosion coatings on cut and bend rebars. Brand GFX Ultima Superlinks launched in 2018 has performed well and is proposed to be upscaled in the Financial Year 2019-20. The Company is pursuing to develop markets in industrial, retail, mobility, energy, wellness and medical verticals.

The Company is one of the first entrants from the organised sector in India and large corporate groups in the composites industry working on a growth strategy through current manufacturing partners and other inorganic means.

### ii) Steel Recycling business

Steel is 100% recyclable and can be recycled to create new steel products in a closed-material loop, making it a perfect candidate for a circular economy. Recycled steel maintains the inherent properties of the original steel.

Steel demand in India, is poised to grow with the scrap demand at present being ~30 MnTPA, with ~5 MnTPA imported from outside India. The supply is likely to increase due to some impending Government policies, rapid urbanisation and economic activity.

Steel production through the Electric Arc Furnace (**'EAF'**) route, has potential to reduce carbon emissions, resources and consumption by 60-70%, compared to traditional steel production routes.

Sensing these opportunities, the Company started the Steel Recycling business to meet the long-term growing demands in a more sustainable manner.

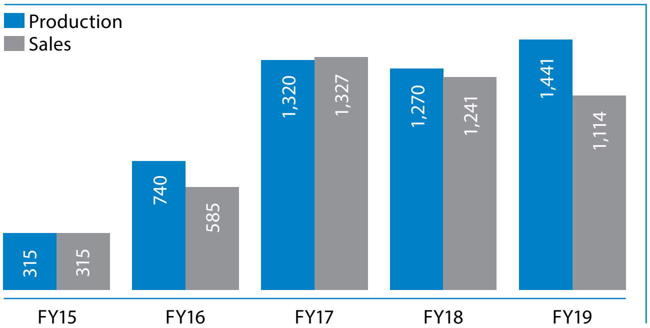
Our steel recycling business seeks to collaborate with the Government on multiple frontiers to formalise the scrap industry.

India's first State of Art Scrap Processing Centre is being set-up through an outsourced model, on BOO (Built, Own, Operate) basis, with a capacity to process 0.5 MnT of scrap annually. The commercial production is expected to begin in the latter half of the Financial year 2019-20.

### d) Ferro Alloys and Minerals Division

Our Ferro Alloys and Minerals Division (**'FAMD'**) is one of the leading chrome alloy producers in the world with operations spanning across continents. In India, it is the largest producer of ferro chrome and leading producer of manganese alloy. It's production facilities (from Mines to Market) are integrated with production bases spanning across four Indian States and having customers across the world. FAMD has captive plants at Joda, Bamnipal and Gopalpur (since June 2018) and have Ferro Processing Centres (**'FPCs'**) under a business partnering agreement for production of Chrome and Manganese alloys.

**PRODUCTION AND SALES OF FAMD** (k tonnes)




During the Financial Year 2018-19, FAMD achieved 19% growth in its production primarily in dolomite for meeting the requirements of TSJ and TSK. However, sales were lower than previous year due to lower availability of rakes for despatches.

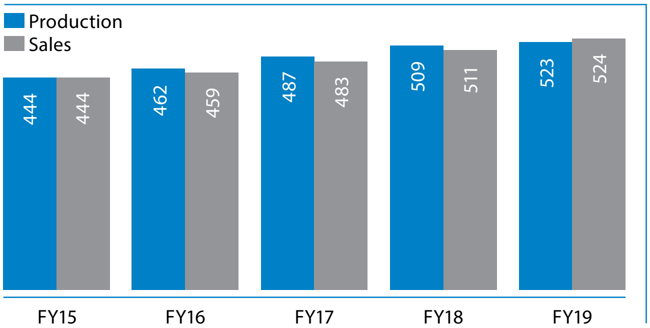
The division has launched a digital initiative 'Drishti' to enable end to end tracking of shipments and increase of visibility in the outbound supply chain to eliminate weight loss between plant and end customer.

The division won the 'National Safety Award 2016' from his excellency Hon'ble President of India and 'Kalinga Safety Award 2017' from his excellency Governor of Odisha.

### e) Tubes Division

Our Tubes Strategic Business Unit is a leading manufacturer of pipes and tubes in India having its manufacturing facility situated at Jamshedpur with an annual production capacity of ~500 kilo tonnes. The three main lines of businesses are conveyance tubes (Tata Pipes), structural tubes (Tata Structura), precision tubes for auto and boiler segments.

**PRODUCTION AND SALES OF TUBES DIVISION** (k tonnes)




During the Financial Year 2018-19, the division achieved 3% growth in sales over previous year mainly contributed by higher sales of 'Structura' due to growth in demand in the construction sector.

The division is focusing on increase in revenues from branded products and has launched two new brands in the retail segment - Tata Structura Z+ and Tata Pipes Jeevan along with thin organic coating spray. The division has leveraged advance technology across functions to bring in more operational efficiencies and accordingly introduced e-initiatives in supply chain 'COMPASS', 'TEJ app' for channel partners and 'Aashiyana' - an e-commerce portal for online sale of tubes. Post-acquisition of Bhushan Steel Limited on May 18, 2018 (renamed Tata Steel BSL Limited), Tubes SBU has launched Tata Structura and Tata Pipes for its B2B and B2SME customers in infrastructural and industrial segments.

The division has been awarded the GreenPro certification for Tata Structura & Tata Pipes by CII Green Building Council and 'Making of Developed India' award for Brand & Marketing excellence by World Federation of Marketing.

### f) Industrial By-Products and Management Division

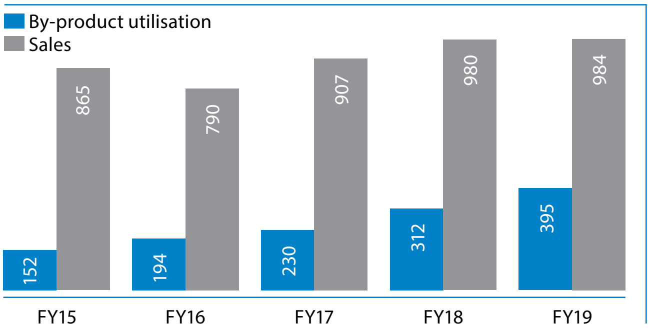
Our Industrial By-products and Management Division (**'IBMD'**) handles variety of by-products in the entire value chain. The business operates on the principle of 3Rs (Reduce, Reuse, Recycle), thereby ensuring contribution towards the green journey of Tata Steel.

With the objective of harnessing 'Value from waste and by-products', IBMD is committed to becoming a knowledge driven business unit leveraging digital and innovation as key pillars. The division has also delved into downstream value enhancement of by-products which serve as quality benchmarks in the industry.

During the year under review, the division saw substantial growth in its brands Tata Nirman and Tata Aggreto mainly contributed by fly ash bricks and road making applications.

By-product utilisation at the Plant increased substantially by ~26% over the previous year.

**BY-PRODUCT UTILISATION AT PLANT AND SALES OF IBM DIVISION** (k tonnes)



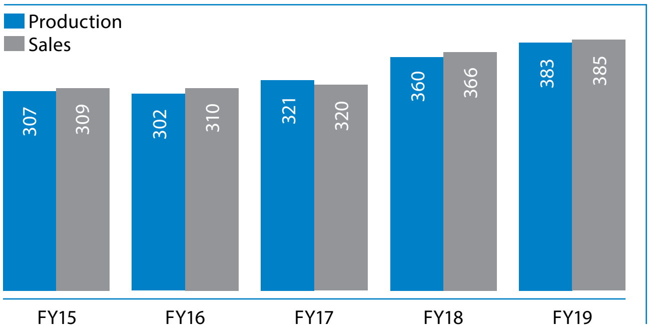

During the year under review, the division has achieved best-ever 100% LD Slag Utilisation at TSJ and TSK, successfully implemented E-inspection (digital material inspection) to achieve benefits on safety, reduced cycle time and increase in customer base. Tata Aggreto was approved for usage in rural roads by Indian Road Congress for the first time in India.

The division has been awarded 'Company of the year' at the 14th Global Slag Conference and Exhibition 2019 in Aachen, Germany for its work in innovative applications of Slag.

### g) Wires Division

Our Global Wires India (**'GWI'**) Business Unit is the largest manufacturer of steel wires in India. The plants are located at Tarapur, Pithampur and Jamshedpur, contributing to nearly 70% of its sales volume, with remaining 30% being catered by Wires Processing Centres. GWI caters to the requirements of the Indian Automobile Industry, Construction Industry and the rural markets with various products.

**PRODUCTION AND SALES OF WIRES DIVISION** (k tonnes)



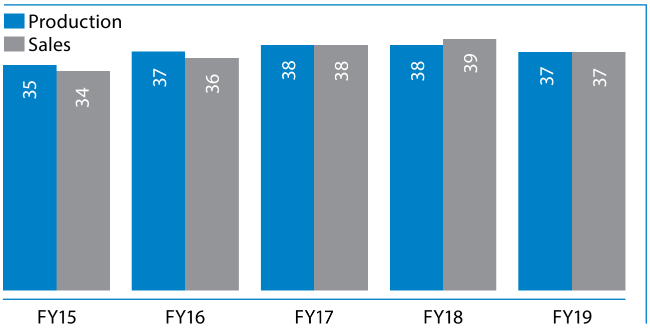

During the Financial Year 2018-19, the division achieved 6% growth in production and 5% growth in sales due to a consistent year-on-year growth in infrastructure at 11% and in retail at 7%. The division introduced two new products – Wiron Aayush Farming and GI Knotted Fence.

The division's Wire Plant in Tarapur has been awarded the national award for achieving 'manufacturing competitiveness' by Indian Research Institute of Manufacturing.

### h) Bearings Division

The Bearings Division is one of India's largest quality bearing manufacturers, having its manufacturing facility situated at Kharagpur, West Bengal with an annual production capacity of 40 million bearing numbers. The Company is foremost in the manufacturing of a wide variety of bearings and auto assemblies and product range includes Ball Bearings, Taper Roller Bearings, Hub Unit Bearings, Clutch Release Bearings, Double Row Angular Contact Bearings, Centre Bearings and Magneto Bearings. It is the only bearings manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.

**PRODUCTION AND SALES OF BEARINGS DIVISION** (mn nos.)




The sales have reduced by 5% over previous year due to drop in production in the automobile segment, low priced imports from China and increase in cost of basic raw materials - steel and alloy steel. The Division has improved plant availability by debottlenecking and leveraging its existing resources for sustainable operations.

### i) Shikhar25 (Operational Improvement Programmes)

The Shikhar25 program, a multi-divisional, multi-location, cross functional program, completed four years in Financial Year 2018-19. The Company has been pursuing the 'journey for improvement' since its inception. The continuous learning and improvement journey has been one of the foundation pillars for driving benchmark performance across the value chain.

The programme covers entire steel value chain with structured collaboration from Raw Materials division to Marketing & Sales division as an umbrella initiative. It intends to drive break through improvement projects with best of rigor and simplified governance, without compromising on safety, environment and people standards and in collaboration with internal/external stakeholders to achieve best in class operational performance.

During the year under review, basis previous years' learnings, the Shikhar25 programme was extended to tap potentials for Cross cutting themes across divisions and its facility at TSK. Three new IMPACT Centers were established namely Tubes, JUSCO and Finance & Accounts. All the Impact Centres focussed on new technology adaptation in collaboration with suppliers and integrating digital initiatives to explore new horizons of improvements. Key levers for improvement were improvement in sale of enriched products, increase in throughput at West Bokaro collieries, maximising captive iron ore supply to Tata Steel BSL Limited (formerly Bhushan Steel Limited), cost reduction of clean coal from Jharia and iron ore, reduction of solid fuel in pellet plant, reduction in graphite electrode consumption in LDs, HM +Scrap yield at LDs, cost reduction of Lime Consumption & Ferro Alloys at LDs, reduction in inbound/outbound logistics spend base, packaging cost, energy efficiency, cost optimisation for other procured goods and services amongst others.

Total improvement savings achieved in the Financial Year 2018-19 is ₹2,801 crore.

## 2. Tata Steel BSL Limited (formerly Bhushan Steel Limited)

The Company acquired controlling stake in Bhushan Steel Limited [renamed Tata Steel BSL Limited (**'TSBSL'**)] vide National Company Law Tribunal (**'NCLT'**) Order dated May 15, 2018 under the Insolvency and Bankruptcy Code (**'IBC'**). The Financial Statements of TSBSL have been consolidated effective May 18, 2018 and hence previous year's figures are not comparable.

The turnover and profit/loss figures of TSBSL for the Financial Year 2018-19 are given below:

(₹ crore)

| | FY 19 |
|---|---|
| Turnover | 18,376 |
| EBITDA | 3,033 |
| Profit before tax (PBT), before exceptional | (922) |
| Profit before tax (PBT) | (881) |
| Profit after tax (PAT), before exceptional | (922) |
| Profit after tax (PAT) | (881) |

The production and sales performance of TSBSL is given below:

(mn tonnes)

| | FY 19 |
|---|---|
| Crude Steel | 3.58 |
| Saleable Steel | 3.50 |
| Sales | 3.57 |

During the Financial Year 2018-19, the saleable steel production stood at 3.5 MnT and the crude steel production stood at 3.58 MnT.

The long-term sustainability of TSBSL requires structured and accelerated operational excellence and integration with Tata Steel. Post the acquisition, many improvement projects have been undertaken at TSBSL. We have put in place strategies to optimise the use of the existing assets and reach higher level of capacity utilisation to produce value added grades, increase the customer base and bring about development in domestic market and value creation through synergy initiatives.

TSBSL is working towards stabilising the operations at the plant, debottlenecking existing facilities, raising its standards to the benchmark demonstrated performance and realising synergies. Further, TSBSL plans to achieve benchmark performance across all areas to achieve rated capacity and generate strong cash flows.

In July 2018, TSBSL launched an accelerated performance improvement plan to achieve industry benchmark in operational excellence and customer focus with the agenda of deep change management encompassing employee engagement and capability building. Accordingly, the IMPACT Centre (**'IC'**) methodology along with the D0-D4 stage gate approach (based on degree of hardness) was leveraged to drive this program.

Under the program, 13 ICs were rapidly setup and stabilised across the entire value chain laying down the culture for continuous improvement, ownership and drive. These ICs are working on over 500 ideas including synergy initiatives across the value chain. The benefits achieved from these initiatives in the Financial Year 2018-19 is ~₹630 crore.

## 3. Tata Steel Europe ('TSE')

Global GDP growth in 2018 was 3.2%. The eurozone economy grew by 1.8% in 2018 compared to 2.5% in 2017. Growth was negatively impacted by a slowing Chinese economy and US protectionism. The UK economic growth eased to 1.4% in 2018 compared to 1.7% in 2017 mainly due to ongoing uncertainty towards Brexit which caused businesses to postpone decisions regarding future investments.

As economic growth weakened, capacity utilisation in the global steel industry reduced causing steel prices and margins to fall. The World Steel Association predicts that EU steel demand is expected to grow by only 0.5% in 2019. Margins are expected to remain under pressure in 2019 as further reductions to global overcapacity is unlikely.

Negotiations between the EU and the UK in relation to Brexit and the evolving political situations are being monitored by the TSE Brexit Working Group, which includes an assessment of the threats and opportunities that Brexit may impose on the EU steel market and the TSE customers. TSE is committed to maintaining close dialogue with its customers and partners to ensure that all potential Brexit scenarios are planned for, short-term disruption is minimised and opportunities for the re-alignment of supply chains are identified.

The European Commission granted the UK a 6-month extension to Brexit till October 31, 2019 averting the UK to leave the EU without a deal. As part of its risk management, TSE has identified a number of mitigating actions it would implement for a 'no-deal' scenario. Due to the ongoing Brexit uncertainty, the pound has continued to remain weak against major currencies in the Financial Year 2018-19 averaging 1.13 against the euro (2017-18: 1.14) and 1.32 versus the US dollar (2017-18: 1.33).

The turnover and profit/loss figures of TSE (continuing operations) are given below:

(₹ crore)

| | FY 19 | FY 18 |
|---|---|---|
| Turnover | 64,777 | 59,985 |
| EBITDA | 5,414 | 3,713 |
| Profit before tax (PBT), before exceptional | (1,078) | (1,803) |
| Profit before tax (PBT) | (1,147) | 12,048 |
| Profit after tax (PAT), before exceptional | (1,405) | (2,164) |
| Profit after tax (PAT) | (1,475) | 11,687 |

The production and sales performance of TSE (continuing operations) is given below:

(mn tonnes)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Liquid Steel Production | 10.31 | 10.69 | (4) |
| Deliveries | 9.64 | 9.99 | (4) |

TSE's revenue of ₹64,777 crore for the Financial Year 2018-19 increased by 8% over previous year primarily owing to an increase in average revenue per tonne due to improved market conditions partly offset by reduction in deliveries.

The principal activities in Financial Year 2018-19 comprised manufacture and sale of steel products throughout the world. TSE's continuing operations produced carbon steel by the basic oxygen steelmaking method at its integrated steelworks in the Netherlands at IJmuiden and in the UK at Port Talbot. During Financial Year 2018-19 these plants produced 10.3 MnT of liquid steel.

Whilst the Group seeks to increase its differentiated/premium business which is less dependent on market price movements, it still retains focus in both the UK and IJmuiden on improving its operations, consistency, and taking measures to protect against unplanned interruptions and property damage.

**Strip Products Mainland Europe –** During the Financial Year 2018-19, the liquid steel production at IJmuiden Steel Works, Netherlands was at 7.1 MnT which remained unchanged compared to previous year. Record annual outputs of 1.4 MnT were achieved at the Direct Sheet Plant. Further, during the year under review, Strip Products Mainland Europe continued with its 'Sustainable Profit' programme which targets improvements to delivery and yield performance, commercial mix and reduce operating costs and unplanned downtime. Further progress was also achieved in its 'Strategic Asset Roadmap' (**'STAR'**) capital investment programme to support the strategic growth of differentiated, high value products in the automotive, lifting & excavating, energy and power market sectors.

The World Economic Forum announced that Tata Steel IJmuiden had been inducted into its prestigious community of 'Lighthouses' for its Advanced Analytics-programme, a distinction awarded to manufacturing facilities which are leaders in the technologies of the Fourth Industrial Revolution. In 2018, Tata Steel IJmuiden celebrated its centennial anniversary. The festivities were highly valued by the employees and visitors to the site.

**Strip Products UK –** During the year under review, the liquid steel production at Port Talbot Steel Works, Wales was at 3.2 MnT which was lower by 0.4 MnT from the previous year due to an outage to extend the life of Blast Furnace 5. During Financial Year 2018-19 Strip Products UK further optimised its new automotive finishing line (**'AFL'**) and extensive work was undertaken on the power plant to extend its generation capability. Further progress was achieved in its 'Delivering Our Future' improvement initiative programme that is now incorporated more deeply across the full UK supply chain. In addition, the 'Sustainable Operational Excellence' programme was rolled out across the hub with a significant impact on daily management activities through the mass engagement and coaching of points of leadership and their teams.

## Strategic Activities

During the year under review,

- TSE signed definitive agreements with thyssenkrupp AG to combine the European Steel Business into a 50:50 joint venture, named thyssenkrupp Tata Steel BV on June 30, 2018. The transaction is subject to merger control clearance in several jurisdictions, including the European Union.
- TSE successfully completed a major project to extend the life of Blast Furnace 5 at Port Talbot. The project comprised a capital investment of £56m and is expected to extend the life of the furnace by 5 to 7 years and improve its operational stability.
- TSE announced its intention to divest its Cogent, Kalzip, Firsteel, Engineering Steels Service Centre (Wolverhampton) and Tata Steel Istanbul Metals (Colours) businesses. The disposal of the Kalzip business to Donges SteelTec GmbH was completed on October 1, 2018. Discussions to divest the other businesses remain ongoing.

## Awards and Accolades:

- TSE won an award for its innovative construction software 'BIM DNA Profiler' which was named the best new product at the BIM show.
- TSE won an award for 'Excellence in Education and Training' at the Steelie Awards 2018.
- TSE has been named a sustainability champion by the World Steel Association.

### 4. South East Asia Operations

On January 28, 2019, T S Global Holdings Pte. Ltd. (**'TSGH'**) (an indirect wholly-owned subsidiary of the Company) executed definitive agreements to divest its entire equity stake in NatSteel Holdings Pte. Ltd. (**'NSH'**) and Tata Steel (Thailand) Public Company Ltd. (**'TSTH'**) As per the agreement, the divestment will be made to a company, to be formed, in which 70% equity shares will be held by an entity controlled by HBIS Group Co., Ltd. and 30% will be held by TSGH.

The assets and liabilities of these companies have been classified as held for sale as on March 31, 2019 and have been presented separately in the Consolidated Balance Sheet of Tata Steel. The results for the current period of these companies have been disclosed within discontinued operations and results for the previous periods have been restated accordingly.

Loss of ₹89 crore for the Financial Year 2018-19 (Previous Year Profit of ₹141 crore) have been reported under 'discontinued operations' in the Statement of Profit and Loss of Tata Steel for the period ended March 31, 2019.

### 5. Tata Metaliks Limited

The turnover and profit/loss figures of Tata Metaliks Limited (**'TML'**) for Financial Year 2018-19 are as follows:

(₹ crore)

| | FY 19 | FY 18 |
|---|---|---|
| Turnover | 2,155 | 1,894 |
| Profit before tax (PBT) | 212 | 200 |
| Profit after tax (PAT) | 182 | 159 |

TML has its manufacturing plant at Kharagpur, West Bengal, India which produces annually 300 kilo tonnes of pig iron and 200 kilo tonnes of ductile iron pipes. Pig iron is marketed under the brand name 'Tata eFee' (world's first brand) and ductile iron pipe is marketed under the brand name 'Tata Ductura'.

During the Financial Year 2018-19, the sale of pig iron was at 280 kilo tonnes as against 291 kilo tonnes of previous year owing to a sluggish demand. However, the sale of ductile iron pipes increased to 240 kilo tonnes as against 209 kilo tonnes of previous year due to higher demand in the project segment.

TML has started Pulverised Coal Injection (**'PCI'**) and usage of pellets in both the Mini Blast Furnaces (**'MBFs'**).

The increase in turnover is due to an increase in net realisation of pig-iron and ductile iron pipes offset by lower sale of pig iron.

The increase in PAT is due to improvement in cost primarily due to improvement in specific consumption of raw materials – coke, iron ore, operational efficiency and lower overheads.

During the year under review, TML was awarded with 'Noteworthy Water Efficient Unit' at the 4th Water Innovation Summit 2018 (Economic Growth & Human Development in Context of Water Security) & National Awards for Excellence in Water Management and 'Excellence in Corporate Social Responsibility in 2018' by the CII-ITC Centre for Excellence for Sustainable Development.

### 6. The Tinplate Company of India Limited

The turnover and profit/loss figures of The Tinplate Company of India Limited (**'TCIL'**) for Financial Year 2018-19 are as follows:

(₹ crore)

| | FY 19 | FY 18 |
|---|---|---|
| Turnover | 2,611 | 1,931 |
| Profit before tax (PBT) | 92 | 115 |
| Profit after tax (PAT) | 58 | 73 |

TCIL is the largest indigenous producer of tin coated and tin free steel used for metal packaging. It has also been 'value-adding' its products by way of providing printing and lacquering facility to reach closer to food processors/fillers. TCIL has two Cold Rolling Mills and two electrolytic tinning lines with an installed annual production capacity of around 379 kilo tonnes of tinplate and tin-free steel.

During the year under review, TCIL's consumption in India grew by ~6% primarily driven by paints & aerosol end use segments growing at ~8% each. Tin Free Steel (**'TFS'**) for crown caps also increased considerably by 18%. However, the demand from oil can, one of the largest end use segments, was much lower than expected due to fillers choosing alternate packaging medium owing to steep increase in the tinplate price.

During the Financial Year 2018-19, TCIL achieved deliveries of 359 kilo tonnes as against 361 kilo tonnes of previous year due to sluggish demand. The turnover is higher over the previous year due to increase in realisations as there has been an increase in steel prices. However, PAT is lower than previous year due to increase in cost of raw materials.

TCIL was awarded 'Award for Excellence in Consistent TPM Commitment' for 2018, by Japan Institute of Plant Maintenance.

### 7. Tata Steel Processing and Distribution Limited

The turnover and profit/loss figures of Tata Steel Processing and Distribution Limited (**'TSPDL'**) for the Financial Year 2018-19 are as follows:

(₹ crore)

| | FY 19 | FY 18 |
|---|---|---|
| Turnover | 4,281 | 3,196 |
| Profit before tax (PBT) | 118 | 96 |
| Profit after tax (PAT) | 76 | 64 |

TSPDL is India's largest steel service centre organisation with primary operations being steel coil slitting, cut-to-length, blanking, corrugation, plate burning and fabrication. TSPDL is the pioneer and a leader in the organised steel processing and distribution market.

World-class processing facilities and comprehensive quality assurance systems combine to make TSPDL a benchmark in the steel service industry. TSPDL has developed IT rack solutions (Wall Mounted, Floor Standing and Open) for various applications.

TSPDL currently has a processing capacity of 3.5 MnT with around 75% of utilisation in the Financial Year 2018-19 as compared to the processing capacity of 3.2 MnT in the previous year.

During the Financial Year 2018-19, TSPDL achieved 1,807 kilo tonnes of tolling volumes and 805 kilo tonnes of distribution volumes, an increase of 19% and 18% respectively over previous year which resulted in an increase in turnover. The profits are higher primarily due to higher contribution from tolling.

TSPDL won the Suraksha Puraskar (Bronze Trophy) and was awarded 'CII National Energy Management award 2018- Energy Efficient Unit'

### 8. Tata Sponge Iron Limited

The turnover and profit/loss figures of Tata Sponge Iron Limited (**'TSIL'**) for the Financial Year 2018-19 are as follows:

(₹ crore)

| | FY 19 | FY 18 |
|---|---|---|
| Turnover | 992 | 817 |
| Profit before tax (PBT) | 188 | 210 |
| Profit after tax (PAT) | 124 | 141 |

TSIL is a manufacturer of sponge iron with an annual production capacity of 390 kilo tonnes and generates 26 MW of power through the waste heat recovery route.

During the Financial Year 2018-19, sale of sponge iron was 437 kilo tonnes as against 414 kilo tonnes of previous year. The turnover has increased by 21% due to increase in net realisation from sponge iron and higher sales volume. However, the profit is lower than previous year due to higher cost of ore and coal.

### 9. Bhubaneshwar Power Private Limited

The turnover and profit/loss figures of Bhubaneshwar Power Private Limited (**'BPPL'**) for the Financial Year 2018-19 are as follows:

(₹ crore)

| | FY 19 | FY 18 |
|---|---|---|
| Turnover | 541 | 74 |
| Profit before tax (PBT) | 64 | (6) |
| Profit after tax (PAT) | 60 | (6) |

Note: The Financial Year 2017-18 is reported from February 1, 2018 to March 31, 2018, as BPPL became a subsidiary of Tata Steel Limited effective February 1, 2018.

BPPL is in the business of generation of power. It owns 135 MW (2x67.5 MW) coal based power plant in Odisha. During the Financial Year 2018-19, the plant operated at a load factor of 78.1%, generated 924 million units of power, an improvement of ~8% over the previous year with a plant availability of 94%. BPPL supplies 120.5 MW power to the Company and T S Alloys Limited. Further, during the Financial Year 2018-19, BPPL reported profit against loss in previous year.

## C. Financial Performance

### 1. Tata Steel Limited (Standalone)

During the year under review, the Company recorded a profit after tax of ₹10,533 crore (previous year: ₹4,170 crore). The increase is primarily on account of improved realisations, higher deliveries and lower exceptional charges over previous year. The basic and diluted earnings per share for the Financial Year 2018-19 were at ₹90.41 per share and ₹90.40 per share respectively (previous year: basic: ₹38.57 per share, diluted: ₹38.56 per share).

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

#### a) Revenue from operations

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Sale of products | 67,214 | 57,614 | 17 |
| Sale of power and water | 1,709 | 1,691 | 1 |
| Other operating revenue | 1,688 | 1,214 | 39 |
| **Total revenue from operations** | **70,611** | **60,519** | **17** |

During the year under review, sale of products was higher as compared to the previous year, primarily due to higher realisations and increased volumes. The Ferro Alloys and Mineral Division registered a higher revenue owing to higher production of Ferro Chrome along with improved demand in the international market. The Wires and Tubes division registered higher revenue due to increase in realisations. Other operating revenue increased mainly due to higher benefits arising out of exports.

#### b) Purchases of stock-in-trade

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Purchases of stock-in-trade | 1,808 | 647 | 179 |

During the year under review, purchases of stock-in-trade was higher as compared to the previous year due to higher purchases of steel wire rods, imported rebars, hot rolled coils, cold rolled coils and slabs, owing to higher requirement.

#### c) Cost of materials consumed

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Cost of materials consumed | 19,840 | 16,878 | 18 |

During the year under review, the cost of materials consumed increased primarily due to higher consumption of coal and purchased pellet along with higher cost of imported coal.

#### d) Employee benefits expense

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Employee benefits expense | 5,131 | 4,829 | 6 |

During the year under review, the expense increased primarily on account of salary revisions, its consequential impact on the retirement provisions.

### e) Depreciation and amortisation expense

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Depreciation and amortisation expense | 3,803 | 3,727 | 2 |

The increase in depreciation is due to regular additions in fixed assets.

### f) Other expenses

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Other expenses | 23,823 | 21,841 | 9 |

Other expenditure represents the following expenditure:

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Consumption of stores and spares | 4,040 | 3,306 | 22 |
| Repairs to buildings | 61 | 72 | (15) |
| Repairs to machinery | 2,950 | 2,603 | 13 |
| Relining expenses | 88 | 52 | 69 |
| Fuel oil consumed | 211 | 154 | 37 |
| Purchase of power | 2,823 | 2,771 | 2 |
| Conversion charges | 2,722 | 2,838 | (4) |
| Freight and handling charges | 4,320 | 4,102 | 5 |
| Rent | 72 | 75 | (4) |
| Royalty | 2,003 | 1,573 | 27 |
| Rates and taxes | 1,201 | 966 | 24 |
| Insurance charges | 133 | 111 | 20 |
| Commission, discounts and rebates | 189 | 194 | (3) |
| Allowance for credit losses/ provision for advances | 1 | 54 | (98) |
| Excise Duty (including recovered on sales) | 0 | 903 | (100) |
| Other expenses | 3,809 | 2,404 | 58 |
| Less : Expenditure (other than interest) transferred to capital & other accounts | (800) | (337) | (137) |
| **Total Other expenses** | **23,823** | **21,841** | **9** |

Other expenses were higher as compared to the previous year primarily on account of higher consumption of stores and spares on account of increased operations and shutdowns at TSJ and TSK, higher repairs and maintenance expenses mainly due to higher contract jobs at mines and collieries, increase in royalty on account of increase in volumes and rates, higher freight and handling in line with higher volumes.

### g) Finance costs and net finance costs

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Finance costs | 2,824 | 2,811 | 0 |
| Net Finance costs | 600 | 2,068 | (71) |

During the year under review, finance costs were almost at par with the previous year. Net finance charges were lower on account of higher interest income on inter-company deposits (**'ICDs'**) partly offset by lower income from mutual funds.

### h) Exceptional items

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Exceptional items | (114) | (3,366) | N.A. |

The details of exceptional items for the current year and previous year are as follows:

- Impairment of investments/doubtful advances amounting to ₹12 crore (2017-18: ₹35 crore) relates to provision recognised for impairment of investments in subsidiaries and joint ventures. During financial year 2017-18 the Company had recognised provision in respect of advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc amounting to ₹27 crore.
- Provision for demands and claims amounting to ₹329 crore (2017-18: ₹3,214 crore) relating to certain statutory demands and claims on environment and mining matters.
- Provision for Employee Separation scheme (ESS) under Sunehere Bhavishya Ki Yojana ('SBKY') scheme amounting to ₹35 crore (2017-18: ₹90 crore).

  Partly offset by,
- Profit on sale of non-current investments in TRL Krosaki Refractories Limited (an associate of the Company) amounting to ₹262 crore (2017-18: Nil)

### i) Property, plant & equipment (PPE) including intangibles

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Property, Plant and Equipment | 70,417 | 70,943 | (1) |
| Capital work-in-progress | 5,686 | 5,642 | 1 |
| Intangible assets | 805 | 786 | 2 |
| Intangible assets under development | 110 | 32 | 244 |
| **Total property, plant & equipment (PPE) including intangibles** | **77,018** | **77,402** | **(0)** |

The movement in total PPE including intangible is almost at par with the previous year.

### j) Investments

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Investment in Subsidiary, JVs and Associates | 4,438 | 3,666 | 21 |
| Investments - Non-current | 34,492 | 5,971 | 478 |
| Investments - Current | 477 | 14,640 | (97) |
| **Total Investments** | **39,407** | **24,277** | **62** |

The increase in investments was predominantly on account of higher investments in preference shares of subsidiaries mainly in TSBSL (formerly Bhushan Steel Limited), partly offset by decrease in investments in mutual funds.

### k) Inventories

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Finished and semi-finished goods including stock-in-trade | 4,205 | 3,658 | 15 |
| Work-in-progress | 14 | 7 | 100 |
| Raw materials | 4,496 | 4,953 | (9) |
| Stores and spares | 2,540 | 2,405 | 6 |
| **Total Inventories** | **11,255** | **11,023** | **2** |

Finished and semi-finished inventory increased as compared to previous year mainly due to increase in flat products inventory. The decrease in raw material inventories over the previous year was mainly due to decrease in coal inventory. Stores and spares inventory had increased mainly on account of higher consumption and increase in prices.

### l) Trade receivables

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Gross trade receivables | 1,398 | 1,907 | (27) |
| Less: allowance for credit losses | 35 | 31 | 13 |
| **Net trade receivables** | **1,363** | **1,876** | **(27)** |

Decrease in trade receivables as compared to previous year is primarily due to higher discounting.

### m) Gross debt and net debt

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Gross debt | 29,701 | 28,126 | 6 |
| Less: Cash and Bank balances (incl. Non-current balances) | 753 | 4,717 | (84) |
| Less: Current investments | 477 | 14,640 | (97) |
| **Net Debt** | **28,471** | **8,769** | **225** |

Net debt was higher as compared to previous year. This is attributable to decrease in current investments along with cash and bank balances.

Gross debt was marginally higher due to issue of non-convertible debentures and fresh loan drawn of term loan, partly offset by scheduled repayment and pre-payments.

### n) Cash Flows

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Net Cash from/(used in) operating activities | 15,193 | 11,791 | 29 |
| Net Cash from/(used in) investing activities | (16,350) | (12,273) | (33) |
| Net Cash from/(used in) financing activities | (2,887) | 4,166 | (169) |
| **Net increase/(decrease) in cash and cash equivalents** | **(4,044)** | **3,684** | **(210)** |

#### Net cash flow from/(used in) operating activities

During the year under review, the net cash generated from operating activities was ₹15,193 crore as compared to ₹11,791 crore during the previous year. The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹19,949 crore as compared to inflow of ₹15,109 crore during the previous year due to higher operating profit. Cash outflow from working capital changes in 2018-19 is ₹223 crore mainly due to increase in inventories by ₹215 crore and increase in Non-current/Current financial and other assets by ₹611 crore partly offset by increase in Non-current/current financial and other liabilities/provisions by ₹603 crore. The income taxes paid during the current year was ₹4,533 crore as compared to ₹2,503 crore during Financial Year 2017-18.

#### Net cash flow from/(used in) investing activities

During the year under review, the net cash outflow from investing activities amounted to ₹16,350 crore as compared to ₹12,273 crore during the previous year. The outflow during the current year broadly represents, purchase of investments in subsidiaries ₹29,076 crore, capex of ₹3,677 crore partly offset by proceeds from sale of current investments of ₹14,760 crore.

#### Net cash flow from/(used in) financing activities

During the year under review, the net cash outflow from financing activities was ₹2,887 crore as compared to an inflow of ₹4,166 crore during the previous year. The outflow during the current year broadly represents payment of interest ₹2,608 crore, payment of dividend including taxes ₹1,371 crore and proceeds from borrowings (net of repayments) ₹1,437 crore.

### o) Changes in key financial ratios

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

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Inventory Turnover (days) | 60 | 67 | (10) |
| Debtors Turnover [1] (days) | 8 | 12 | (33) |
| Current Ratio (Times) | 0.73 | 0.91 | (20) |
| Interest Coverage Ratio [2] (Times) | 9.57 | 7.08 | 35 |
| Debt Equity (Times) | 0.44 | 0.49 | (10) |
| Net Debt Equity [3] (Times) | 0.42 | 0.15 | 180 |
| EBITDA Margin (%) | 29.38 | 26.11 | 13 |
| Net Profit Margin [4] (%) | 14.92 | 6.89 | 117 |
| Return on Average Networth [5] (%) | 15.43 | 7.21 | 114 |

**1) Debtors Turnover Ratio:** Improved primarily on account of decrease in debtors by 27% owing to higher discounting.

**2) Interest Coverage Ratio:** Improved primarily on account of higher operating profits.

**3) Net Debt Equity Ratio:** Increased primarily on account of significant decline in cash and bank balances and other liquid investments over previous year.

**4) Net Profit Margin:** Increased primarily on account of increase in net profits attributable to higher operating profits, lower exceptional charge and higher finance income during Financial Year 2018-19.

**5) Return on net worth:** Increased primarily on account of increase in net profits attributable to higher operating profits during Financial Year 2018-19.

## 2. Tata Steel Limited (Consolidated)

Tata Steel Consolidated profit after tax (including discontinued operations) was ₹9,098 crore as against ₹17,763 crore in the previous year. The decrease was mainly due to previous year's exceptional gain of ₹9,599 crore as against charge of ₹121 crore during current year.

### a) Revenue from Operations

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 70,611 | 60,519 | 17 |
| TSBSL | 18,376 | - | N.A. |
| TSE | 64,777 | 59,985 | 8 |
| Others | 46,877 | 38,261 | 23 |
| Eliminations & Adjustments | (42,972) | (34,655) | (24) |
| **Total revenue from operations** | **1,57,669** | **1,24,110** | **27** |

The consolidated revenue from operations was higher as compared to the previous year primarily due to acquisition of TSBSL. Increase at Tata Steel Standalone was primarily on account of higher Steel volumes and realisations and higher other operating income. TSE reported increase mainly on account of an increase in average revenue per tonne, supported by favourable forex impact on translation.

Increase in 'Others' primarily reflects transactions through TSPDL, TCIL and Tata Steel Global Procurement (**'TSGP'**), which are, eliminated on consolidation.

### b) Purchases of stock-in-trade

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 1,808 | 647 | 179 |
| TSBSL | 7 | - | N.A. |
| TSE | 4,814 | 4,800 | 0 |
| Others | 6,110 | 4,327 | 41 |
| Eliminations & Adjustments | (6,171) | (4,399) | (40) |
| **Total purchases of stock-in-trade** | **6,568** | **5,375** | **22** |

Expense was higher mainly at Tata Steel (Standalone) due to higher purchases of wire rods, imported rebars, hot rolled coils, cold rolled coils and slabs owing to higher requirement.

### c) Cost of materials consumed

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 19,840 | 16,878 | 18 |
| TSBSL | 9,840 | - | N.A. |
| TSE | 23,407 | 22,629 | 3 |
| Others | 34,758 | 28,569 | 22 |
| Eliminations & Adjustments | (33,536) | (27,314) | (23) |
| **Total cost of materials consumed** | **54,309** | **40,762** | **33** |

Consumption was higher mainly on account of acquisition of TSBSL. Increase at Tata Steel (Standalone) was higher due to higher consumption of coal and purchased pellet, along with higher cost of imported coal. TSE reported an increase mainly on account of adverse exchange impact on translation.

Others primarily reflects activities at Tata Steel Global Procurement (**'TSGP'**) which are majorly eliminated on consolidation.

### d) Employee benefits expense

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 5,131 | 4,829 | 6 |
| TSBSL | 327 | - | N.A. |
| TSE | 12,444 | 11,407 | 9 |
| Others | 857 | 734 | 17 |
| **Total employee benefits expense** | **18,759** | **16,970** | **11** |

Acquisition of TSBSL resulted in increase in employee benefit expense. Expense at Tata Steel (Standalone) increased mainly on account of salary revisions and its consequential impact on the retirement provisions. TSE reported increase due to adverse exchange impact on translation and normal salary increase.

### e) Depreciation and amortisation expense

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 3,803 | 3,727 | 2 |
| TSBSL | 1,228 | - | N.A. |
| TSE | 1,936 | 1,727 | 12 |
| Others | 375 | 288 | 30 |
| **Total depreciation and amortisation expense** | **7,342** | **5,742** | **28** |

Expense was higher than previous year mainly on account of acquisition of TSBSL. Increase in expense at Tata Steel (Standalone) was in line with normal addition. Expense at TSE was higher in line with normal addition along with adverse exchange impact on translation.

### f) Other expenses

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 23,823 | 21,841 | 9 |
| TSBSL | 4,661 | - | N.A. |
| TSE | 18,826 | 17,793 | 6 |
| Others | 3,864 | 1,881 | 105 |
| Eliminations & Adjustments | (2,428) | (2,045) | (19) |
| **Total other expenses** | **48,746** | **39,470** | **24** |

Other expenditure represents the following expenditure:

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Consumption of stores and spares | 11,160 | 8,440 | 32 |
| Repairs to buildings | 133 | 99 | 34 |
| Repairs to machinery | 6,672 | 5,708 | 17 |
| Relining expenses | 88 | 52 | 69 |
| Fuel oil consumed | 451 | 351 | 28 |
| Purchase of power | 4,865 | 4,090 | 19 |
| Conversion charges | 2,681 | 2,657 | 1 |
| Freight and handling charges | 8,389 | 7,950 | 6 |
| Rent | 3,455 | 2,379 | 45 |
| Royalty | 2,191 | 1,650 | 33 |
| Rates and taxes | 1,485 | 1,235 | 20 |
| Insurance charges | 272 | 282 | (4) |
| Commission, discounts and rebates | 260 | 255 | 2 |
| Allowance for credit losses/ provision for advances | 174 | 94 | 85 |
| Excise Duty (including recovered on sales) | 0 | 861 | (100) |
| Other expenses | 8,134 | 4,368 | 86 |
| Less : Expenditure (other than interest) transferred to capital & other accounts | (1,664) | (1,001) | (66) |
| **Total Other expenses** | **48,746** | **39,470** | **24** |

Expense was higher mainly due to acquisition of TSBSL. Tata Steel (Standalone) reported increase mainly on account of higher consumption of stores and spares, higher repairs and maintenance expenses, royalty charges and freight and handling charges.

TSE reported increase mainly on account of higher stores and spares consumed, higher level of repairs and maintenance, power cost along with exchange impact on translation.

Increase in Others was mainly at Tata Steel Global Holdings on account of adverse exchange rate movement.

### g) Finance costs and net finance costs

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 2,824 | 2,811 | 0 |
| TSBSL | 2,834 | - | N.A. |
| TSE | 4,631 | 3,912 | 18 |
| Others | 7,273 | 2,786 | 161 |
| Eliminations & Adjustments | (9,902) | (4,054) | (144) |
| **Finance costs** | **7,660** | **5,455** | **40** |

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 600 | 2,068 | (71) |
| TSBSL | 2,727 | - | N.A. |
| TSE | 4,592 | 3,868 | 19 |
| Others | 238 | (358) | 166 |
| Eliminations & Adjustments | (1,531) | (1,067) | (43) |
| **Net Finance costs** | **6,626** | **4,509** | **47** |

Finance cost was higher due to external borrowings taken by Bamnipal Steel Limited for the acquisition of TSBSL.

Expense at TSBSL mainly relates to fund provided by Bamnipal Steel Limited for the acquisition which was eliminated on consolidation.

Net finance charge was higher in line with increase in finance cost. However, expense was lower at Tata Steel (Standalone) mainly on account of interest income from inter-company deposits (**'ICD'**) given to Bamnipal Steel Limited for acquisition of TSBSL, which was eliminated on consolidation.

### h) Exceptional items

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | (114) | (3,366) | N.A. |
| TSBSL | 41 | - | N.A. |
| TSE | (69) | 13,851 | N.A. |
| Others | 79 | (921) | N.A. |
| Eliminations & Adjustments | (58) | 35 | N.A. |
| **Total exceptional items** | **(121)** | **9,599** | **N.A.** |

Exceptional items during the current financial year, primarily represents:

- Provision for demands and claims amounting to ₹329 crore relating to certain statutory demands and claims on environment and mining matters at Tata Steel Limited (Standalone).
- Provision of ₹172 crore in respect of advances with public bodies paid under protest by TSBSL.
- Provision for Employee Separation Scheme (**'ESS'**) under Sunehere Bhavishya Ki Yojana (**'SBKY'**) scheme amounting to ₹35 crore at Tata Steel Limited (Standalone).
- Impairment charges of ₹10 crore in respect of property, plant and equipment (including capital work-in-progress and capital advances) and intangible asset at TSBSL.

Partly offset by,

- Profit on sale of non-current investments amounting to ₹180 crore, primarily in TRL Krosaki Refractories Limited (an associate of the Company) and certain other subsidiaries and joint ventures.
- Restructuring and write back of provisions amounting to ₹245 crore which primarily includes write-back of liabilities no longer required at TSBSL and arbitration settlement at Jamshedpur Utilities & Services Company Ltd., partly offset by charge at Tata Steel Europe.

The exceptional items in Financial Year 2017-18 primarily include:

- Gains arising out of modification in benefit structure for members of the new pension scheme (**'NBSPS'**) versus their benefits under Tata Steel Europe's British Steel Pension Scheme (**'BSPS'**), offset by settlement charges for those members who did not join the NBSPS and one-off costs at Tata Steel Europe amounting to ₹13,851 crore.

Partly offset by,

- Provision of ₹3,214 crore in respect of certain statutory demands and claims relating to environment and mining matters, net of liability written back towards District Mineral Fund (DMF) at Tata Steel Limited (Standalone).
- Provision for advances paid for repurchase of equity shares in Tata Teleservices Ltd. from NTT DoCoMo Inc. amounting to ₹27 crore at Tata Steel Limited (Standalone).
- Provision for Employee Separation Scheme (**'ESS'**) under Sunehere Bhavishya Ki Yojana (**'SBKY'**) scheme ₹108 crore mainly at Tata Steel Limited (Standalone) and at Jamshedpur Utilities & Services Company Ltd.
- Impairment charges ₹903 crore in respect of property, plant and equipment (including Capital Work-in-Progress) and intangible assets relating to Global Mineral entities.

## i) Property, plant & equipment (PPE) including intangibles

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 77,018 | 77,402 | (0) |
| TSBSL | 29,673 | - | N.A. |
| TSE | 21,880 | 20,562 | 6 |
| NSH | (0) | 811 | (100) |
| TSTH | 0 | 692 | (100) |
| Others | 10,669 | 9,512 | 12 |
| Eliminations & Adjustments | (154) | (359) | 57 |
| **Total property, plant & equipment (PPE) including intangibles** | **1,39,086** | **1,08,620** | **28** |

Increase in PPE and intangibles mainly due to acquisition of TSBSL was partly offset by decrease at NatSteel Holdings and Tata Steel Thailand as these companies have been classified as 'held for sale' as on March 31, 2019.

## j) Inventories

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Finished and semi-finished goods including stock-in-trade | 11,152 | 9,854 | 13 |
| Work-in-progress | 4,592 | 5,145 | (11) |
| Raw materials | 11,425 | 9,551 | 20 |
| Stores and spares | 4,487 | 3,780 | 19 |
| **Total inventories** | **31,656** | **28,331** | **12** |

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 11,255 | 11,023 | 2 |
| TSBSL | 4,582 | - | N.A. |
| TSE | 13,714 | 13,762 | (0) |
| NSH | 0 | 1,053 | (100) |
| TSTH | 0 | 725 | (100) |
| Others | 2,256 | 1,826 | 24 |
| Eliminations & Adjustments | (151) | (58) | (160) |
| **Total inventories** | **31,656** | **28,331** | **12** |

Increase was primarily on account of acquisition of TSBSL. Tata Steel Standalone reported increase on account of higher finished and semi-finished goods, stores and spares, partly offset by decrease at NatSteel Holdings and Tata Steel Thailand as these companies have been classified as held for sale as on March 31, 2019.

### k) Trade receivables

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Tata Steel | 1,363 | 1,876 | (27) |
| TSBSL | 697 | - | N.A. |
| TSE | 5,607 | 6,451 | (13) |
| NSH | 0 | 516 | (100) |
| TSTH | (0) | 254 | (100) |
| Others | 15,531 | 14,805 | 5 |
| Eliminations & Adjustments | (11,387) | (11,486) | 1 |
| **Net trade receivables** | **11,811** | **12,416** | **(5)** |

Decrease at NatSteel Holdings and Tata Steel Thailand was primarily on account of their classification as 'held for sale' as on March 31, 2019. Decrease at Tata Steel (Standalone) was primarily due to better realisations. These decreases were partly offset by increase on account of acquisition of TSBSL.

### l) Gross debt and net debt

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Gross debt | 1,00,816 | 92,147 | 9 |
| Less: Cash and Bank balances (incl. Non-current balances) | 3,412 | 8,023 | (57) |
| Less: Current investments | 2,525 | 14,909 | (83) |
| **Net debt** | **94,879** | **69,215** | **37** |

Net debt was higher by ₹25,664 crore over previous year.

Gross Debt at ₹1,00,816 crore was higher by ₹8,669 crore as compared to the previous year. Increase in Gross Debt was mainly on account of proceeds from borrowings (net of repayment) by ₹8,340 crore along with exchange impact on translation being ₹345 crore.

The increase in borrowings was mainly at TSBSL and Tata Steel Standalone, partly offset by decrease at Tata Steel Europe and Singapore based entities.

The increase in Net Debt was in line with increase in gross debt along with decrease in current investments along with cash and bank balances mainly at Tata Steel Standalone.

### m) Cash flows

(₹ crore)

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Net Cash from/(used in) operating activities | 25,336 | 8,024 | 216 |
| Net Cash from/(used in) investing activities | (29,902) | (12,026) | (149) |
| Net Cash from/(used in) financing activities | (673) | 6,640 | (110) |
| **Net increase/(decrease) in cash and cash equivalents** | **(5,239)** | **2,638** | **(299)** |

#### Net cash flow from/(used in) operating activities

During the year under review, the net cash from operating activities was ₹25,336 crore as compared to ₹8,023 crore during the previous year. The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹27,840 crore as against ₹20,187 crore during the previous year reflecting higher operating profits. Cash inflow from working capital changes during the current period was ₹2,591 crore primarily due to increase in Non-current/Current financial and other liabilities/provisions by ₹3,774 crore, partly offset by increase in inventories by ₹1,069 crore and Non-current/Current financial and other assets ₹115 crore. The payments of income taxes during the year under review were ₹5,094 crore as compared to ₹2,888 crore during the previous year.

#### Net cash flow from/(used in) investing activities

During the year under review, the net cash outflow from investing activities was ₹29,902 crore as against an outflow of ₹12,026 crore during the previous year. The outflow in the Financial Year 2018-19 broadly represents capex ₹9,091 crore, acquisition of subsidiaries/undertakings ₹35,282 crore, mainly related to amount paid for acquisition of TSBSL, partly offset by sale (net of purchase) of current investments amounting to ₹13,093 crore.

#### Net cash flow from/(used in) financing activities

During the year under review, net cash outflow from financing activities amounted to ₹673 crore as against inflow of ₹6,640 crore during the previous year. The net outflow primarily represents interest paid ₹7,152 crore and payment of dividend including taxes ₹1,424 crore, partly offset by proceeds from borrowings (net of repayment) ₹8,518 crore.

### n) Changes in key financial ratios

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

| | FY 19 | FY 18 | Change (%) |
|---|---|---|---|
| Inventory Turnover (days) | 72 | 80 | (10) |
| Debtors Turnover (days) | 28 | 35 | (20) |
| Current Ratio (Times) | 1.39 | 1.46 | (5) |
| Interest Coverage Ratio (Times) | 4.38 | 4.13 | 6 |
| Debt Equity (Times) | 1.51 | 1.82 | (17) |
| Net Debt Equity (Times) | 1.43 | 1.37 | 4 |
| EBITDA Margin (%) | 18.88 | 17.22 | 10 |
| Net Profit Margin [1] (%) | 5.77 | 14.31 | (60) |
| Return on Average Networth[1] (%) | 13.67 | 35.09 | (61) |

[1]Decreased primarily on account of decrease in net profits attributable to higher exceptional gains arising out of modification in benefit structure of Pension Scheme during the previous year.

## D. Statutory Compliance

The Chief Executive Officer and Managing Director makes a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from respective units of the Company. The Company Secretary & Chief Legal Officer (Corporate & Compliance) ensures compliance with Company Law, SEBI, and other laws applicable to the Company.

# ANNEXURE 3

# Annual Report on Corporate Social Responsibility Activities [Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

## I. Overview of the Corporate Social Responsibility ('CSR') Policy

Our CSR initiatives are guided by our CSR Policy ('**Policy**') adopted by the Board of Directors on September 17, 2014. The Policy is available on the Company's website www.tatasteel.com. Our CSR activities focus on initiatives in the areas of education, health, water, livelihood, rural and urban infrastructure and are aligned to the key focus areas of the Tata Group. We also undertake community-centric interventions in the areas of sports, disaster relief, environment and ethnicity.

## II. Composition of CSR and Sustainability Committee of the Board

At the helm of our CSR governance structure is the Corporate Social Responsibility and Sustainability Committee of the Board that comprises Mr. Deepak Kapoor (Chairperson), Mr. O. P. Bhatt, Mr. Koushik Chatterjee and Mr. T. V. Narendran.

## III. CSR Advisory Council

We have a CSR Advisory Council comprising eminent personalities from academia and the development sector. The members of the Advisory Council provide macro policy-level inputs to the apex CSR and Sustainability Committee and guide the Company's approach towards CSR.

## IV. CSR Delivery Arms

In terms of the Companies Act, 2013, companies are allowed to carry out their CSR activities through registered trusts and/or societies. We carry out our community centric interventions through a number of CSR delivery arms including the following:

Tata Steel Foundation ('**TSF**'), a Section 8 Company incorporated under the Companies Act, 2013. The main objective of the formation of TSF is to consolidate, strengthen and broaden the CSR programme deployment as well as create a distinct brand identity for it.

Tata Steel Rural Development Society ('**TSRDS**'), a registered society under Societies Registration Act, 1860. The principal aim and objective of the society is to undertake, promote, sponsor, assist or aid directly any activity/project/programme for the promotion and growth of the rural economy, rural welfare, socio-economic development and upliftment of the people in rural areas.

Tribal Cultural Society ('**TCS**'), a registered society under Societies Registration Act, 1860. The principal objective of the society is to promote and undertake cultural activities, cultural education and training of various tribes.

Tata Steel Skill Development Society ('**TSSDS**'), a registered society under Societies Registration Act, 1860. The principal aim and object of the society is to provide facilities for technical and other skill enhancement trainings within the nation.

Tata Steel Family Initiatives Foundation ('**TSFIF**'), a registered trust under Indian Trusts Act, 1882. The principal objective of the trust is to undertake projects/programmes on reproductive health, prevention of drug or alcohol addiction and empowerment of women through literacy and income generation.

Tata Steel Zoological Society ('**TSZS**'), a registered society under Societies Registration Act, 1860. The principal objective of the society is to provide natural habitats to various animals suitable for their conservation and propagation. It also acts as a facilitator to spread the message of nature conservation by building awareness and conducting educational programmes.

## V. Financial Details

| Particulars | (₹ crore) |
|---|---|
| Average net profit of the Company for last three financial years | 4,120.15 |
| Prescribed CSR expenditure (2% of the average net profits) | 82.40 |
| **Details of CSR spent during the financial year:** | |
| (a) Total amount to be spent for the financial year | 82.40 |
| (b) Amount spent | 314.94 |
| (c) Amount unspent, if any | Nil |

The manner in which the amount is spent on CSR activities undertaken during the year is given as an annexure to this report. Details of CSR projects undertaken during the year along with its impact is discussed in the Social & Relationship capital section of this Integrated Report.

## VI. Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the Corporate Social Responsibility and Sustainability Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives and CSR Policy of the Company.

| | |
|---|---|
| sd/- | sd/- |
| **DEEPAK KAPOOR** | **T. V.NARENDRAN** |
| Chairman of CSR and Sustainability Committee | Chief Executive Officer & Managing Director |
| DIN: 00162957 | DIN: 03083605 |

Mumbai
April 25, 2019

## Annexure to the Corporate Social Responsibility Annual Report

Manner in which the amount spent during the financial year is detailed below:

(₹ crore)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sl. No** | **CSR project or activity identified** | **Sector in which the project is covered** | **Location of project (District & State)** | **Amount outlay** | **Amount spent on the projects or programmes during current reporting period** | **Cumulative amount spent on the projects or programmes upto current reporting period** | **Amount spent: Direct or through implementing agency** |
| 1 | Promoting health care including preventive Healthcare and Sanitation | Health | **Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh **Maharashtra** - Mumbai **West Bengal** - Kolkata | 114.60 | 168.94 | 434.73 | Direct, TSRDS, TCS, TSFIF, TSF |
| | **Total** | | | **114.60** | **168.94** | **434.73** | |
| 2 | Making Available safe Drinking Water | Drinking Water | **Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh **West Bengal** - Haldia | 9.01 | 9.75 | 64.71 | Direct, TSRDS, TSF |
| | **Total** | | | **9.01** | **9.75** | **64.71** | |
| 3 | Promotion of education including special education | Education | **Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh, Puri **Maharashtra** - Tarapur | 69.81 | 66.52 | 272.22 | Direct, TSRDS, TCS, TSF |
| | **Total** | | | **69.81** | **66.52** | **272.22** | |
| 4 | Employment enhancing Vocational skills especially to Women, Children, Differently abled | Livelihood | **Jharakhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh | 27.24 | 18.35 | 133.11 | Direct, TSRDS, TCS, TSSDS, TSF |
| 5 | Livelihood enhancement projects | | | | | | |
| | **Total** | | | **27.24** | **18.35** | **133.11** | |

(₹ crore)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sl. No** | **CSR project or activity identified** | **Sector in which the project is covered** | **Location of project (District & State)** | **Amount outlay** | **Amount spent on the projects or programmes during current reporting period** | **Cumulative amount spent on the projects or programmes upto current reporting period** | **Amount spent: Direct or through implementing agency** |
| 6 | Environmental sustainability, protection of flora & fauna, agro forestry, animal welfare, resource conservation, maintaining quality of soil, air, water | Environment | **Jharkhand** - East Singhbhum, Ramgarh **Odisha** - Jajpur, Kendujhar **West Bengal** – Burdwan | 2.50 | 2.63 | 18.12 | Direct, TSRDS, TSZS |
| | **Total** | | | **2.50** | **2.63** | **18.12** | |
| 7 | Protection and restoration of national heritage, promotion of art, culture, handicrafts, setting up public libraries etc | Ethnicity | **Jharakhand** - East Singhbhum, West Singhbhum, Ramgarh, Ranchi **Odisha** - Kendujhar, Jajpur | 6.66 | 8.06 | 27.01 | TCS |
| | **Total** | | | **6.66** | **8.06** | **27.01** | |
| 8 | Promotion of Rural, Nationally recognised, Paralympic and Olympic sports especially training | Sports | **Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh | 17.63 | 10.19 | 35.62 | Direct, TSRDS, TSF |
| | **Total** | | | **17.63** | **10.19** | **35.62** | |
| 9 | Rural development projects (infrastructure and other developments) | Rural & Urban Infrastructure | **Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar | 17.22 | 19.72 | 81.63 | Direct, TSRDS, TSF |
| | **Total** | | | **17.22** | **19.72** | **81.63** | |
| | Total Direct expenses of projects & programmes (A) | | | 264.67 | 304.16 | 1,067.15 | |
| | Overhead Expenses (restricted to the 5% of total CSR expenditure) (B) | | | 12.22 | 10.78 | 48.94 | |
| | **Total (A) + (B)** | | | **276.89** | **314.94** | **1,116.09** | |

**Note:** Cumulative amount spent on the projects or programmes upto current reporting period has been calculated from Financial Year 2014-15 onwards.

# ANNEXURE 4

# Corporate Governance Report

## Company's Corporate Governance Philosophy

Corporate governance is the creation and enhancement of long-term sustainable value for our stakeholders through ethically driven business process. At Tata Steel, it is imperative that our Company's affairs are managed in a fair and transparent manner.

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

In accordance with our Vision, Tata Steel Group ('**the Group**') aspires to be the global steel industry benchmark for 'value creation' and 'corporate citizenship'. The Group expects to realise its Vision by taking such actions as may be necessary to achieve its goals of value creation, safety, environment and people.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46(2)(b)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), as applicable, with regard to corporate governance.

## Code of Conduct

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted the Tata Code of Conduct (**'TCoC'**) for Executive Directors (**'EDs'**), Senior Management Personnel and other Executives and Employees, which is available on the website www.tatasteel.com The Company has received confirmations from the EDs as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Company has also adopted the Code of Conduct for Non-Executive Directors (**'NEDs'**) of the Company which includes Code of Conduct for Independent Directors (**'IDs'**) which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The same is available on the website www.tatasteel.com. The Company has received confirmations from the NEDs and IDs regarding compliance of the Code for the year under review.

## Tata Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices

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

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

Mr. Parvatheesam K, Company Secretary & Chief Legal Officer (Corporate & Compliance) of the Company is the 'Compliance Officer' in terms of this Code.

## Corporate Governance Guidelines

The Board of Directors ('**the Board**') has adopted the Tata Group Guidelines on Board Effectiveness to help fulfil its corporate governance responsibility towards its stakeholders. These guidelines provide for the composition and role of the Board and ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations.

## Board of Directors

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

## Size and Composition of the Board

Our policy is to have an appropriate mix of Executive Directors ('**EDs**'), Non-Executive, Non-Independent Directors ('**NEDs**') and Independent Directors ('**IDs**') to maintain the Board's independence and separate its functions of governance and management. As on March 31, 2019, the Board comprised of ten members, two of whom are EDs, three NEDs and five IDs, including a Woman Director. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website www.tatasteel.com None of our Directors serve as Director in more than eight listed companies, as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed company. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

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

### Table A: Composition of the Board and Directorships held as on March 31, 2019

| Name of the Director | Indian Public Companies[1] | Board Committees[2] | | Directorship in other listed entity (Category of Directorship) |
|---|---|---|---|---|
| | | Chairperson | Member | |
| **Non-Executive, Non-Independent Directors** | | | | |
| Mr. Natarajan Chandrasekaran<br>Chairman<br>DIN: 00121863 | 5 | - | - | a. Tata Consultancy Services Limited (Non-Executive, Non-Independent)<br>b. Tata Motors Limited (Non-Executive, Non-Independent)<br>c. Tata Global Beverages Limited (Non-Executive, Non-Independent)<br>d. The Tata Power Company Limited (Non-Executive, Non-Independent)<br>e. The Indian Hotels Company Limited (Non-Executive, Non-Independent) |
| Mr. Saurabh Agrawal<br>DIN: 02144558 | 6 | 1 | 2 | a. The Tata Power Company Limited (Non-Executive, Non-Independent)<br>b. Tata AIG General Insurance Co. Ltd (Non-Executive, Non-Independent) |
| Mr. Vijay Kumar Sharma[3]<br>DIN: 02449088 | 2 | - | - | a. ACC Limited (Non-Executive, Non-Independent)<br>b. Mahindra and Mahindra Limited (Nominee Director) |
| **Independent Directors** | | | | |
| Ms. Mallika Srinivasan<br>DIN: 00037022 | 7 | - | - | a. Tata Global Beverages Limited (Non-Executive, Independent)<br>b. The United Nilgiri Tea Estates Company Limited (Non-Executive, Non-Independent) |
| Mr. O. P. Bhatt<br>DIN: 00548091 | 3 | 1 | 3 | a. Tata Consultancy Services Limited (Non-Executive, Independent)<br>b. Hindustan Unilever Limited (Non-Executive, Independent)<br>c. Tata Motors Limited (Non-Executive, Independent) |
| Dr. Peter Blauwhoff<br>DIN: 07728872 | - | - | - | - |
| Mr. Aman Mehta<br>DIN: 00009364 | 5 | 1 | 5 | a. Wockhardt Limited (Non-Executive, Independent)<br>b. Godrej Consumer Products Limited (Non-Executive, Independent)<br>c. Max Financial Services Limited (Non-Executive, Independent)<br>d. Tata Consultancy Services Limited (Non-Executive, Independent)<br>e. Vedanta Limited (Non-Executive, Independent) |
| Mr. Deepak Kapoor<br>DIN: 00162957 | 2 | 1 | 2 | a. HCL Technologies Limited (Non-Executive, Independent) |

| Name of the Director | Indian Public Companies[1] | Board Committees[2] | | Directorship in other listed entity (Category of Directorship) |
|---|---|---|---|---|
| | | Chairperson | Member | |
| **Executive Directors** | | | | |
| Mr. T. V. Narendran<br>Chief Executive Officer & Managing Director<br>DIN: 03083605 | 6 | - | - | a. Tata Sponge Iron Limited (Non-Executive, Non-Independent)<br>b. Tata Steel BSL Limited (Non-Executive, Non-Independent) |
| Mr. Koushik Chatterjee<br>Executive Director & Chief Financial Officer<br>DIN: 00004989 | 6 | 1 | 2 | a. Tata Metaliks Limited (Non-Executive, Non-Independent)<br>b. The Tinplate Company of India Limited (Non-Executive, Non-Independent)<br>c. Tata Sponge Iron Limited (Non-Executive, Non-Independent)<br>d. Tata Steel BSL Limited (Non-Executive, Non-Independent) |

**Notes:**

(1) Directorships in Indian Public Companies (listed and unlisted) excluding Tata Steel Limited and Section 8 Companies.

(2) As required under Regulation 26(1)(b) of the Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in Indian Public companies (listed and unlisted) excluding Tata Steel Limited.

(3) Mr. Vijay Kumar Sharma was appointed as an Additional (Non-Executive, Non-Independent) Director effective August 24, 2018.

(4) During Financial Year 2018-19, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all Indian public companies (listed and unlisted) where he/she is a Director. For this purpose, committee will include only Audit Committee and Stakeholders' Relationship Committee.

(5) There are no inter-se relationships between our Board Members.

### Selection of New Directors and Board Membership Criteria

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

### Key Board Qualifications, Expertise and Attributes

The Directors are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key qualifications, skills and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board

**Table B: Director qualifications, skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions**

| Skills and Attributes | Description |
|---|---|
| Alignment with Company culture and value system | Exhibit high levels of integrity and be appreciative of the core values of the Company and the Tata Group |
| Experience in managing large corporations | Experience in leading and managing large corporations and have an understanding of the business environment, complex business processes, strategic planning, risk management, etc. Also, possess experience in driving growth through acquisitions and other integration plans with the ability to evaluate opportunities that are in line with the Company's strategy. |
| Understanding of industry and operations | Experience and knowledge of the functioning, operations, growth drivers, business environment and changing trends in the metals & mining, manufacturing and engineering industries as well as experience in overseeing large supply chain operations |
| Understanding of finance and related aspects | Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes |
| Knowledge of technology and innovation | Understanding of emerging trends in technology and innovation that may have an impact on the business and have the ability to guide necessary interventions that can be utilised in making the business more competitive and sustainable |
| Knowledge of Governance and Law | Understanding of the legal ecosystem within which the Company operates and possess knowledge on matters of regulatory compliance, governance, internal controls. Experience in policy advocacy at national and international level |

**Familiarisation Programme for Directors (including Independent Directors)**

All new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. The Directors are encouraged to visit the plant and raw material locations of the Company and interact with members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management. Further, during the year, a Sustainability Workshop by the Cambridge Institute for Sustainability Leadership (CISL) was organised for the Directors and the Senior Management of the Company. The objective of the Workshop was to provide an understanding on the imperatives for the Company and actions to be taken towards mitigating risks arising from global sustainability trends and climate change.

As stated in the Board's Report, the details of orientation given to our existing Independent Directors are available on our website www.tatasteel.com

**Board Evaluation**

The NRC has formulated a Policy for evaluation of the Board, its Committees and Directors and the same has been approved and adopted by the Board. The details of Board Evaluation forms part of the Board's Report.

**Remuneration Policy for Board and Senior Management**

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('**KMP**') and all other employees of the Company. The same is available on our website www.tatasteel.com Details of remuneration for Directors in Financial Year 2018-19 are provided in Table C below.

**Table C: Shares held and remuneration paid to Directors for the year ended March 31, 2019**

(₹ lakh)

| Name | Fixed Salary | | | Commission [6] | Sitting Fees | Total Compensation |
|---|---|---|---|---|---|---|
| | Basic | Perquisite/ Allowance | Total Fixed Salary | | | |
| **Non-Executive, Non-Independent Directors** | | | | | | |
| Mr. N. Chandrasekaran [1] | – | – | – | – | 4.80 | 4.80 |
| Mr. D. K. Mehrotra [2] | – | – | – | 38.00 | 2.40 | 40.40 |
| Mr. Vijay Kumar Sharma [2] | – | – | – | 36.00 | 1.20 | 37.20 |
| Mr. Saurabh Agrawal [3] | – | – | – | – | 6.40 | 6.40 |
| **Independent Directors** | | | | | | |
| Ms. Mallika Srinivasan | – | – | – | 125.00 | 4.00 | 129.00 |
| Mr. O. P. Bhatt | – | – | – | 181.00 | 9.60 | 190.60 |
| Dr. Peter Blauwhoff [4] | – | – | – | 111.00 | 6.80 | 117.80 |
| Mr. Aman Mehta | – | – | – | 90.00 | 4.80 | 94.80 |
| Mr. Deepak Kapoor | – | – | – | 106.00 | 8.00 | 114.00 |
| **Executive Directors** | | | | | | |
| Mr. T. V. Narendran [5] | 132.00 | 190.63 | 322.63 | 800.00 | – | 1,122.63 |
| Mr. Koushik Chatterjee [5] | 123.00 | 234.14 | 357.14 | 725.00 | – | 1,082.14 |

**Notes:**

1. As a Policy, Mr. N. Chandrasekaran, Chairman has abstained from receiving commission from the Company.
2. The commission of Mr. D. K. Mehrotra and Mr. Vijay Kumar Sharma is paid to Life Insurance Corporation of India. Mr. D. K. Mehrotra ceased to be a Member of the Board effective May 16, 2018. Mr. Vijay Kumar Sharma was inducted on the Board as an Additional (Non-Executive, Non-Independent) Director effective August 24, 2018.
3. In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company.
4. Dr. Peter Blauwhoff is a Director of Tata Steel Europe (**'TSE'**) and Chairman and Member of Supervisory Board of Tata Steel Nederland BV (**'TSN BV'**). Towards this, he additionally receives an annual fee of £70,000 from TSE and annual fee of €80,000 plus expenses allowance of €1,500 from TSN BV. The fee paid is consistent with the market practices and are aligned to the benchmark figures published by global consulting firms.
5. Mr. T. V. Narendran holds 2,032 Fully Paid Ordinary Shares and 139 Partly Paid Ordinary Shares of the Company and Mr. Koushik Chatterjee holds 1,531 Fully Paid Ordinary Shares and 105 Partly Paid Ordinary Shares of the Company as on March 31, 2019.
6. Commission relates to the Financial Year ended March 31, 2019, which was approved by the Board on April 25, 2019, to be paid during the Financial Year 2019-20.
7. None of our Directors hold stock options or convertible securities of the Company as on March 31, 2019. None of the Executive Directors are eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

## Board Meetings

### Scheduling and selection of agenda items for Board Meetings

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

7 Board meetings were held during the year ended March 31, 2019 on April 3, 2018, May 16, 2018, June 27, 2018, August 13, 2018, November 13, 2018, February 8, 2019 and March 29, 2019. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

**Table D: Attendance details of Directors for the year ended March 31, 2019 are given below:**

| Name of the Director | Category | No. of Meetings Attended | Attendance (%) |
|---|---|---|---|
| Mr. N. Chandrasekaran (Chairperson) | NED | 7 | 100 |
| Mr. D. K. Mehrotra [1] | NED | 2 | 100 |
| Mr. Saurabh Agrawal | NED | 7 | 100 |
| Mr. Vijay Kumar Sharma [2] | NED | 3 | 100 |
| Ms. Mallika Srinivasan | ID | 5 | 71 |
| Mr. O. P. Bhatt | ID | 6 | 86 |
| Dr. Peter Blauwhoff | ID | 7 | 100 |
| Mr. Aman Mehta | ID | 6 | 86 |
| Mr. Deepak Kapoor | ID | 7 | 100 |
| Mr. T. V. Narendran | ED | 7 | 100 |
| Mr. Koushik Chatterjee | ED | 7 | 100 |

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

1. Mr. D. K. Mehrotra ceased to be a Member of the Board effective May 16, 2018.

2. Mr. Vijay Kumar Sharma was inducted on the Board as Additional (Non-Executive, Non-Independent) Director effective August 24, 2018.

Video/tele-conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

All the Directors as on the date of the AGM were present at the AGM of the Company held on Friday, July 20, 2018.

### Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on April 3, 2018 and March 29, 2019 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors, *inter alia*, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

## Board Committees

### Audit Committee

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

The Board of Directors of the Company adopted the Audit Committee Charter on March 31, 2015 which was revised on March 2, 2017 and February 8, 2019.

The Company Secretary and Chief Legal Officer (Corporate & Compliance) acts as the Secretary to the Committee. The internal auditor reports functionally to the Audit Committee. The Executive Directors and Senior Management of the Company also attend the meetings as invitees whenever required to address concerns raised by the Committee Members.

5 meetings of the Committee were held during the year ended March 31, 2019, on May 16, 2018, August 13, 2018, November 13, 2018, February 7, 2019 and March 28, 2019.

**Table E: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2019 are given below:**

| Name of Members | Category | No. of Meetings Attended | Attendance (%) |
|---|---|---|---|
| Mr. O. P. Bhatt (Chairperson) | ID | 5 | 100 |
| Mr. Aman Mehta | ID | 3 | 60 |
| Dr. Peter Blauwhoff | ID | 5 | 100 |
| Mr. Saurabh Agrawal | NED | 4 | 80 |

ID – Independent Director; NED – Non-Executive Director

Mr. O. P. Bhatt, Chairperson of the Audit Committee was present at the AGM of the Company held on Friday, July 20, 2018.

### Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee ('**NRC**') is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors.

The Board has adopted the NRC Charter for the functioning of the Committee on May 20, 2015 which was revised on March 29, 2019 basis the amendments in Listing Regulations.

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The Committee has formulated Remuneration Policy for Directors, KMPs and all other employees of the Company. The remuneration policy and the criteria for making payments to Non-Executive Directors is available on our website www.tatasteel.com The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for Executive Directors and the Senior Management. The Committee reviews and recommends to the Board, the base salary, incentives/commission, other benefits, compensation or arrangements for the Executive Directors for its approval. The Committee coordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

5 meetings of the Committee were held during the year ended March 31, 2019 on April 3, 2018, May 16, 2018, August 13, 2018, March 12, 2019 and March 29, 2019.

**Table F: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2019 are given below:**

| Name of Members | Category | No. of Meetings Attended | Attendance (%) |
|---|---|---|---|
| Ms. Mallika Srinivasan (Chairperson) | ID | 5 | 100 |
| Mr. O. P. Bhatt | ID | 5 | 100 |
| Mr. N. Chandrasekaran | NED | 5 | 100 |

ID – Independent Director; NED – Non-Executive Director

Ms. Mallika Srinivasan, Chairperson of the NRC was present at the AGM of the Company held on Friday, July 20, 2018.

### Corporate Social Responsibility and Sustainability Committee

The purpose of our Corporate Social Responsibility and Sustainability ('**CSR&S**') Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility ('**CSR**') activities and to monitor from time to time the CSR activities and Policy of the Company. The Committee provides guidance in formulation of CSR strategy and its implementation and also reviews practices and principles to foster sustainable growth of the Company by creating values consistent with long-term preservation and enhancement of financial, manufacturing, natural, social, intellectual and human capital.

The Board has approved a Charter is for the functioning of the Committee, on March 31, 2015 which is revised from time to time.

The CSR policy is available on our website at www.tatasteel.com

3 meetings of the Committee were held during the year ended March 31, 2019 on May 15, 2018, July 19, 2018 and November 12, 2018.

**Table G: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2019 are given below:**

| Name of Members | Category | No. of Meetings Attended | Attendance (%) |
|---|---|---|---|
| Mr. Deepak Kapoor (Chairperson) | ID | 3 | 100 |
| Mr. O. P. Bhatt | ID | 3 | 100 |
| Mr. D. K. Mehrotra [1] | NED | 1 | 100 |
| Mr. T. V. Narendran | ED | 2 | 67 |
| Mr. Koushik Chatterjee | ED | 3 | 100 |

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

1. Mr. D. K. Mehrotra ceased to be a Member of the Board effective May 16, 2018 and consequently ceased to be Member of the CSR&S Committee effective same date.

Mr. Deepak Kapoor, Chairperson of the Committee was present at the AGM of the Company held on Friday, July 20, 2018.

### Risk Management Committee

Risk Management is crucial to achieve the Group's objective in strengthening its financial position, safeguarding interests of stakeholders, enhancing its ability to continue as a going concern and maintain a consistent sustainable growth.

The Company has constituted a Risk Management Committee ('**RMC**') for framing, implementing and monitoring the risk management policy of the Company. The Committee assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management ('**ERM**').

The terms of reference of the RMC are:

a) Overseeing key risks, including strategic, financial, operational, IT (including cyber security) and compliance risks.

b) Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the Risk Policy.

c) Developing risk management policy and risk management system/framework for the Company.

The Board has adopted a Charter for RMC Committee on May 20, 2015.

3 meetings of the Committee were held during the year ended March 31, 2019 on May 15, 2018, August 13, 2018 and November 13, 2018.

**Table H: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2019 are given below:**

| Name of Members | Category | No. of Meetings Attended | Attendance (%) |
|---|---|---|---|
| Mr. O. P. Bhatt (Chairperson) | ID | 3 | 100 |
| Mr. Aman Mehta | ID | 2 | 67 |
| Mr. Deepak Kapoor | ID | 3 | 100 |
| Mr. D. K. Mehrotra [1] | NED | 1 | 100 |
| Mr. Saurabh Agrawal | NED | 3 | 100 |
| Mr. T. V. Narendran | ED | 3 | 100 |
| Mr. Koushik Chatterjee | ED | 3 | 100 |
| Dr. Hans Fischer | MoM | 2 | 67 |
| Mr. Anand Sen | MoM | 3 | 100 |
| Mr. Sandip Biswas | MoM | 3 | 100 |
| Mr. N. K. Misra | MoM | 2 | 67 |

ID – Independent Director; NED – Non-Executive Director; ED – Executive Director; MoM – Member of Management.

1. Mr. D. K. Mehrotra ceased to be a Member of the Board effective May 16, 2018 and consequently ceased to be a Member of the RMC effective same date.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('**SRC**') considers and resolves the grievances of our shareholders, debenture holders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests, issue of new/duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

The Committee also reviews:

a) Measures taken for effective exercise of voting rights by Shareholders;

b) Service standards adopted by the Company in respect of services rendered by our Registrars & Transfer Agent;

c) Measures and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend/annual report/notices and other information by Shareholders.

The Board has adopted a Charter for the functioning of the SRC on April 11, 2014 which was revised on February 8, 2019.

1 meeting of the Committee was held during the year ended March 31, 2019 on February 7, 2019.

**Table I: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2019 are given below:**

| Names of Members | Category | No. of meetings attended | Attendance (%) |
|---|---|---|---|
| Mr. Deepak Kapoor [1] (Chairperson) | ID | 1 | 100 |
| Mr. T. V. Narendran | ED | 1 | 100 |
| Mr. Koushik Chatterjee | ED | 1 | 100 |

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

Mr. D. K. Mehrotra ceased to be a Member of the Board effective May 16, 2018 and consequently ceased to be a Chairperson and Member of the SRC effective same date.

Mr. Saurabh Agrawal was appointed as the Chairperson of SRC effective May 16, 2018 and was present at the AGM of the Company held on Friday, July 20, 2018. He ceased to be a Member of SRC effective August 13, 2018.

1. Mr. Deepak Kapoor was appointed as Chairperson and Mr. T. V. Narendran was appointed as the Member of SRC effective August 13, 2018.

In terms of Regulation 6 and Schedule V of the Listing Regulations, the Board has appointed Mr. Parvatheesam K, Company Secretary & Chief Legal Officer (Corporate & Compliance) as the Compliance Officer of the Company.

The details of complaints received and resolved during the Financial Year ended March 31, 2019 are given in Table J below. The complaints relate to non-receipt of annual report, dividend, share transfers and other investor grievances.

**Table J: Details of complaints received and resolved during the year ended March 31, 2019:**

| | |
|---|---|
| Opening as on April 1, 2018 | 21 |
| Received during the year | 1,866 |
| Resolved during the year | 1,887 |
| Closing as on March 31, 2019 | 0 |

### Executive Committee of the Board

The Executive Committee of the Board ('**ECOB**') approves capital expenditure schemes or any change in their scope, if any and donations within the stipulated limits and to recommend to the Board, capital budgets and other major capital schemes, to consider new businesses, acquisitions, alliances and joint ventures, subsidiaries, divestments, changes in organisational structure, financing requirements of the Company and Company contracts above 5 years. It also periodically reviews the Company's business plans and future strategies and metrics for long-term value creation. The Committee also reviews climate change matters and regulatory compliance and policy advocacy.

During the year, the business of the Committee was transacted primarily by passing resolutions through circulation and the same were then placed before the Board for noting.

1 meeting of the Committee was held during the year ended March 31, 2019 on September 20, 2018.

**Table K: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2019 are given below:**

| Names of Members | Category | No. of Meetings Attended | Attendance (%) |
|---|---|---|---|
| Mr. N. Chandrasekaran (Chairperson) | NED | 1 | 100 |
| Mr. O. P. Bhatt | ID | - | - |
| Mr. Saurabh Agrawal | NED | 1 | 100 |
| Mr. T. V. Narendran | ED | 1 | 100 |
| Mr. Koushik Chatterjee | ED | 1 | 100 |

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

### Safety, Health and Environment Committee

The Safety, Health and Environment Committee (**'SH&E Committee'**) of the Board oversees the policies relating to Safety, Health and Environment and their implementation across the Tata Steel Group.

The Board has approved a Charter for the functioning of the Committee on October 27, 2009.

4 meetings of the Committee were held during the year ended March 31, 2019 on May 15, 2018, July 19, 2018, November 12, 2018 and February 7, 2019.

**Table L: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2019 are given below:**

| Names of Members | Category | No. of Meetings Attended | Attendance (%) |
|---|---|---|---|
| Dr. Peter Blauwhoff (Chairperson) | ID | 4 | 100 |
| Mr. Deepak Kapoor | ID | 4 | 100 |
| Mr. T. V. Narendran | ED | 3 | 75 |
| Dr. Hans Fischer | MoM | 4 | 100 |

ID – Independent Director; ED – Executive Director, MoM – Member of Management

## General Information for Shareholders

### Disclosures regarding the appointment or re-appointment of Directors

In terms of relevant provisions of the Companies Act, 2013, as amended, Mr. Koushik Chatterjee (DIN: 00004989) is liable to retire by rotation at the ensuing Annual General Meeting ('**AGM**') and being eligible, seeks re-appointment.

During the year under review, based on the recommendation of the Nomination and Remuneration Committee (**'NRC'**), the Board:

a) Appointed Mr. Vijay Kumar Sharma (DIN: 02449088) as an Additional (Non-Executive, Non-Independent) Director effective August 24, 2018.

b) Proposes to re-appoint (i) Ms. Mallika Srinivasan (DIN: 00037022) as Independent Director of the Company, not liable to retire by rotation, for a second term on the Board with effect from August 14, 2019 up to May 20, 2022; (ii) Mr. O. P. Bhatt (DIN: 00548091) as Independent Director of the Company, not liable to retire by rotation, for a second term on the Board with effect from August 14, 2019 up to June 9, 2023.

c) Re-appointed Mr. T. V. Narendran as the Chief Executive Officer and Managing Director of the Company with effect from September 19, 2018 to September 18, 2023, upon the terms and conditions as mentioned in the Notice convening the AGM.

The Board recommends the above appointment/re-appointments for approval of the Shareholders at the ensuing AGM.

The detailed profiles of the above Directors including particulars of their experience, skills or attributes are provided in the Notice convening the AGM.

### Communication to the Shareholders

We send quarterly financial results to our Shareholders electronically. Key financial data is published in The Indian Express, Financial Express, Nav Shakti, Free Press Journal and Loksatta. The financial results along with the earnings releases are also posted on the Company's website www.tatasteel.com

Earnings calls are held with analysts and investors and their transcripts are published on the website. Presentations made to analysts and others are also made available on the Company's website www.tatasteel.com

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges are made through their respective electronic online filing systems. The same are also available on the Company's website www.tatasteel.com

The Company's website is a comprehensive reference on it's leadership, management, vision, mission, policies, corporate governance, sustainability, investor relations, products and processes and updates and news. The section on 'Investors' serves to inform the Shareholders, by giving complete financial details, stock exchange compliances including shareholding patterns and updated credit ratings amongst others, corporate benefits, information relating to Stock Exchanges, details of Registrars & Transfer Agent and frequently asked questions. Investors can also submit their queries by submitting 'Shareholder Query Form' and get feedback online. The section on 'Media' includes all major press reports and releases, awards and campaigns by the Company, amongst others.

### Investor grievance and share transfer system

We have a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the entire Board.

During the Financial Year 2018-19, the Securities and Exchange Board of India (**'SEBI'**) and Ministry of Corporate Affairs (**'MCA'**) has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. Therefore, Members holding shares in physical form were requested to consider converting their shareholding to dematerialised form. During the year, the Company has sent necessary intimations to its shareholders regarding the restriction on transfer of securities in the physical form.

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

Shareholders should communicate with TSR Darashaw Limited, the Company's Registrars and Transfer Agents (**'RTA'**) quoting their Folio Number or Depository Participant ID (**'DP ID'**) and Client ID number, for any queries to their securities.

### Details of non-compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. There has been no instance of non-compliance with any legal requirements during the year under review.

None of the Company's listed securities are suspended from trading.

### Certificates from Practising Company Secretaries

As required by Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by Parikh & Associates, Practicing Company Secretaries, is annexed to this report.

As required by Clause 10 (i) of Part C under Schedule V of the Listing Regulations, the Company has received a certificate from Parikh & Associates, Practicing Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority.

### CEO and CFO certification

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Chief Executive Officer & Managing Director and Executive Director & Chief Financial Officer have given appropriate certifications to the Board of Directors.

### Reconciliation of Share Capital Audit

In terms of Regulation 40(9) and 61(4) of the Listing Regulations, certificates, on half-yearly basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (**'NSDL'**) and Central Depository Services (India) Limited (**'CDSL'**) (**collectively 'Depositories'**) and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories). The Audit Report is disseminated to the Stock Exchanges on quarterly basis and is also available on our website www.tatasteel.com under 'Investors' section.

### Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have also been approved by the Audit Committee. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same is updated from time to time, basis amendments in the regulatory provisions. The Policy is available on the Company's website www.tatasteel.com

During the Financial Year 2018-19, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration. Further, the Directors have not entered into any contracts with the Company or its subsidiaries, which will be in material conflict with the interest of the Company.

The Board has received disclosures from KMPs relating to material, financial and commercial transactions where they and/or their relatives have personal interest.

### Policy for Determining Material Subsidiaries

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website www.tatasteel.com

### Vigil Mechanism

The Vigil Mechanism approved by the Board provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Company and make protective disclosures regarding the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Under the Policy, every Director, employee or vendor/business associate of the Company has an assured access to the Ethics Counsellor/Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Board's Report. The whistle blower policy is available on the Company's website www.tatasteel.com

### Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

### Consolidated Fees paid to Statutory Auditors

During the Financial Year 2018-19, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditors of the Company is as under:

**Table M: Consolidated fees paid to statutory auditors:**

(₹ crore)

| Particulars | Amount |
|---|---|
| Services as statutory auditors | 29.36 |
| Taxation matters and audit | 2.94 |
| Other services | 11.41 |
| Out-of-pocket expenses | 0.78 |
| **Total** | **44.49** |

## General Body Meetings

**Table N: Location and time, where last three AGMs were held:**

| Financial Year Ended | Date | Time | Venue | Special Resolution Passed |
|---|---|---|---|---|
| March 31, 2018 | July 20, 2018 | 3:00 p.m. (IST) | Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020 | Issue of Non-Convertible Debentures on private placement basis not exceeding ₹12,000 crore |
| March 31, 2017 | August 8, 2017 | | | Issue of Non-Convertible Debentures on Private Placement basis not exceeding ₹10,000 crore |
| March 31, 2016 | August 12, 2016 | | | |

No Special Resolution was passed by the Company last year through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

### Table O: Details of Annual General Meeting 2019:

| | |
|---|---|
| Date | July 19, 2019 |
| Time | 3:00 p.m. (IST) |
| Venue | Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020 |
| Financial Year | April 1, 2018 to March 31, 2019 |
| Book Closure Dates | Saturday, July 6, 2019 to Friday, July 19, 2019 (both days inclusive) (for both, Fully Paid & Partly Paid Ordinary Shares) |
| Dividend Payment Date | On and from Tuesday, July 23, 2019, if approved by shareholders at the AGM |

### Dematerialisation of shares and liquidity

The Company's Ordinary Shares are tradable compulsorily in electronic form. We have established connectivity with both the depositories, i.e., NSDL and CDSL. The International Securities Identification Number ('**ISIN**') allotted to the Fully Paid and Partly Paid Ordinary Shares under the Depository System are **INE081A01012** and **IN9081A01010** respectively.

The Company has 1,18,29,61,937 Ordinary Shares (including Fully Paid and Partly Paid Ordinary Shares) representing 98.24% of the Company's share capital which is dematerialised as on March 31, 2019. Further, during Fiscal 2019, the Securities and Exchange Board of India ('**SEBI**') and the Ministry of Corporate Affairs ('**MCA**') has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. Hence, to enable us to serve our Shareholders better, we request our Shareholders whose shares are in physical mode to dematerialise shares and to update their bank accounts and email ids with their respective DPs.

Further, outstanding GDR Shares 1,34,73,958 (March 31, 2018: 1,27,40,651) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2010. Each GDR represents one underlying Ordinary Share.

### Commodity price risk or foreign exchange risk and hedging activities

The Company inherently faces risks arising out of raw material price volatility which impacts its profitability and cash flows. However, steel prices over the long term tend to track underlying raw material prices thus providing a natural hedge to the business. Further, in India the Company has captive iron ore and coal mines which meet a significant part of the requirement of its Indian business and help it manage raw material price volatility.

In addition, to address the short-term volatility, the Company specifically hedges certain commodities in the derivatives market as well as tries to buy part of its strategic material requirements on annual fixed prices.

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

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

1. Total exposure of the listed entity to commodities: ₹12,038 crore.
2. Exposure to the listed entities to various commodities (based on materiality):

| Commodity Name | Exposure in INR towards the particular commodity (crore) | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives | | | | |
|---|---|---|---|---|---|---|---|
| | | | Domestic Market | | International Market | | Total |
| | | | OTC | Exchange | OTC | Exchange | |
| Coal | 9,758 | 85,00,000 tonnes (imported) | Nil | Nil | Nil | Nil | Nil |
| Limestone | 1,072 | 41,71,873 tonnes | Nil | Nil | Nil | Nil | Nil |
| Refractories | 993 | 1,05,619 tonnes | Nil | Nil | Nil | Nil | Nil |

Apart from the strategic procurement of coal and other commodities, Tata Steel has been a miner for the last hundred years and it mines 100% of its iron ore requirements and about one fourth of its coking coal requirement from its captive mines. Thus, its exposure is naturally hedged to the above extent.

### Designated e-mail address for investor services

To serve the investors better and as required under Regulation 46(2)(j) of the Listing Regulations, the designated e-mail address for investor complaints is cosec@tatasteel.com The e-mail address for grievance redressal is continuously monitored by the Company's Compliance Officer.

### Investor Awareness

As part of good governance we have provided subscription facilities to our investors for IR alerts regarding press release, results, webcasts, analyst meets and presentations amongst others. We also provide our investors facility to write queries regarding their rights and shareholdings and have provided details of persons to be contacted for this purpose. We encourage investors to visit our website for reading the documents and for availing the above facilities at www.tatasteel.com

### Legal proceedings

There are certain pending cases related to disputes over title to shares in which the Company had been made a party. However, these cases are not material in nature.

### Compliance with discretionary requirements

All mandatory requirements of the Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the Listing Regulations, is as under:

**The Board:** As on date, the positions of the Chairman and the Chief Executive Officer are separate. Mr. N. Chandrasekaran is the Non-Executive Chairman of the Board and Mr. T. V. Narendran is the Chief Executive Officer & Managing Director of the Company.

**Shareholder Rights:** The half-yearly financial performance of the Company is sent to all the Members possessing e-mail IDs. The results are also available on the Company's website www.tatasteel.com

**Modified opinion(s) in Audit Report:** The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

**Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

### Table P: Distribution of Shareholding of Ordinary Shares

#### Fully Paid Ordinary Shares

| Share Holding | Total No. of Shareholders as on March 31 | | % to total holders as on March 31 | | Total No. of Shares as on March 31 | | % to total capital as on March 31 | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| 1 | 23,884 | 21,327 | 3.01 | 2.76 | 23,884 | 21,327 | 0.00 | 0.00 |
| 2-10 | 1,20,513 | 1,13,210 | 15.18 | 14.64 | 8,09,676 | 7,61,432 | 0.07 | 0.07 |
| 11-50 | 2,37,534 | 2,29,602 | 29.93 | 29.70 | 69,86,169 | 66,82,927 | 0.62 | 0.59 |
| 51-100 | 1,24,173 | 1,20,595 | 15.64 | 15.60 | 96,55,582 | 92,35,996 | 0.86 | 0.82 |
| 101-200 | 1,23,759 | 1,25,266 | 15.59 | 16.20 | 1,79,62,365 | 1,80,02,217 | 1.60 | 1.60 |
| 201-500 | 96,515 | 96,320 | 12.16 | 12.46 | 2,98,88,109 | 2,95,63,645 | 2.65 | 2.63 |
| 501-1,000 | 34,385 | 34,067 | 4.33 | 4.40 | 2,43,91,805 | 2,40,00,787 | 2.17 | 2.13 |
| 1,001-5,000 | 28,091 | 27,738 | 3.54 | 3.59 | 5,57,76,758 | 5,47,92,310 | 4.95 | 4.86 |
| 5,001-10,000 | 2,775 | 2,782 | 0.35 | 0.36 | 1,92,47,829 | 1,92,88,108 | 1.71 | 1.71 |
| 10,001-1,00,000 | 1,841 | 1,832 | 0.23 | 0.24 | 4,49,56,780 | 4,38,39,362 | 3.99 | 3.89 |
| 1,00,001 and above | 323 | 371 | 0.04 | 0.05 | 91,67,90,723 | 92,02,96,704 | 81.38 | 81.70 |
| **Total** | **7,93,793** | **7,73,110** | **100.00** | **100.00** | **1,12,64,89,680** | **1,12,64,84,815** | **100.00** | **100.00** |

#### Partly Paid Ordinary Shares

| Share Holding | Total No. of Shareholders as on March 31 | | % to total holders as on March 31 | | Total No. of Shares as on March 31 | | % to total capital as on March 31 | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| 1 | 5,793 | 5,990 | 3.34 | 3.45 | 5,793 | 5,990 | 0.01 | 0.01 |
| 2-10 | 58,209 | 60,702 | 33.53 | 34.99 | 3,39,421 | 3,53,322 | 0.44 | 0.45 |
| 11-50 | 72,068 | 74,752 | 41.52 | 43.08 | 17,64,981 | 18,17,111 | 2.27 | 2.34 |
| 51-100 | 16,844 | 16,382 | 9.70 | 9.44 | 12,75,721 | 12,16,790 | 1.64 | 1.57 |
| 101-200 | 9,326 | 8,405 | 5.37 | 4.84 | 13,88,448 | 12,22,880 | 1.79 | 1.57 |
| 201-500 | 6,458 | 4,790 | 3.72 | 2.76 | 21,22,136 | 15,04,180 | 2.73 | 1.94 |
| 501-1,000 | 2,436 | 1,409 | 1.40 | 0.81 | 18,15,750 | 10,00,904 | 2.34 | 1.29 |
| 1,001-5,000 | 1,899 | 807 | 1.09 | 0.47 | 40,32,985 | 16,13,296 | 5.19 | 2.08 |
| 5,001-10,000 | 253 | 90 | 0.15 | 0.05 | 18,11,588 | 6,31,577 | 2.33 | 0.81 |
| 10,001-1,00,000 | 257 | 138 | 0.15 | 0.08 | 69,21,073 | 50,38,057 | 8.92 | 6.49 |
| 1,00,001 and above | 45 | 44 | 0.03 | 0.03 | 5,61,58,809 | 6,32,30,518 | 72.34 | 81.45 |
| **Total** | **1,73,588** | **1,73,509** | **100.00** | **100.00** | **7,76,36,705** | **7,76,34,625** | **100.00** | **100.00** |

## Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund ('IEPF')

Pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, unclaimed dividends of Shareholders for the Financial Year 2011-12 lying in the unclaimed dividend account of the Company as on September 17, 2019 will be transferred to IEPF on the due date i.e. September 18, 2019. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the unpaid dividend account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government. Accordingly, the Company has transferred unclaimed dividend and eligible Shares to IEPF Demat Account within statutory timelines.

The details of unclaimed dividends and shares transferred to IEPF during Financial Year 2018-19 are as follows:

| Financial Year | Amount of Unclaimed Dividend Transferred (₹) | Number of Shares Transferred |
|---|---|---|
| 2010-11 | 7,56,12,546.00 | 3,86,473 |

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remained unclaimed and whose shares were liable to be transferred to the IEPF by September 7, 2018. The communication was also published in national English and local Marathi newspapers.

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from our website www.tatasteel.com under 'unclaimed dividend' tab in 'investor' section and simultaneously from the website of Ministry of Corporate Affairs at www.iepf.gov.in The Shareholders can file only one consolidated claim in a financial year as per the IEPF Rules.

### Table Q: The status of dividend remaining unclaimed is given hereunder:

| Unclaimed Dividend | Status | Whether it can be claimed | Can be claimed from | Action to be taken |
|---|---|---|---|---|
| Up to and including the Financial Year 1994-95 | Transferred to the General Revenue Account of the Central Government | Yes | Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 2nd Floor, Next to Reserve Bank of India, CBD, Belapur-400 614 | Claim to be forwarded in prescribed Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 |
| For the Financial Years 1995-96 to 2010-2011 | Transferred to the IEPF of the Central Government | Yes | Submit e-form IEPF 5 to the Registered Office of the Company addressed to the Nodal Officer along with complete documents. | IEPF Authority to pay the claim amount to the Shareholder based on the verification report submitted by the Company and the documents submitted by the investor. |
| For the Financial Years 2011-12 to 2017-18 | Amount lying in respective Unpaid Dividend Accounts | Yes | TSR Darashaw Limited, Registrars and Transfer Agent | Letter on plain paper |

The Company has hosted on its website the details of the unclaimed dividend/interest/principal amounts for the Financial Year 2017-18 as per the Notification No. G S R 352 (E) dated May 10, 2012 of Ministry of Corporate Affairs (as per Section 124 of the Companies Act, 2013, as amended).

### Table R: Details of date of declaration & due date for transfer to IEPF

| Financial Year | Dividend Per Share | Date of Declaration | Due date for Transfer to IEPF |
|---|---|---|---|
| 2011-12 | 12 | August 14, 2012 | September 18, 2019 |
| 2012-13 | 8 | August 14, 2013 | September 16, 2020 |
| 2013-14 | 10 | August 14, 2014 | September 16, 2021 |
| 2014-15 | 8 | August 12, 2015 | September 16, 2022 |
| 2015-16 | 8 | August 12, 2016 | September 17, 2023 |
| 2016-17 | 10 | August 8, 2017 | September 9, 2024 |
| 2017-18 | 10 | July 20, 2018 | August 22, 2025 |

Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/interest/principal amount, if any, standing to the credit of their account.

**Nomination Facility**

Shareholders whose shares are in physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/SH-14. The Nomination Form can be downloaded from the Company's website www.tatasteel.com under the section 'Investors'.

### Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, e-mail ids, nomination and power of attorney should be given directly to the DP.

### Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, e-mails ids, nomination and power of attorney should be given to the Company's RTA i.e., TSR Darashaw Limited.

Further, Shareholders may note that SEBI and MCA has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. We request you to dematerialise your physical shares for ease of transfer.

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

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

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

Regulation 12 of the Listing Regulations, allows the Company to pay dividend by cheque or 'payable at par' warrants where payment by electronic mode is not possible. Shareholders to note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment/delay in transit amongst others. They are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

- In case of holdings in dematerialised form, by contacting their DP and giving suitable instructions to update the bank details in their demat account.
- In case of holdings in physical form, by informing the Company's RTA i.e., TSR Darashaw Limited, through a signed request letter with details such as their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions the 9 digit MICR Code Number and the 11 digit IFSC Code. This letter should be supported by cancelled cheque bearing the name of the first shareholder.

Further, as mandated by SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the Company has sent three reminder letters to its share holders advising them to update their PAN and Bank details with the Company/Depositories.

### Listing on Stock Exchanges

The Company has issued Fully and Partly paid Ordinary shares which are listed on BSE Limited and National Stock Exchange of India Limited in India. The annual Listing fees has been paid to the respective stock exchanges.

**Table S: ISIN details**

| Stock Exchanges | ISIN | Stock Code |
|---|---|---|
| BSE Limited (**'BSE'**)<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai - 400 001,<br>Maharashtra, India | INE081A01012<br>(Fully Paid Shares) | 500470<br>(Fully Paid Shares) |
| | IN9081A01010<br>(Partly Paid Shares) | 890144<br>(Partly Paid Shares) |
| National Stock Exchange of India Limited (**'NSE'**)<br>Exchange Plaza, 5th Floor,<br>Plot No. C/1, G Block,<br>Bandra-Kurla Complex,<br>Mumbai - 400 051,<br>Maharashtra, India | INE081A01012<br>(Fully Paid Shares) | TATASTEEL<br>(Fully Paid Shares) |
| | IN9081A01010<br>(Partly Paid Shares) | TATASTEELPP<br>(Partly Paid Shares) |

**Table T: International Listings of securities issued by the Company are as under:**

**Global Depository Receipts ('GDRs'):**

| GDRs | 1994 | 2009 |
|---|---|---|
| ISIN | US87656Y1091 | US87656Y4061 |
| Listed on | Luxembourg Stock Exchange | London Stock Exchange |

**Table U (i): Perpetual Hybrid Securities in the form of Non-Convertible Debentures are listed on the Wholesale Debt Market segments of the Stock Exchanges as under:**

| Rate (%) | 11.80 | 11.50 |
|---|---|---|
| ISIN | INE081A08165 | INE081A08173 |
| Principal Amount (₹ in crore) | 1,500 | 775 |
| Date of Maturity | Perpetual | Perpetual |
| Listed on | NSE & BSE | NSE |

### Table U (ii): Unsecured Redeemable Non-Convertible Debentures ('NCDs') are listed on the Wholesale Debt Market segment of the Stock Exchanges as under:

(₹ in crore)

| Coupon Rate (%) | ISIN | Principal Amount | Maturity | | Credit Ratings |
|---|---|---|---|---|---|
| | | | Amount | Date | |
| 10.40 | INE081A08124 | 650.90 | 650.90 | May 15, 2019 | AA by CARE & India Ratings |
| 11.00 | INE081A08132 | 1,500.00 | 1,500.00 | May 19, 2019 | AA by India Ratings |
| 9.15 | INE081A08207 | 500.00 | 500.00 | January 24, 2021 | AA by CARE & AA (Stable) by Brickwork |
| 2.00 | INE081A08181 | 1,500.00 | 1,500.00 | April 23, 2022 | AA by CARE & AA (Positive) by Brickwork |
| 8.15 | INE081A08215 | 1,000.00 | 1,000.00 | October 1, 2026 | AA by CARE & AA (Positive) by Brickwork |
| 10.25 | INE081A08140 | 500.00 | 166.67 | December 22, 2028 | AA by CARE |
| | | | 166.67 | December 22, 2029 | |
| | | | 166.66 | December 22, 2030 | |
| 10.25 | INE081A08157 | 2,500.00 | 833.34 | January 6, 2029 | |
| | | | 833.33 | January 6, 2030 | |
| | | | 833.33 | January 6, 2031 | |
| 9.8359% | INE081A08223 | 4,315 | 1,078.75 | February 28, 2031 | AA by CARE & India Ratings |
| | | | 1,078.25 | March 1, 2032 | |
| | | | 1,078.25 | March 1, 2033 | |
| | | | 1,078.25 | March 1, 2034 | |

**Notes:**

(a) 9.15% NCDs (ISIN: INE081A08199) aggregating to ₹500 crore were redeemed on the due date, January 24, 2019.

(b) Further, during the year, Moody's Investors Services upgraded long-term Corporate Family Rating of the Company by one notch from Ba3 to Ba2 while S&P has revised its ratings outlook on the Company from 'Stable' to 'Positive' and affirmed the long-term credit rating of 'BB-'.

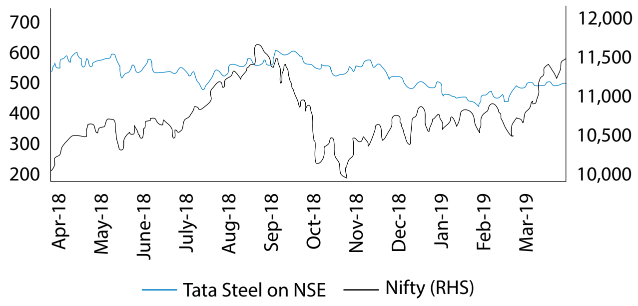
The above details are available on our website www.tatasteel.com

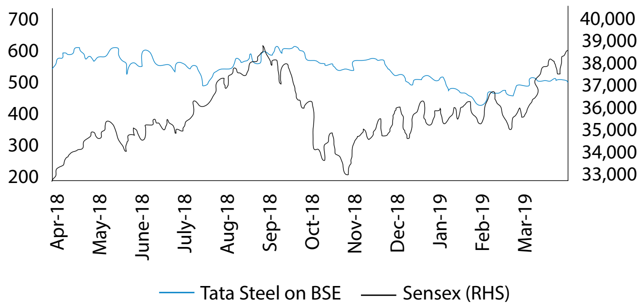
## Market Information

### Table V: Market Price Data–High, Low and volume during each month in Financial Year 2018-19 of Fully Paid Shares:

| Month | BSE Limited | | | National Stock Exchange of India Limited | | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Volume (No. of shares traded) | High (₹) | Low (₹) | Volume (No. of shares traded) |
| April 2018 | 623.90 | 558.00 | 98,26,825 | 624.50 | 557.55 | 15,89,73,695 |
| May 2018 | 636.30 | 536.60 | 1,24,16,613 | 636.80 | 536.55 | 16,32,19,616 |
| June 2018 | 607.55 | 538.35 | 1,26,32,920 | 608.20 | 538.25 | 16,05,19,735 |
| July 2018 | 586.50 | 493.50 | 1,44,46,724 | 586.50 | 493.00 | 19,37,12,376 |
| August 2018 | 614.30 | 540.55 | 1,41,99,557 | 614.50 | 540.60 | 18,34,79,813 |
| September 2018 | 646.70 | 574.50 | 1,17,14,794 | 647.60 | 575.00 | 16,47,09,554 |
| October 2018 | 594.45 | 530.10 | 1,21,63,197 | 594.40 | 529.35 | 14,07,29,681 |
| November 2018 | 610.00 | 513.25 | 1,63,86,023 | 610.60 | 512.50 | 16,91,41,179 |
| December 2018 | 552.50 | 486.90 | 1,17,80,584 | 552.70 | 486.15 | 13,67,75,994 |
| January 2019 | 524.05 | 442.10 | 1,37,78,177 | 524.50 | 441.35 | 16,92,95,871 |
| February 2019 | 511.95 | 452.30 | 1,47,55,120 | 512.30 | 452.00 | 20,36,24,453 |
| March 2019 | 531.80 | 502.75 | 88,48,525 | 531.90 | 502.00 | 12,52,26,366 |
| **Yearly** | **646.70** | **442.10** | **15,29,49,059** | **647.60** | **441.35** | **1,96,94,08,333** |

### Tata Steel Share Price versus BSE Sensex/NIFTY




The Company's shares are regularly traded on BSE Limited and National Stock Exchange of India Limited, as is seen from the volume of shares indicated in the Table containing Market Information.

### Secretarial Audit

The Company's Board of Directors appointed Parikh and Associates, Practising Company Secretaries Firm, to conduct secretarial audit of its records and documents for the Financial Year 2018-19. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

### Green Initiative

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

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

## Major Plant Locations:

**Tata Steel Kalinganagar Plant**

Tata Steel Limited
Kalinganagar Industrial Complex,
Duburi, Dist. Jajpur
Odisha - 755 026

**Tata Steel Jamshedpur Plant**

Tata Steel Limited
P.O. Bistupur,
Jamshedpur – 831 001

**Cold Rolling Mill Complex, Bara**

Tata Steel Limited
P.O. Agrico, P.S. Sidhgora,
Block: Jamshedpur, Dist. Purbi Singhbhum
Pin - 831 009

**Tata Steel Growth Shop**

Growth Shop
Tata Steel Limited
Adityapur Industrial Estate,
P.O. Gamharia, Dist. Seraikela-Kharsawan
Pin - 832 108

**Tata Steel Tubes Division**

Tubes Division
Tata Steel Limited
P.O. Burma Mines,
Jamshedpur - 831 007

**Joda East Iron Mine**

Joda Central Organisation
Tata Steel Limited, Joda,
Dist. Keonjhar, Odisha - 758 034

**Cold Rolling Complex (West)**

Tata Steel Limited
Plot No S 76, Tarapur Industrial Area,
P Box 22, Tarapur Industrial Estate Post Office,
District Palghar, Maharashtra - 401 506

**Wire Division, Tarapur**

Tata Steel Limited - Wire Division
Plot F8 & A6, Tarapur MIDC,
P.O. Boisar, Dist. Palghar - 401 506

**Wire Division, Indore**

Indore - Tata Steel Limited, Wire Division
Plot 14/15/16 & 32 Industrial Estate,
Laxmibai Nagar, Fort Indore,
Madhya Pradesh - 452 006

**Wire Division, Pithampur**

Pithampur Wire Division
Plot 158 & 158A, Sector III
Industrial Estate, Pithampur
Madhya Pradesh - 454 774
Bearings Division
Tata Steel Limited
P.O. Rakha Jungle, Nimpura Industrial Estate
Kharagpur, West Bengal - 721 301

**Chromite Mine, Sukinda**

Tata Steel Limited - Sukinda
Chromite Mine, P.O. Kalarangiatta,
Dist. Jajpur, Odisha - 755 028

**Noamundi Iron Mine**

Tata Steel Limited
West Singhbhum, Noamundi,
Jharkhand - 833 217

**Ferro Alloys Plant**

Tata Steel Limited
P.O. Bamnipal, Dist. Keonjhar,
Odisha - 758 082

**Joda West Manganese Mines**

Tata Steel Limited
P.O. Bichakundi, Joda, Dist. Keonjhar,
Odisha - 758 034

**Bamebari Manganese Mines**

Tata Steel Limited
P.O. Polaso 'Ka', Via: Joda, Dist. Keonjhar,
Odisha - 758 036

**Gomardih Dolomite Quarry**

Tata Steel Limited
P.O. Tunmura, Dist. Sundergarh,
Odisha - 770 070

**Jharia Division**

Tata Steel Limited
Jamadoba, Dhanbad,
Jharkhand - 828 112

**West Bokaro Division**

Tata Steel Limited
Ghatotand, Dist. Ramgarh,
Jharkhand - 825 314

**Hooghly Met Coke Division**

Tata Steel Limited
Patikhali, Haldia, Purba,
Medinipur, West Bengal - 721 606

**Ferro Alloy Plant, Joda**

Tata Steel Limited - Joda
Dist. Keonjhar, Odisha - 758 034

**Ferro Chrome Plant**

Tata Steel Limited - Gopalpur Project
P.O. Chamakhandi, Chatrapur Tahsil,
Dist. Ganjam, Odisha - 761 020

## Investor Contact:

**Registered Office:**

Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel.: +91 22 6665 8282
E-mail: cosec@tatasteel.com
Website: www.tatasteel.com
CIN: L27100MH1907PLC000260

## Name, designation & address of Compliance Officer:

Mr. Parvatheesam K,
Company Secretary & Chief Legal Officer
(Corporate & Compliance)
Bombay House, 24, Homi Mody Street, Fort,
Mumbai - 400 001
Tel.: +91 22 6665 7279
E-mail: cosec@tatasteel.com

## Name, designation & address of Investor Relations Officer:

Mr. Sandep Agrawal,
Head - Group Investor Relation
One Forbes, 6th Floor, 1, Dr. V. B. Gandhi
Marg, Fort, Mumbai - 400 001
Tel.: +91 22 6665 0530;
E-mail: ir@tatasteel.com

## Registrars and Transfer Agents:

**TSR Darashaw Limited**

CIN: U67120MH1985PLC037369
Unit: Tata Steel Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
Near Famous Studio, 20, Dr. E Moses Road,
Mahalaxmi, Mumbai - 400 011
Contact Person: Ms. Mary George
Tel.: +91 22 6656 8484/8411/8412/8413
Fax: +91 22 6656 8494
Timings: Monday to Friday,
10 a.m. (IST) to 3.30 p.m. (IST)
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

**Stock Exchanges:**

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Tel.: +91 22 2272 1233;
Fax: +91 22 2272 1919
Website: www.bseindia.com

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051
Tel.: +91 22 2659 8100;
Fax: +91 22 2659 8120
Website: www.nseindia.com

**Luxembourg Stock Exchange**

35A Boulevard Joseph II
L-1840 Luxembourg,
Tel: (+352) 4779361
Fax: (+352) 473298
Website: www.bourse.lu

**London Stock Exchange**

10 Paternoster Square,
London - EC4M 7LS
Tel: (+44) 20 7797 1000
Website: www.londonstockexchange.com

## Depository Services:

**National Securities Depository Limited**

Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai - 400 013
Tel.: +91 22 2499 4200;
Fax: +91 22 2497 6351
E-mail: info@nsdl.co.in
Investor Grievance: relations@nsdl.co.in
Website: www.nsdl.co.in

**Central Depository Services (India) Limited**

Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg,
Lower Parel (East), Mumbai - 400 013
Tel.: +91 22 2305 8640/8624/8639/8663
E-mail: helpdesk@cdslindia.com,
Investor Grievance:
complaints@cdslindia.com
Website: www.cdslindia.com

## Debenture Trustee:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001
Tel.: +91 22 4080 7000;
Fax: +91 22 6631 1776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

## Details of Corporate Policies

| Particulars | Website Details/Links |
|---|---|
| Dividend Distribution Policy | https://www.tatasteel.com/media/6086/dividend-policy-final.pdf |
| Composition and Profile of the Board of Directors | https://www.tatasteel.com/corporate/our-organisation/leadership/ |
| Terms and conditions of appointment of Independent Directors | https://www.tatasteel.com/media/2917/terms-and-conditions-of-appointment-of-independent-directors.pdf |
| Policy on Appointment and Removal of Directors | https://www.tatasteel.com/media/6816/policy-on-appointment-and-removal-of-directors.pdf |
| Familiarisation Programme for Independent Directors | https://www.tatasteel.com/media/7040/familiarisation-programme-for-independent-directors.pdf |
| Remuneration Policy of Directors, KMPs & Other Employees | https://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf |
| Tata Code of Conduct | https://www.tatasteel.com/media/1864/tcoc.pdf |
| Criteria for Making Payments to Non-Executive Directors | https://www.tatasteel.com/media/3931/criteria-of-making-payments-to-neds.pdf |
| Corporate Social Responsibility Policy | https://www.tatasteel.com/media/5804/csr-a.pdf |
| Code of Conduct for Non-Executive Directors | https://www.tatasteel.com/media/3930/tcoc-non-executive-directors.pdf |
| Policy on Related Party Transactions | https://www.tatasteel.com/media/5891/policy-on-related-party-transactions.pdf |
| Policy on Determining Material Subsidiary | https://www.tatasteel.com/media/5890/policy-on-determining-material-subsidiaries.pdf |
| Whistle Blower Policy | https://www.tatasteel.com/media/7527/wb-policy-for-business-associates-23052017.pdf<br>https://www.tatasteel.com/media/7528/whistle-blower-policy-for-directors-employees-1.pdf |
| Code of Corporate Disclosure Practices | https://www.tatasteel.com/media/6843/code-of-corporate-disclosure-practices.pdf |
| Policy on Determination of Materiality for Disclosure | https://www.tatasteel.com/media/6844/tata-steel-determination-of-materiality-policy.pdf |
| Document Retention and Archival Policy | https://www.tatasteel.com/media/6845/tata-steel-document-retention-policy.pdf |
| Prevention of Sexual Harassment (POSH) at Workplace Policy | https://www.tatasteel.com/media/7526/posh.pdf |
| Reconciliation of Share Capital Audit Report | https://www.tatasteel.com/investors/stock-exchange-compliances/reconciliation-of-share-capital-audit-reports/ |

## PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS

To,
The Members
Tata Steel Limited

This certificate is issued pursuant to clause 10(i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities and Exchange Board of India.

We have examined the compliance of provisions of the aforesaid clause 10(i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our information and according to the explanations given to us by the Company, and the declarations made by the Directors, we certify that none of the directors of Tata Steel Limited (**'the Company'**) CIN L27100MH1907PLC000260 having its registered office at Bombay House, 24-Homi Mody Street, Fort, Mumbai - 400 001 have been debarred or disqualified as on March 31, 2019 from being appointed or continuing as directors of the Company by SEBI/Ministry of Corporate Affairs or any other statutory authority.

**For Parikh & Associates**
Practising Company Secretaries

sd/-
**P. N. PARIKH**
Mumbai, April 25, 2019 FCS No.: 327 CP No.: 1228

---

## PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Tata Steel Limited

We have examined the compliance of the conditions of Corporate Governance by Tata Steel Limited (**'the Company'**) for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**
Practising Company Secretaries

sd/-
**P. N. PARIKH**
Mumbai, April 25, 2019 FCS No.: 327 CP No.: 1228

# ANNEXURE 5

## Particulars of Remuneration

## Part A: Information pursuant to Section 197(12) of the Companies Act, 2013 [Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the Financial Year:**

| | |
|---|---|
| Median remuneration of all the employees of the Company for the Financial Year 2018-19 | ₹9,98,769 |
| The percentage increase in the median remuneration of employees in the Financial Year | 5.60% |
| The number of permanent employees on the rolls of Company as on March 31, 2019 | 32,984 |

| Name of Director | Remuneration for Financial Year (₹ lakh) | | % increase in remuneration | Ratio of remuneration to median remuneration of all employees[6] |
|---|---|---|---|---|
| | 2018-19 | 2017-18 | | |
| **Non-Executive Directors** | | | | |
| Mr. N. Chandrasekaran [1] | - | - | - | - |
| Mr. D. K. Mehrotra [2] | 40.40 | 85.30 | * | * |
| Mr. V. K. Sharma [2] | 37.20 | - | * | * |
| Mr. Saurabh Agrawal [3] | - | - | - | - |
| **Independent Directors** | | | | |
| Ms. Mallika Srinivasan | 129.00 | 119.40 | 8.04 | 12.92 |
| Mr. O. P. Bhatt | 190.60 | 180.00 | 5.89 | 19.08 |
| Dr. Peter Blauwhoff | 117.80 | 79.40 | 48.36 | 11.79 |
| Mr. Aman Mehta | 94.80 | 84.40 | 12.32 | 9.49 |
| Mr. Deepak Kapoor | 114.00 | 75.60 | 50.79 | 11.41 |
| **Executive Directors/KMP** | | | | |
| Mr. T. V. Narendran [4] | 1,122.63 | 942.94 | 19.06 | 112.40 |
| Mr. Koushik Chatterjee [4] | 1,082.14 | 913.80 | 18.42 | 108.35 |
| Mr. Parvatheesam K [5] | 169.92 | 124.91 | ^ | * |

^ Since the remuneration of Mr. Parvatheesam K is only for part of the previous year, increase in remuneration is not stated.

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

**Notes:**

(1) As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.

(2) Mr. D. K. Mehrotra stepped down as Member of the Board effective May 16, 2018 and Mr. V. K. Sharma was appointed as an Additional (Non-Executive) Director effective August 24, 2018. The commission of Mr. Mehrotra and Mr. Sharma is paid to Life Insurance Corporation of India.

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

(4) Mr. T. V. Narendran and Mr. Koushik Chatterjee do not receive any remuneration or commission from any of the subsidiary companies in which they are Members of the Board.

(5) Mr. Parvatheesam K was on leave between August 28, 2017 and July 11, 2018. Accordingly, his remuneration for the previous year includes salary drawn by him as Company Secretary and Compliance Officer for the period April 1, 2017 through August 27, 2017 and salary received by him up to March 31, 2018 towards his earned leave. His remuneration for the current year includes salary drawn by him for the period July 12, 2018 through March 31, 2019.

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

During the year, the average percentage increase in salary of the Company's employees, excluding the Key Managerial Personnel ('**KMP**') was 6.26%. The total remuneration of the KMPs for the Financial Year 2018-19 was ₹2,374.69 lakh as against ₹1,981.65 lakh during the previous year. The percentage increase in remuneration during the Financial Year 2018-19 to Mr. T. V. Narendran, Chief Executive Officer & Managing Director was 19.06% and to Mr. Koushik Chatterjee, Executive Director & Chief Financial Officer was 18.42%. During the year, there has been no exceptional increase in remuneration to the KMPs. Remuneration is as per the remuneration policy of the Company.

On behalf of the Board of Directors

sd/-
**N. CHANDRASEKARAN**
Chairman
DIN: 00121863

Mumbai
April 25, 2019

## Part B: Statement of Disclosure pursuant to Section 197 of Companies Act, 2013

## [Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### A. Names of Top 10 employees in terms of remuneration drawn during the Financial Year 2018-19:

| Sl. No. | Name | Designation | Remuneration (₹) | Qualification | Experience (Years) | Date of commencement of employment | Age (Years) | Last employment |
|---|---|---|---|---|---|---|---|---|
| 1 | T. V. Narendran | Chief Executive Officer & Managing Director | 9,72,63,186 | B.E, PGDM | 30 | 01-07-1988 | 53 | - |
| 2 | Koushik Chatterjee | Executive Director & Chief Financial Officer | 9,57,13,917 | B.Com. (Hons), FCA | 23 | 13-11-1995 | 50 | Tata Sons Ltd. |
| 3 | Anand Sen | President (TQM & Steel Business) | 6,15,99,396 | B.Tech (Hons), Met. Engg., PGDBM | 37 | 27-07-1981 | 59 | - |
| 4 | Suresh Dutt Tripathi | Vice President (Human Resource Management) | 4,74,80,420 | M. Sc., Diploma in Social Welfare | 36 | 18-10-2012 | 58 | SRF Ltd |
| 5 | Sandip Biswas | Group Executive Vice President (Finance) | 4,18,39,396 | B.Com.(Hons), ACA, ACS | 26 | 01-04-2005 | 51 | First India Asset Management Co. (P) Ltd. |
| 6 | Ranganath Raghupathy Rao | Vice President (Finance India & SE Asia) | 3,34,40,751 | B.Sc, A.C.A | 35 | 16-05-2013 | 59 | Cairn India Ltd. |
| 7 | Sanjiv Paul | Vice President (Safety, Health & Sustainability) | 3,23,24,009 | B. Sc. (Engg) | 32 | 01-07-1986 | 56 | - |
| 8 | Dibyendu Bose | Vice President (Supply Chain) | 2,94,56,437 | B. Tech., PGDM | 30 | 01-07-1988 | 57 | Tisco Collieries |
| 9 | Chanakya Chaudhary | Vice President (Corporate Services) | 2,87,44,528 | B. E. | 30 | 16-12-1988 | 54 | - |
| 10 | Rajesh Ranjan Jha | Vice President (Engineering & Projects) | 2,85,86,941 | B.E, PGDBM | 28 | 02-07-1990 | 49 | Tata Projects Ltd |

### B. Names of other employees who are in receipt of aggregate remuneration not less than Rupees One crore and two lakh during the Financial Year 2018-19:

| Sl. No. | Name | Designation | Remuneration (₹) | Qualification | Experience (Years) | Date of commencement of employment | Age (Years) | Last employment |
|---|---|---|---|---|---|---|---|---|
| 1 | A. D. Kothari | General Manager (Projects TSK) | 1,50,85,017 | B. Tech. | 27 | 01-07-1991 | 50 | - |
| 2 | A. K. Bhatnagar | Chief (Natural Resources Division) | 1,20,85,187 | B. Tech. | 26 | 01-07-1992 | 49 | - |
| 3 | Ajay Tiwari | Chief (HRM PC & Corporate Functions) | 1,43,79,846 | B. Sc. (Hons), PGD (PM&IR) | 19 | 01-08-2014 | 48 | Hindustan Lever Ltd. |
| 4 | Ajit Kar | Chief (Electrical Maintenance Steel Making) | 1,05,93,388 | B. Tech. | 26 | 13-07-1992 | 50 | - |
| 5 | Amit Kumar Chatterjee | Chief (Electrical Maintenance TSK) | 1,53,73,586 | B.E | 31 | 27-07-1987 | 56 | - |
| 6 | Amitabh Panda | Group Head (Shipping & Logistics) | 1,23,65,150 | B. E., PGDBM | 29 | 01-10-2004 | 51 | Free Markets Services Pvt. Ltd. |
| 7 | Amitava Baksi | Chief (Procurement Officer) | 1,63,98,715 | B. Sc. (Engg) | 32 | 30-06-1986 | 55 | - |
| 8 | Amrendra Ranjan | Chief (Electrical Maintenance) | 1,39,74,417 | B. Tech, PGDBM | 38 | 01-07-1980 | 59 | - |
| 9 | Anup Sahay* | Chief (Corporate Strategy & Planning) | 74,51,530 | BA (Hons), PGDBM | 32 | 01-07-1986 | 57 | S B Billimoria & Company |
| 10 | Anurag Agnihotri | Chief (IT Projects) | 1,02,23,092 | B.E | 32 | 30-06-1986 | 53 | - |
| 11 | Anurag Pandey | Chief (Marketing & Sales, Wire Division) | 1,04,36,003 | B.E, XLRI (Mgmt) | 25 | 01-07-1993 | 47 | - |
| 12 | Anurag Saxena | Chief (Electrical T & D) | 1,12,82,959 | B.E, MBA | 31 | 17-12-1999 | 52 | National Fertilizers Ltd. |
| 13 | Arun Kumar Singh | Chief (Projects BOP TSK) | 1,05,74,584 | B.E, PGDBM | 34 | 02-07-1984 | 57 | - |
| 14 | Arun Misra | Vice President (Raw Material) | 2,56,81,218 | B.Tech | 30 | 01-07-1988 | 53 | - |
| 15 | Ashok Kumar* | Chief (Technology Officer, Process) | 1,30,39,594 | B.Tech | 34 | 01-07-1984 | 57 | - |
| 16 | Atrayee Sarkar | Chief (Group HR) | 1,21,82,437 | B.A, PGDBM | 24 | 01-06-1998 | 48 | Hindustan Lever Ltd. |

| Sl. No. | Name | Designation | Remuneration (₹) | Qualification | Experience (Years) | Date of commencement of employment | Age (Years) | Last employment |
|---|---|---|---|---|---|---|---|---|
| 17 | Avneesh Gupta | Vice President (Shared Services) | 2,26,41,869 | B.Tech,PGDBM | 32 | 01-07-1986 | 55 | - |
| 18 | Baidyanath Saha | Chief (Engineering Structural) | 1,23,33,390 | B. E. | 11 | 01-12-2012 | 55 | Tata Power Company Ltd. |
| 19 | Baran Sengupta | Chief (Project Engineering) | 1,13,96,102 | B. Tech.,M.E., ICWA | 34 | 18-11-2013 | 58 | Ausenco Engineers Ltd. |
| 20 | Brajendra Khandelwal | Chief (Special Project) | 1,05,19,345 | B.E., MBA | 36 | 08-08-2014 | 58 | Essar Steel India Ltd. |
| 21 | Ch. Ramesh Babu | Chief (Design & Engineering-Process) | 1,52,49,283 | B.E | 34 | 24-12-2012 | 54 | AEGIS Ltd |
| 22 | Chacko Joseph | Chief (Financial Controller) | 1,17,81,409 | C.S, B.Com, ICWA, C.A | 36 | 01-07-1982 | 59 | - |
| 23 | Chaitanya Bhanu | General Manager (Operations, TSK) | 1,34,32,591 | M. Tech., B.Tech | 26 | 15-07-1992 | 48 | - |
| 24 | D.B. Sundara Ramam | Principal Executive Officer | 1,92,81,957 | B. Sc. (Engg) | 28 | 28-07-1990 | 49 | - |
| 25 | Debashis Das | Chief (Manufacturing, Long Product) | 1,51,09,473 | B.Tech | 36 | 02-08-1982 | 59 | - |
| 26 | Debashish Bhattacharjee | Vice President (Technology & New Materials Business) | 1,70,60,055 | B. E., M.Tech, Ph.D | 25 | 01-04-1996 | 53 | University Of Cambridge |
| 27 | Devraj Sinh* | Chief (Corporate Legal - Finance & M&A) | 30,25,066 | B.A., LLB, LL.M | 35 | 01-09-2008 | 58 | Aditya Birla Magt. Corp. Pvt. Ltd. |
| 28 | Dibyendu Dutta | Group Head (M&A and Treasury) | 1,67,88,681 | B.Com, F.C.A, ICWA | 25 | 16-04-2009 | 52 | Indian Hotels Co. Ltd. |
| 29 | Dipali Talwar | Group General Counsel | 2,42,74,743 | B.A, LLB,LL.M | 24 | 30-06-2014 | 49 | Pfizer Inc. |
| 30 | Dwarika Nand Jha | GM (Design & Engineering, Kalinganagar and Growth Shop) | 2,03,48,972 | B.Sc,. (Engg), PGDM | 38 | 01-08-1980 | 59 | - |
| 31 | G. Mukherjee* | Chief (Wire Rod Mill) | 36,79,520 | B.Sc | 37 | 22-12-1980 | 60 | - |
| 32 | Gopal Prasad Choudhary | Chief (Security & Brand Protection) | 1,84,65,069 | B A(Hons),LLB | 30 | 01-01-2013 | 55 | Wipro Ltd |
| 33 | Jayanta Banerjee | Chief (Information Officer) | 1,46,97,570 | B.Sc (Hons), MCA | 25 | 15-01-2018 | 52 | Tata Consultancy Services Ltd |
| 34 | Karamveer Singh | Chief (Hot Strip Mill, TSK) | 1,12,87,026 | B.Sc (Engg) | 28 | 01-10-1990 | 53 | - |
| 35 | M. C. Thomas | Executive-in-Charge (FAM) | 1,22,60,145 | B. E. | 26 | 01-07-1992 | 47 | - |
| 36 | Manish Kumar Singh | Chief (Automation & IT Shikhar) | 1,20,86,834 | B. Sc. (Engg) | 22 | 02-05-1996 | 52 | Rashtriya Ispat Nigam Ltd. |
| 37 | Manish Sharma | Chief (Corporate Audit & Assurance) India & South East Asia | 1,44,53,605 | B. Tech, PGDM | 27 | 25-08-1991 | 54 | - |
| 38 | Meena Lall | Chief Legal Officer (Industrial & Litigation) | 1,45,01,242 | B. Sc., LLB | 29 | 10-01-1990 | 54 | - |
| 39 | Nirbhay Singh Salar | Chief (Project Planning) | 1,28,86,636 | B.E, M.Tech | 28 | 01-07-2013 | 52 | CGPL (Tata Power) |
| 40 | P. Anand | Chief (Services & Solutions) | 1,03,49,246 | B.E, XLRI (Mgmt) | 25 | 12-07-1993 | 49 | - |
| 41 | P. K. Ghose* | Chief (Special Projects) | 65,46,568 | B. Tech. | 27 | 01-07-1991 | 49 | - |
| 42 | Parthasarathi Mishra | Chief (HRM OM&Q) | 1,10,33,635 | M.A, LLB, | 24 | 02-09-2013 | 54 | Pipavav Defence & Offshore Engineering Co. Ltd. |
| 43 | Parvatheesam Kanchinadham | Company Secretary & Chief Legal Officer (Corporate & Compliance) | 1,69,92,369 | B Com (Hons), A.C.S, LLM, MBA | 19 | 12-01-2015 | 43 | Infosys Ltd |
| 44 | Peeyush Gupta | Vice President (Steel Marketing & Sales) | 2,42,34,314 | B.E, MBA | 26 | 01-01-1993 | 50 | - |
| 45 | Prabhat Kumar | Executive-In-Charge (IBMD) | 1,32,05,290 | B. Sc. (Engg) | 28 | 01-10-1990 | 51 | - |
| 46 | Prakash Singh | Chief (Capability Development) | 1,20,98,435 | B.E, XLRI (Mgmt) | 25 | 01-07-1993 | 47 | - |
| 47 | Prakhar Mishra | Chief (Coke Plants) | 1,11,95,289 | B - Tech | 34 | 01-07-1984 | 58 | - |
| 48 | Prashant M Ursekar* | Chief (Business Dev. -Global Wires Bus.) | 97,42,508 | B-Tech, MMS (Operational Research) | 32 | 15-07-1986 | 60 | - |

| Sl. No. | Name | Designation | Remuneration (₹) | Qualification | Experience (Years) | Date of commencement of employment | Age (Years) | Last employment |
|---|---|---|---|---|---|---|---|---|
| 49 | Probal Ghosh | Chief (Mechanical Maintenance) | 1,37,52,797 | B. E. | 28 | 02-07-1990 | 51 | - |
| 50 | Prosenjit Sarkar* | Chief (Utilities & Power Systems, TSK) | 1,08,67,675 | B. Sc. (Engg), PGDBM | 38 | 02-02-1981 | 60 | - |
| 51 | Rajesh Chintak | Chief (HRM E&P) | 1,19,21,061 | B. Sc. (Engg) | 29 | 01-07-1989 | 51 | - |
| 52 | Rajesh Kumar | Chief (Manufacturing, Flat Product) | 1,20,57,508 | B.Tech, PGDBM | 31 | 01-07-1987 | 52 | - |
| 53 | Rajesh N. | COMS (Automotive & Special Products) | 1,29,99,653 | B.Tech | 30 | 01-07-1988 | 52 | - |
| 54 | Rajiv Kumar | Vice President (Operation - TSK) | 2,69,76,162 | B. Sc. (Engg) | 28 | 01-10-1990 | 51 | - |
| 55 | Rajiv Kumar Soni | Executive-In-Charge (Global Wires-India) | 1,46,56,402 | B. Sc. (Engg), PGDBM | 36 | 02-08-1982 | 58 | - |
| 56 | S K Singh | General Manager (Coal) | 1,55,05,533 | B.Tech | 27 | 01-07-1991 | 50 | - |
| 57 | Sahabji Kuchroo | Chief (Operations West Bokaro) | 1,05,45,025 | B.E | 30 | 29-09-1988 | 55 | - |
| 58 | Samir Chakrabarti* | Chief (Customer Relationship Mgmt.) | 82,71,237 | B-Tech | 36 | 02-08-1982 | 60 | - |
| 59 | Samita Shah | Group Head-Corp Finance & Risk Management | 1,99,77,994 | B A(Hons), PGDM | 26 | 18-10-2012 | 48 | Axis Bank |
| 60 | Sanjay Chandra | Chief (Research & Development) | 1,48,96,304 | B.Tech, Ph.D | 35 | 08-08-1983 | 58 | - |
| 61 | Sanjay Kumar Kedia | Chief (Mechanical Maintenance Steel Making) | 1,04,64,116 | B. E. | 27 | 20-09-1991 | 56 | Century Cement & Maihar Cement |
| 62 | Sanjay S Sahni | COMS (Branded Products & Retail) | 1,03,73,607 | B.E., Diploma (Material Mgmt) | 24 | 13-07-1994 | 46 | Natesteel Iranian Pvt. Jt. Stock Co. |
| 63 | Sarajit Jha | Chief (BTDS & CP) | 1,48,80,295 | B. Sc. (Hons), PGDM | 18 | 01-04-2015 | 43 | - |
| 64 | Satish Kumar Tiwary | Chief (Mechanical Maintenance TSK) | 1,29,55,954 | B.E | 29 | 01-07-1989 | 53 | - |
| 65 | Shailesh Verma | Chief (Resident Executive, Jharkhand) | 1,09,54,237 | Diploma Engineering, B.E | 27 | 01-07-1991 | 52 | - |
| 66 | Shankar K. Marar | Chief (Group Investment Management) | 1,12,43,225 | B. E., PGDBM | 21 | 01-04-2005 | 49 | Jindal Steel Ltd. |
| 67 | Sharat Chandra Kumar | Chief (Projects TSJ) | 1,07,31,537 | B.Sc (Engg) | 33 | 01-07-1985 | 56 | - |
| 68 | Sudhansu Pathak | Vice President (Steel Manufacturing) | 2,82,11,894 | B.E, PGDBM | 34 | 02-07-1984 | 57 | - |
| 69 | Sunil Bhaskaran* | Vice President (Corporate Services) | 2,62,15,114 | B.Tech, PGDM | 34 | 01-07-1987 | 54 | Tata International |
| 70 | Sushanta Ganguli | Chief (Sales Planning & Administration) | 1,08,12,293 | B.Sc, M.Sc, MBA | 18 | 05-09-2000 | 55 | - |
| 71 | T.V.Srinivas Shenoy | Chief (New Material Business) | 1,09,74,517 | B.E, MBA | 26 | 01-07-1992 | 49 | - |
| 72 | Ujjal Chakraborti | Executive-in-Charge (Tubes) | 1,42,45,605 | B. E. | 28 | 02-07-1990 | 50 | - |
| 73 | Uttam Singh | Vice President (Iron Making) | 2,33,10,303 | B.Tech | 26 | 13-07-1992 | 50 | - |
| 74 | V. Ravichandran | COMS (Industrial Products,Projects&Export | 1,19,51,535 | Diploma Engineering | 20 | 22-06-1998 | 57 | - |
| 75 | V.K. Shah | Chief (Hot Strip Mill) | 1,07,56,608 | B. E., PGDM | 28 | 02-07-1990 | 51 | - |
| 76 | Ved Prakash Srivastava | Chief (Infra & Technology Excellence) | 1,46,14,052 | B.Tech, PGDM | 38 | 01-08-1980 | 59 | - |
| 77 | Vijay Kumar Nirala | Chief (Mechanical Maintenance Iron Making) | 1,08,55,408 | B.E., Diploma (Mgmt) | 24 | 01-01-1999 | 48 | Malvika Steel Ltd. |
| 78 | Vinay V. Mahashabde | Chief (Technology Officer Products) | 1,37,53,216 | B.Tech | 32 | 01-07-1986 | 53 | - |

**Notes:**

(1) Gross Remuneration Comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.

(2) The nature of employment in all cases is contractual.

(3) None of the employees mentioned above is a relative of any Director of the Company or Manager of the Company.

(4) *Indicates employed for the part of the Financial Year 2018-19.

On behalf of the Board of Directors
sd/-
**N. CHANDRASEKARAN**
Chairman
DIN: 00121863

Mumbai
April 25, 2019

# ANNEXURE 6

## Form AOC-1

## Statement containing salient features of the financial statements of the Subsidiaries/Joint Ventures/Associate Companies Pursuant to Section 129(3) of the Companies Act, 2013 [Read with Rule 5 of the Companies (Accounts) Rules, 2014]

### PART 'A'- Summary of Financial Information of Subsidiary Companies

| Sl. No. | Name of the Company | Date since when subsidiary was acquired | Reporting currency | Exchange rate@ | Share Capital* (₹ crore) | Reserves & Surplus (₹ crore) | Total Assets (₹ crore) | Total Liabilities (₹ crore) | Total Investments (₹ crore) | Turnover (₹ crore) | Profit before Taxation (₹ crore) | Provision for Taxation (₹ crore) | Profit after Taxation (₹ crore) | Proposed Dividend (₹ crore) | Ownership (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | ABJA Investment Co. Pte Ltd. | April 12, 2013 | USD | 69.15 | 1.38 | (170.32) | 21,082.45 | 21,251.39 | - | - | 111.58 | 18.82 | 92.77 | - | 100.00 |
| 2 | Adityapur Toll Bridge Company Limited | June 12, 2002 | INR | 1.00 | 46.78 | 3.08 | 65.79 | 15.93 | 15.93 | 7.87 | 2.52 | (7.60) | 10.12 | - | 88.50 |
| 3 | Tata Steel Special Economic Zone Limited | October 11, 2006 | INR | 1.00 | 460.43 | (12.22) | 472.60 | 24.39 | - | 0.38 | (5.68) | - | (5.68) | - | 100.00 |
| 4 | The Indian Steel & Wire Products Ltd | December 20, 2003 | INR | 1.00 | 5.99 | 80.09 | 152.66 | 66.58 | 0.00 | 288.64 | 19.95 | 6.86 | 13.09 | - | 95.01 |
| 5 | Jamshedpur Utilities & Services Company Limited | August 25, 2003 | INR | 1.00 | 24.35 | 112.99 | 855.89 | 718.55 | 13.68 | 1,114.13 | 58.96 | 14.00 | 44.95 | - | 100.00 |
| 6 | Haldia Water Management Limited | December 6, 2008 | INR | 1.00 | 27.77 | (104.46) | 0.23 | 76.92 | - | - | 97.20 | - | 97.20 | - | 60.00 |
| 7 | Kalimati Global Shared Services Limited | January 8, 2018 | INR | 1.00 | 4.00 | 0.01 | 10.28 | 6.27 | - | 20.13 | 0.35 | 0.09 | 0.26 | - | 100.00 |
| 8 | Mohar Export Services Pvt Ltd | April 30, 2015 | INR | 1.00 | 0.01 | (0.05) | 0.06 | 0.10 | - | - | (0.00) | - | (0.00) | - | 66.46 |
| 9 | NatSteel Asia Pte. Ltd. | February 15, 2005 | USD | 69.15 | 1,189.12 | (267.94) | 12,044.38 | 11,123.20 | 11,002.34 | - | (537.55) | - | (537.55) | - | 100.00 |
| 10 | TS Asia (Hong Kong) Ltd. | September 27, 2006 | USD | 69.15 | 7.89 | 166.82 | 473.28 | 298.57 | - | 2,467.45 | 29.29 | 4.58 | 24.71 | - | 100.00 |
| 11 | Rujuvalika Investments Limited | April 30, 2015 | INR | 1.00 | 1.33 | 97.25 | 98.63 | 0.05 | 98.33 | - | 2.75 | 0.00 | 2.75 | - | 100.00 |
| 12 | T S Alloys Limited | March 14, 2007 | INR | 1.00 | 65.71 | 50.60 | 151.53 | 35.22 | 4.60 | 174.96 | (7.62) | (3.75) | (3.87) | - | 100.00 |
| 13 | Tata Korf Engineering Services Ltd | October 30, 1985 | INR | 1.00 | 0.40 | (10.27) | 0.89 | 10.76 | - | - | (0.03) | - | (0.03) | - | 100.00 |
| 14 | Tata Metaliks Ltd. | February 7, 2008 | INR | 1.00 | 28.09 | 738.99 | 1,382.49 | 615.42 | 0.02 | 2,155.11 | 212.06 | 30.17 | 181.89 | 9.83 | 55.06 |
| 15 | Tata Sponge Iron Limited | August 28, 2012 | INR | 1.00 | 15.40 | 1,068.07 | 1,324.28 | 240.81 | 242.52 | 992.05 | 187.77 | 63.43 | 124.33 | 19.25 | 54.50 |
| 16 | TSIL Energy Limited | November 20, 2012 | INR | 1.00 | 1.06 | 0.16 | 1.22 | 0.01 | 1.21 | - | 0.06 | - | 0.06 | - | 100.00 |
| 17 | Tata Steel (KZN) (Pty) Ltd.$ | November 20, 2012 | ZAR | 4.77 | - | - | (0.00) | (0.00) | - | - | - | - | - | - | 90.00 |
| 18 | T Steel Holdings Pte. Ltd. | July 5, 2006 | GBP | 90.52 | 53,697.09 | (45,698.39) | 16,399.53 | 8,400.83 | - | - | (103.86) | - | (103.86) | - | 100.00 |
| 19 | T S Global Holdings Pte. Ltd. | July 4, 2008 | GBP | 90.52 | 53,123.82 | (46,931.85) | 50,504.80 | 44,312.83 | - | 0.93 | (781.25) | 289.08 | (1,070.33) | - | 100.00 |
| 20 | Orchid Netherlands (No.1) B.V. | March 20, 2009 | GBP | 90.52 | 0.16 | 1.61 | 30.28 | 28.51 | - | - | (0.29) | - | (0.29) | - | 100.00 |
| 21 | NatSteel Holdings Pte. Ltd. | May 23, 2008 | SGD | 51.03 | 1,020.64 | (1,082.82) | 1,848.43 | 1,910.61 | 26.43 | 3,692.07 | (166.19) | (36.15) | (130.04) | - | 100.00 |
| 22 | Easteel Services (M) Sdn. Bhd. | February 15, 2005 | MYR | 16.97 | 33.94 | 3.63 | 181.38 | 143.81 | - | 588.46 | 2.72 | 0.65 | 2.07 | - | 100.00 |
| 23 | Eastern Steel Fabricators Philippines, Inc. | February 15, 2005 | SGD | 51.03 | 22.16 | (66.05) | 12.65 | 56.54 | - | - | - | - | - | - | 67.00 |
| 24 | NatSteel (Xiamen) Ltd. | February 15, 2005 | CNY | 10.32 | 630.47 | (630.16) | 0.32 | - | - | - | 63.10 | - | 63.10 | - | 100.00 |
| 25 | NatSteel Recycling Pte Ltd. | February 15, 2005 | SGD | 51.03 | 51.03 | 177.14 | 283.16 | 55.00 | - | 1,520.44 | 5.21 | 0.63 | 4.58 | - | 100.00 |
| 26 | NatSteel Trade International (Shanghai) Company Ltd. | February 15, 2005 | CNY | 10.32 | - | - | - | - | - | - | 0.92 | 0.04 | 0.88 | - | - |
| 27 | NatSteel Trade International Pte. Ltd. | February 15, 2005 | USD | 69.15 | 9.96 | 6.19 | 16.53 | 0.39 | - | - | (0.10) | - | (0.10) | - | 100.00 |
| 28 | NatSteel Vina Co. Ltd. | February 15, 2005 | VND | 0.00 | 72.12 | (7.09) | 111.57 | 46.54 | - | 453.01 | (7.90) | 0.20 | (8.10) | - | 56.50 |
| 29 | The Siam Industrial Wire Company Ltd. | February 15, 2005 | THB | 2.18 | 100.24 | 1,108.28 | 1,315.06 | 106.53 | - | 1,378.29 | 61.11 | 3.51 | 57.60 | - | 100.00 |
| 30 | TSN Wires Co. Ltd. | April 5, 2012 | THB | 2.18 | 152.54 | (118.74) | 198.95 | 165.15 | - | 195.01 | (17.54) | - | (17.54) | - | 60.00 |
| 31 | Tata Steel Europe Limited | April 2, 2007 | GBP | 90.52 | 37,467.18 | (52,225.74) | 25,833.46 | 40,592.02 | - | - | 2,648.95 | 4.53 | 2,644.42 | - | 100.00 |
| 32 | Apollo Metals Limited | April 2, 2007 | USD | 69.15 | 0.00 | 163.79 | 208.92 | 45.14 | - | 202.25 | 36.28 | 0.17 | 36.11 | - | 100.00 |
| 33 | Automotive Laser Technologies Limited | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |

| Sl. No. | Name of the Company | Date since when subsidiary was acquired | Reporting currency | Exchange rate@ | Share Capital* (₹ crore) | Reserves & Surplus (₹ crore) | Total Assets (₹ crore) | Total Liabilities (₹ crore) | Total Investments (₹ crore) | Turnover (₹ crore) | Profit before Taxation (₹ crore) | Provision for Taxation (₹ crore) | Profit after Taxation (₹ crore) | Proposed Dividend (₹ crore) | Ownership (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 34 | Beheermaatschappij Industriele Produkten B.V. | April 2, 2007 | EUR | 77.66 | 0.14 | (54.89) | 54.56 | 109.31 | - | - | (0.77) | (0.19) | (0.58) | - | 100.00 |
| 35 | Bell & Harwood Limited | April 2, 2007 | GBP | 90.52 | 0.00 | (0.00) | - | - | - | - | - | - | - | - | 100.00 |
| 36 | Blastmega Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 841.97 | 841.99 | 0.02 | - | - | - | - | - | - | 100.00 |
| 37 | Bore Samson Group Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 135.86 | 192.12 | 56.26 | - | - | - | - | - | - | 100.00 |
| 38 | Bore Steel Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 144.84 | 144.84 | - | - | - | - | - | - | - | 100.00 |
| 39 | British Guide Rails Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 43.98 | 43.98 | - | - | - | - | - | - | - | 100.00 |
| 40 | British Steel Corporation Limited | April 2, 2007 | GBP | 90.52 | 163.63 | 112.50 | 276.14 | - | - | - | - | - | - | - | 100.00 |
| 41 | British Steel Directors (Nominees) Limited | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 42 | British Steel Engineering Steels (Exports) Limited | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.11 | 0.11 | - | - | - | - | - | - | 100.00 |
| 43 | British Steel Nederland International B.V. | April 2, 2007 | EUR | 77.66 | 0.14 | 378.64 | 415.32 | 36.54 | 10.76 | - | 30.66 | 1.32 | 29.34 | - | 100.00 |
| 44 | British Steel Service Centres Limited | April 2, 2007 | GBP | 90.52 | 181.05 | 315.46 | 709.24 | 212.73 | - | - | - | - | - | - | 100.00 |
| 45 | British Tubes Stockholding Limited | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 46 | C V Benine | April 2, 2007 | EUR | 77.66 | 16.83 | (0.02) | 96.51 | 79.69 | - | - | - | - | - | - | 76.92 |
| 47 | C Walker & Sons Limited | April 2, 2007 | GBP | 90.52 | 31.68 | 115.40 | 630.49 | 483.40 | - | - | - | - | - | - | 100.00 |
| 48 | Catnic GmbH | April 2, 2007 | EUR | 77.66 | 0.20 | 51.13 | 65.58 | 14.25 | - | 138.11 | 2.31 | 1.09 | 1.21 | - | 100.00 |
| 49 | Catnic Limited | April 2, 2007 | GBP | 90.52 | 2.03 | (2.59) | 0.17 | 0.72 | - | - | - | - | - | - | 100.00 |
| 50 | CBS Investissements SAS | April 2, 2007 | EUR | 77.66 | 0.62 | 1.45 | 3.37 | 1.29 | - | - | 0.09 | 0.03 | 0.06 | - | 100.00 |
| 51 | Cogent Power Inc. | April 2, 2007 | CAD | 51.93 | 1.56 | 143.83 | 285.09 | 139.70 | - | 781.57 | (12.29) | (5.23) | (7.06) | - | 100.00 |
| 52 | Tata Steel Mexico SA de CV | April 2, 2007 | USD | 69.15 | 0.03 | 0.69 | 1.88 | 1.16 | - | - | 0.34 | 0.01 | 0.33 | - | 100.00 |
| 53 | Cogent Power Inc. | April 2, 2007 | USD | 69.15 | 2.07 | (2.96) | 0.42 | 1.30 | - | - | (0.88) | - | (0.88) | - | 100.00 |
| 54 | Cogent Power Limited | April 2, 2007 | GBP | 90.52 | 386.24 | (275.51) | 418.71 | 307.98 | - | - | (9.06) | - | (9.06) | - | 100.00 |
| 55 | Color Steels Limited | April 2, 2007 | GBP | 90.52 | 0.41 | 40.63 | 113.56 | 72.52 | - | - | - | - | - | - | 100.00 |
| 56 | Corbeil Les Rives SCI | April 2, 2007 | EUR | 77.66 | 4.99 | 4.56 | 9.57 | 0.03 | - | - | - | - | - | - | 67.30 |
| 57 | Corby (Northants) & District Water Company Limited | April 2, 2007 | GBP | 90.52 | 2.35 | 3.17 | 7.34 | 1.82 | - | 1.98 | (0.00) | 0.02 | (0.02) | - | 100.00 |
| 58 | Cordor (C& B) Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 2.94 | 2.94 | - | - | - | - | - | - | - | 100.00 |
| 59 | Corus CNBV Investments | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 60 | Corus Cold drawn Tubes Limited | April 2, 2007 | GBP | 90.52 | 45.26 | (60.86) | - | 15.60 | - | - | - | - | - | - | 100.00 |
| 61 | Corus Engineering Steels (UK) Limited | April 2, 2007 | GBP | 90.52 | 90.52 | 324.14 | 414.67 | - | - | - | - | - | - | - | 100.00 |
| 62 | Corus Engineering Steels Holdings Limited | April 2, 2007 | GBP | 90.52 | 3,764.76 | 270.32 | 5,124.34 | 1,089.26 | - | - | - | - | - | - | 100.00 |
| 63 | Corus Engineering Steels Limited | April 2, 2007 | GBP | 90.52 | 4,183.07 | 121.85 | 4,304.92 | - | - | - | - | - | - | - | 100.00 |
| 64 | Corus Engineering Steels Overseas Holdings Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 9.00 | 17.70 | 8.70 | - | - | - | - | - | - | 100.00 |
| 65 | Corus Engineering Steels Pension Scheme Trustee Limited | | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 66 | Corus Group Limited | April 2, 2007 | GBP | 90.52 | 15,838.48 | (22,050.49) | 9,557.26 | 15,769.27 | - | - | (709.67) | - | (709.67) | - | 100.00 |
| 67 | Corus Holdings Limited | April 2, 2007 | GBP | 90.52 | 2.26 | 2.96 | 5.23 | - | - | - | - | - | - | - | 100.00 |
| 68 | Corus International (Overseas Holdings) Limited | April 2, 2007 | GBP | 90.52 | 1,278.25 | 3,116.82 | 4,403.61 | 8.53 | - | - | 75.04 | - | 75.04 | - | 100.00 |
| 69 | Corus International Limited | April 2, 2007 | GBP | 90.52 | 4,438.98 | (1,693.29) | 2,986.67 | 240.98 | 0.21 | - | - | - | - | - | 100.00 |
| 70 | Corus International Romania SRL. | April 2, 2007 | RON | 16.30 | 0.01 | 0.55 | 0.70 | 0.14 | - | - | 0.15 | 0.01 | 0.14 | - | 100.00 |
| 71 | Corus Investments Limited | April 2, 2007 | GBP | 90.52 | 199.15 | 6.16 | 205.31 | - | - | - | - | - | - | - | 100.00 |
| 72 | Corus Ireland Limited | April 2, 2007 | EUR | 77.66 | 0.00 | 7.42 | 8.03 | 0.61 | - | - | 0.97 | 0.10 | 0.87 | - | 100.00 |

| Sl. No. | Name of the Company | Date since when subsidiary was acquired | Reporting currency | Exchange rate@ | Share Capital* (₹ crore) | Reserves & Surplus (₹ crore) | Total Assets (₹ crore) | Total Liabilities (₹ crore) | Total Investments (₹ crore) | Turnover (₹ crore) | Profit before Taxation (₹ crore) | Provision for Taxation (₹ crore) | Profit after Taxation (₹ crore) | Proposed Dividend (₹ crore) | Ownership (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 73 | Corus Large Diameter Pipes Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 658.49 | 672.33 | 13.84 | - | - | - | - | - | - | 100.00 |
| 74 | Corus Liaison Services (India) Limited | April 2, 2007 | GBP | 90.52 | 9.05 | (30.70) | 1.62 | 23.26 | - | - | - | - | - | - | 100.00 |
| 75 | Corus Management Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 155.26 | 2,002.35 | 1,847.08 | - | - | - | - | - | - | 100.00 |
| 76 | Corus Primary Aluminium B.V. | April 2, 2007 | EUR | 77.66 | 13.02 | (134.83) | 318.98 | 440.79 | - | - | (3.65) | (0.91) | (2.74) | - | 100.00 |
| 77 | Corus Property | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.01 | 0.01 | - | - | - | - | - | - | 100.00 |
| 78 | Corus Service Centre Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 144.48 | 144.48 | 0.00 | - | - | - | - | - | - | 100.00 |
| 79 | Corus Steel Service STP LLC | April 6, 2009 | RUB | 1.04 | 0.12 | (0.62) | 0.00 | 0.51 | - | - | (0.33) | - | (0.33) | - | 100.00 |
| 80 | Corus Tubes Poland Spolka Z.O.O | October 12, 2006 | PLZ | 18.05 | - | 0.34 | 0.65 | 0.31 | - | - | - | - | - | - | 100.00 |
| 81 | Corus UK Healthcare Trustee Limited | March 31, 2009 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 82 | Corus Ukraine Limited Liability Company | | UAH | 2.53 | 0.01 | 0.01 | 0.02 | - | - | - | - | - | - | - | 100.00 |
| 83 | CPN (85) Limited | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 84 | Crucible Insurance Company Limited | April 2, 2007 | GBP | 90.52 | 4.53 | 267.98 | 388.94 | 116.43 | - | - | 36.52 | - | 36.52 | - | 100.00 |
| 85 | Degels GmbH | April 2, 2007 | EUR | 77.66 | 0.62 | 76.53 | 194.07 | 116.91 | - | 461.53 | 37.47 | 1.24 | 36.23 | - | 100.00 |
| 86 | Demka B.V. | April 2, 2007 | EUR | 77.66 | 47.79 | 20.30 | 68.09 | - | - | - | (0.02) | (0.00) | (0.01) | - | 100.00 |
| 87 | DSRM Group Plc. | April 2, 2007 | GBP | 90.52 | 45.26 | 134.37 | 179.63 | - | - | - | - | - | - | - | 100.00 |
| 88 | Esmil B.V. | April 2, 2007 | EUR | 77.66 | 112.74 | (91.74) | 21.05 | 0.05 | - | - | 0.08 | 0.02 | 0.06 | - | 100.00 |
| 89 | Europressings Limited | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 90 | Firsteel Group Limited | April 2, 2007 | GBP | 90.52 | 57.03 | (136.66) | 77.85 | 157.48 | - | - | - | - | - | - | 100.00 |
| 91 | Firsteel Holdings Limited | April 2, 2007 | GBP | 90.52 | 0.06 | 70.00 | 156.88 | 86.81 | - | - | - | - | - | - | 100.00 |
| 92 | Fischer Profil GmbH | April 2, 2007 | EUR | 77.66 | 79.42 | (79.29) | 276.87 | 276.74 | - | 746.93 | 19.53 | 4.24 | 15.29 | - | 100.00 |
| 93 | Gamble Simms Metals Limited | April 2, 2007 | EUR | 77.66 | 4.93 | (6.03) | - | 1.10 | - | - | - | - | - | - | 100.00 |
| 94 | Grant Lyon Eagre Limited | April 2, 2007 | GBP | 90.52 | 3.39 | - | 3.39 | - | - | - | - | - | - | - | 100.00 |
| 95 | H E Samson Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 47.28 | 47.28 | - | - | - | - | - | - | - | 100.00 |
| 96 | Hadfields Holdings Limited | April 2, 2007 | GBP | 90.52 | 0.91 | (12.22) | - | 11.32 | - | - | - | - | - | - | 62.50 |
| 97 | Halmstad Steel Service Centre AB | March 31, 2015 | SEK | 7.45 | 0.04 | 68.30 | 226.19 | 157.85 | - | 435.11 | (4.96) | - | (4.96) | - | 100.00 |
| 98 | Hammermega Limited | April 2, 2007 | GBP | 90.52 | 20.37 | - | 20.37 | - | - | - | - | - | - | - | 100.00 |
| 99 | Harrowmills Properties Limited | April 2, 2007 | GBP | 90.52 | 0.01 | - | 0.01 | - | - | - | - | - | - | - | 100.00 |
| 100 | Hille & Muller GmbH | April 2, 2007 | EUR | 77.66 | 39.75 | 100.31 | 451.33 | 311.27 | - | 725.34 | 9.44 | (1.51) | 10.95 | - | 100.00 |
| 101 | Hille & Muller USA Inc. | April 2, 2007 | USD | 69.15 | 0.02 | 91.57 | 102.47 | 10.87 | - | 20.82 | 0.76 | - | 0.76 | - | 100.00 |
| 102 | Hoogovens USA Inc. | April 2, 2007 | USD | 69.15 | 420.72 | 42.99 | 562.82 | 99.11 | - | - | 1.69 | - | 1.69 | - | 100.00 |
| 103 | Huizenbezit 'Breesaap' B.V. | April 2, 2007 | EUR | 77.66 | 0.35 | (8.59) | 0.26 | 8.50 | - | - | 0.10 | 0.02 | 0.07 | - | 100.00 |
| 104 | Inter Metal Distribution SAS | April 2, 2007 | EUR | 77.66 | 0.59 | 47.13 | 104.10 | 56.38 | - | 555.86 | 15.00 | 4.72 | 10.28 | (7.77) | 100.00 |
| 105 | Layde Steel S.L. | | EUR | 77.66 | 38.83 | 48.52 | 370.46 | 283.11 | 0.01 | 1,129.71 | (5.07) | - | (5.07) | - | 100.00 |
| 106 | Lister Tubes Limited | April 2, 2007 | EUR | 77.66 | 0.00 | 12.56 | 12.56 | - | - | - | - | - | - | - | 100.00 |
| 107 | London Works Steel Company Limited | April 2, 2007 | GBP | 90.52 | 0.00 | (93.29) | 50.69 | 143.98 | - | - | - | - | - | - | 100.00 |
| 108 | Midland Steel Supplies Limited | April 2, 2007 | GBP | 90.52 | 0.00 | - | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 109 | Montana Bausysteme AG | April 2, 2007 | CHF | 69.62 | 27.85 | 73.06 | 204.02 | 103.12 | - | 458.92 | 26.75 | 4.02 | 22.73 | (8.08) | 100.00 |
| 110 | Naantali Steel Service Centre OY | March 31, 2015 | EUR | 77.66 | 0.02 | 19.99 | 165.33 | 145.32 | - | 338.94 | (6.71) | - | (6.71) | - | 100.00 |
| 111 | Nationwide Steelstock Limited | April 2, 2007 | GBP | 90.52 | 0.02 | (0.02) | - | - | - | - | - | - | - | - | 100.00 |
| 112 | Norsk Stal Tynnplater AS | March 31, 2015 | NOK | 8.03 | 21.27 | 25.55 | 177.90 | 131.08 | - | 434.83 | (17.15) | - | (17.15) | - | 100.00 |
| 113 | Norsk Stal Tynnplater AB | March 31, 2015 | NOK | 8.03 | 0.37 | 15.84 | 69.51 | 53.30 | - | 320.87 | 1.04 | - | 1.04 | - | 100.00 |
| 114 | Orb Electrical Steels Limited | April 2, 2007 | GBP | 90.52 | 0.00 | (0.00) | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 115 | Ore Carriers Limited | April 2, 2007 | GBP | 90.52 | 18.40 | 7.39 | 25.85 | 0.06 | - | - | - | - | - | - | 100.00 |
| 116 | Oremco Inc. | April 2, 2007 | USD | 69.15 | 0.69 | (14.69) | 1.49 | 15.49 | - | - | (0.52) | 0.00 | (0.52) | - | 100.00 |
| 117 | Plated Strip (International) Limited | April 2, 2007 | GBP | 90.52 | 20.39 | (4.30) | 16.20 | 0.11 | - | - | - | - | - | - | 100.00 |

| Sl. No. | Name of the Company | Date since when subsidiary was acquired | Reporting currency | Exchange rate@ | Share Capital* (₹ crore) | Reserves & Surplus (₹ crore) | Total Assets (₹ crore) | Total Liabilities (₹ crore) | Total Investments (₹ crore) | Turnover (₹ crore) | Profit before Taxation (₹ crore) | Provision for Taxation (₹ crore) | Profit after Taxation (₹ crore) | Proposed Dividend (₹ crore) | Ownership (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 118 | Precoat International Limited | April 2, 2007 | GBP | 90.52 | 7.46 | 62.71 | 90.24 | 20.07 | 0.09 | - | - | - | - | - | 100.00 |
| 119 | Precoat Limited | April 2, 2007 | GBP | 90.52 | 9.96 | (29.17) | 5.78 | 24.99 | - | - | - | - | - | - | 100.00 |
| 120 | Rafferty-Brown Steel Co Inc Of Conn. | April 2, 2007 | USD | 69.15 | 21.90 | 7.20 | 29.10 | - | - | - | (0.73) | - | (0.73) | - | 100.00 |
| 121 | Round Oak Steelworks Limited | April 2, 2007 | GBP | 90.52 | 27.16 | (460.88) | 1.08 | 434.81 | - | - | - | - | - | - | 100.00 |
| 122 | Runblast Limited | April 2, 2007 | GBP | 90.52 | 77.55 | 393.52 | 471.06 | - | - | - | - | - | - | - | 100.00 |
| 123 | Runmega Limited | April 2, 2007 | GBP | 90.52 | 3.94 | - | 3.94 | - | - | - | - | - | - | - | 100.00 |
| 124 | S A B Profiel B.V. | April 2, 2007 | EUR | 77.66 | 1.05 | 253.72 | 366.03 | 111.26 | - | 778.02 | 15.90 | 3.58 | 12.32 | - | 100.00 |
| 125 | S A B Profil GmbH | April 2, 2007 | EUR | 77.66 | 0.23 | 131.78 | 159.45 | 27.43 | - | 270.19 | (0.61) | 1.64 | (2.24) | (0.82) | 100.00 |
| 126 | Seamless Tubes Limited | April 2, 2007 | GBP | 90.52 | 181.05 | (12.96) | 168.09 | - | - | - | - | - | - | - | 100.00 |
| 127 | Service Center Gelsenkirchen GmbH | | EUR | 77.66 | 142.98 | 33.67 | 458.44 | 281.79 | 0.70 | 1,174.58 | 21.39 | 1.61 | 19.79 | (19.50) | 100.00 |
| 128 | Service Centre Maastricht B.V. | April 2, 2007 | EUR | 77.66 | 0.42 | 51.60 | 694.82 | 642.80 | - | 1,937.79 | (8.03) | (0.58) | (7.45) | - | 100.00 |
| 129 | Societe Europeenne De Galvanisation (Segal) Sa | April 2, 2007 | EUR | 77.66 | 97.08 | 125.50 | 302.26 | 79.68 | - | 524.22 | 16.38 | 4.80 | 11.59 | - | 100.00 |
| 130 | Staalverwerking en Handel B.V. | April 2, 2007 | EUR | 77.66 | 349.49 | 337.71 | 1,443.50 | 756.30 | - | - | (4.90) | (1.23) | (3.68) | - | 100.00 |
| 131 | Steel StockHoldings Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 41.47 | 41.71 | 0.24 | - | - | - | - | - | - | 100.00 |
| 132 | Steelstock Limited | April 2, 2007 | GBP | 90.52 | 0.18 | - | 69.56 | 69.38 | - | - | - | - | - | - | 100.00 |
| 133 | Stewarts & Lloyds Of Ireland Limited | April 2, 2007 | EUR | 77.66 | 0.74 | (0.74) | - | - | - | - | - | - | - | - | 100.00 |
| 134 | Stewarts And Lloyds (Overseas) Limited | April 2, 2007 | GBP | 90.52 | 185.21 | 0.05 | 185.27 | - | - | - | - | - | - | - | 100.00 |
| 135 | Surahammar Bruks AB | April 2, 2007 | SEK | 7.45 | 44.69 | 7.36 | 130.83 | 78.79 | - | 216.24 | (52.90) | - | (52.90) | - | 100.00 |
| 136 | Swinden Housing Association Limited^^ | April 2, 2007 | GBP | 90.52 | 0.00 | 11.31 | 11.36 | 0.04 | - | - | - | - | - | - | 100.00 |
| 137 | Tata Steel Belgium Packaging Steels N.V. | April 2, 2007 | EUR | 77.66 | 119.87 | 30.36 | 190.26 | 40.03 | - | 106.79 | 10.04 | 3.38 | 6.66 | - | 100.00 |
| 138 | Tata Steel Belgium Services N.V. | April 2, 2007 | EUR | 77.66 | 130.84 | 73.34 | 554.88 | 350.70 | 32.32 | - | 2.13 | (0.66) | 2.79 | (91.84) | 100.00 |
| 139 | Tata Steel Denmark Byggsystemer A/S | April 2, 2007 | DKK | 10.47 | 0.52 | 21.29 | 23.27 | 1.46 | - | - | 0.39 | (0.25) | 0.65 | - | 100.00 |
| 140 | Tata Steel Europe Distribution BV | April 2, 2007 | EUR | 77.66 | 5.68 | (25.08) | 54.36 | 73.77 | - | - | 10.84 | 2.71 | 8.13 | - | 100.00 |
| 141 | Tata Steel Europe Metals Trading BV | | EUR | 77.66 | 0.10 | 288.10 | 532.27 | 244.06 | - | - | 0.57 | 0.14 | 0.43 | - | 100.00 |
| 142 | Tata Steel France Batiment et Systemes SAS | April 2, 2007 | EUR | 77.66 | 31.07 | (100.21) | 269.23 | 338.37 | 1.02 | 465.78 | (52.13) | - | (52.13) | - | 100.00 |
| 143 | Tata Steel France Holdings SAS | April 2, 2007 | EUR | 77.66 | 38.83 | 832.00 | 1,595.83 | 725.00 | - | - | 1.70 | 31.50 | (29.81) | - | 100.00 |
| 144 | Tata Steel Germany GmbH | April 2, 2007 | EUR | 77.66 | 1,027.19 | (668.00) | 1,192.96 | 833.78 | - | - | 34.20 | (10.17) | 44.38 | (111.31) | 100.00 |
| 145 | Tata Steel IJmuiden BV | | EUR | 77.66 | 873.72 | 19,409.81 | 29,925.49 | 9,641.96 | 154.16 | 34,827.11 | 2,346.94 | 582.26 | 1,764.68 | - | 100.00 |
| 146 | Tata Steel International (Americas) Holdings Inc | April 2, 2007 | USD | 69.15 | 4,510.87 | (3,888.05) | 1,864.25 | 1,241.43 | - | - | 23.24 | - | 23.24 | - | 100.00 |
| 147 | Tata Steel International (Americas) Inc | April 2, 2007 | USD | 69.15 | 61.55 | 1,148.17 | 1,306.33 | 96.61 | - | 270.65 | 18.89 | (0.06) | 18.95 | - | 100.00 |
| 148 | Tata Steel International (Canada) Holdings Inc | April 2, 2007 | CAD | 51.93 | 0.05 | 1.88 | 1.94 | - | - | - | 0.09 | - | 0.09 | - | 100.00 |
| 149 | Tata Steel International (Czech Republic) S.R.O | April 2, 2007 | CZK | 3.01 | 0.36 | 5.67 | 6.55 | 0.52 | - | - | 4.57 | 0.89 | 3.68 | (2.42) | 100.00 |
| 150 | Tata Steel International (Denmark) A/S | April 2, 2007 | DKK | 10.47 | 0.95 | 1.86 | 5.75 | 2.94 | - | - | 2.40 | 0.53 | 1.86 | (0.88) | 100.00 |
| 151 | Tata Steel International (Finland) OY | April 2, 2007 | EUR | 77.66 | 0.98 | 0.00 | 2.06 | 1.08 | - | - | 0.00 | - | 0.00 | - | 100.00 |
| 152 | Tata Steel International (France) SAS | April 2, 2007 | EUR | 77.66 | 1.55 | 37.31 | 42.75 | 3.89 | - | - | 2.51 | 0.36 | 2.15 | - | 100.00 |
| 153 | Tata Steel International (Germany) GmbH | April 2, 2007 | EUR | 77.66 | 6.76 | (5.07) | 65.56 | 63.88 | - | - | 18.22 | 1.16 | 17.06 | (12.87) | 100.00 |
| 154 | Tata Steel International (South America) Representações LTDA | | USD | 69.15 | 1.49 | (0.29) | 1.52 | 0.31 | - | - | 0.31 | (0.04) | 0.35 | - | 100.00 |
| 155 | Tata Steel International (Italia) SRL | April 2, 2007 | EUR | 77.66 | 58.64 | (48.85) | 27.44 | 17.65 | - | - | (2.88) | 50.61 | (53.49) | (10.87) | 100.00 |
| 156 | Tata Steel International (Middle East) FZE | April 2, 2007 | AED | 18.86 | 84.89 | 37.40 | 150.80 | 28.51 | - | 109.91 | 19.01 | - | 19.01 | - | 100.00 |
| 157 | Tata Steel International (Nigeria) Limited | June 10, 2008 | NGN | 0.19 | - | - | - | - | - | - | - | - | - | - | 100.00 |

| Sl. No. | Name of the Company | Date since when subsidiary was acquired | Reporting currency | Exchange rate@ | Share Capital* (₹ crore) | Reserves & Surplus (₹ crore) | Total Assets (₹ crore) | Total Liabilities (₹ crore) | Total Investments (₹ crore) | Turnover (₹ crore) | Profit before Taxation (₹ crore) | Provision for Taxation (₹ crore) | Profit after Taxation (₹ crore) | Proposed Dividend (₹ crore) | Ownership (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 158 | Tata Steel International (Poland) sp Zoo | April 2, 2007 | PLZ | 18.05 | 15.90 | (11.28) | 5.25 | 0.63 | - | - | 0.42 | 0.06 | 0.36 | - | 100.00 |
| 159 | Tata Steel International (Schweiz) AG | April 2, 2007 | CHF | 69.62 | 0.70 | 4.11 | 5.00 | 0.20 | - | - | 0.04 | - | 0.04 | - | 100.00 |
| 160 | Tata Steel International (Sweden) AB | April 2, 2007 | SEK | 7.45 | 0.07 | 8.92 | 12.52 | 3.53 | - | - | 2.87 | 0.66 | 2.20 | - | 100.00 |
| 161 | Tata Steel International (India) Limited | April 2, 2007 | INR | 1.00 | 6.39 | 39.40 | 54.69 | 8.90 | - | 11.07 | 2.93 | - | 2.93 | - | 100.00 |
| 162 | Tata Steel International Iberica SA | April 2, 2007 | EUR | 77.66 | 1.17 | 9.31 | 20.10 | 9.62 | - | - | 11.59 | 2.51 | 9.08 | (10.83) | 100.00 |
| 163 | Tata Steel Istanbul Metal Sanayi ve Ticaret AS | April 2, 2007 | USD | 69.15 | 79.71 | (68.24) | 188.67 | 177.20 | - | 324.34 | (13.67) | - | (13.67) | - | 100.00 |
| 164 | Tata Steel Maubeuge SAS | April 2, 2007 | EUR | 77.66 | 58.25 | 91.22 | 938.58 | 789.11 | 10.79 | 2,919.02 | (70.64) | 0.00 | -70.64 | - | 100.00 |
| 165 | Tata Steel Nederland BV | April 2, 2007 | EUR | 77.66 | 3,010.30 | 9,214.30 | 16,182.49 | 3,957.89 | - | - | 116.46 | (99.22) | 215.68 | - | 100.00 |
| 166 | Tata Steel Nederland Consulting & Technical Services BV | April 2, 2007 | EUR | 77.66 | 69.90 | (73.79) | 2.31 | 6.20 | - | - | (0.00) | (0.00) | (0.00) | - | 100.00 |
| 167 | Tata Steel Nederland Services BV | April 2, 2007 | EUR | 77.66 | 3.30 | 255.67 | 630.99 | 372.01 | - | - | 6.36 | 1.85 | 4.51 | - | 100.00 |
| 168 | Tata Steel Nederland Star-Frame BV | April 2, 2007 | EUR | 77.66 | 3.49 | (3.37) | 0.12 | 0.00 | - | - | (0.03) | (0.01) | (0.02) | - | 100.00 |
| 169 | Tata Steel Nederland Technology BV | April 2, 2007 | EUR | 77.66 | 0.14 | 503.01 | 639.26 | 136.11 | - | - | (2.36) | (11.58) | 9.22 | - | 100.00 |
| 170 | Tata Steel Nederland Tubes BV | April 2, 2007 | EUR | 77.66 | 372.79 | (568.36) | 713.65 | 909.23 | - | 1,681.55 | (124.71) | (48.25) | (76.46) | - | 100.00 |
| 171 | Tata Steel Netherlands Holdings B.V. | | EUR | 77.66 | 39,484.49 | (37,822.76) | 45,129.70 | 43,467.97 | - | - | (1,641.03) | (307.38) | (1,333.65) | - | 100.00 |
| 172 | Tata Steel Norway Byggsystemer A/S | April 2, 2007 | NOK | 8.03 | 0.98 | 52.57 | 84.94 | 31.39 | - | 189.47 | 4.80 | 1.07 | 3.73 | - | 100.00 |
| 173 | Tata Steel Sweden Byggsystem AB | April 2, 2007 | SEK | 7.45 | 0.74 | 0.90 | 75.33 | 73.68 | - | 123.62 | (27.38) | - | (27.38) | - | 100.00 |
| 174 | Tata Steel UK Consulting Limited | | GBP | 90.52 | 15.71 | (21.28) | 1.78 | 7.35 | - | 6.52 | (5.47) | - | (5.47) | - | 100.00 |
| 175 | Tata Steel UK Holdings Limited | | GBP | 90.52 | 31,660.79 | (51,542.64) | 29,911.34 | 49,793.18 | - | - | (177.30) | - | (177.30) | - | 100.00 |
| 176 | Tata Steel UK Limited | April 2, 2007 | GBP | 90.52 | 20,298.56 | (24,618.61) | 39,141.92 | 43,461.97 | 65.10 | 21,785.53 | (3,141.43) | 91.93 | (3,233.35) | - | 100.00 |
| 177 | Tata Steel USA Inc. | April 2, 2007 | USD | 69.15 | 0.97 | 84.11 | 110.83 | 25.75 | - | - | (0.11) | (0.28) | 0.17 | - | 100.00 |
| 178 | The Newport And South Wales Tube Company Limited | April 2, 2007 | GBP | 90.52 | 0.01 | 0.30 | 5.12 | 4.81 | - | - | - | - | - | - | 100.00 |
| 179 | The Stanton Housing Company Limited | April 2, 2007 | GBP | 90.52 | 0.54 | 8.17 | 8.72 | - | - | - | - | - | - | - | 100.00 |
| 180 | The Templeborough Rolling Mills Limited | April 2, 2007 | GBP | 90.52 | 27.16 | 116.53 | 143.69 | - | - | - | - | - | - | - | 100.00 |
| 181 | Thomas Processing Company | April 2, 2007 | USD | 69.15 | - | 148.07 | 155.52 | 7.45 | - | 27.19 | (0.50) | - | (0.50) | - | 100.00 |
| 182 | Thomas Steel Strip Corp. | April 2, 2007 | USD | 69.15 | 55.32 | (317.37) | 403.02 | 665.08 | 0.79 | 669.88 | (1.77) | 0.01 | (1.77) | - | 100.00 |
| 183 | Toronto Industrial Fabrications Limited | April 2, 2007 | GBP | 90.52 | 0.14 | (0.14) | - | - | - | - | - | - | - | - | 100.00 |
| 184 | TS South Africa Sales Office Proprietary Limited | August 31, 2015 | ZAR | 4.77 | - | 1.00 | 1.26 | 0.26 | - | - | 0.03 | 0.29 | (0.26) | - | 100.00 |
| 185 | Tulip UK Holdings (No.2) Limited | April 2, 2007 | GBP | 90.52 | 31,713.81 | (31,714.18) | - | 0.37 | - | - | - | - | - | - | 100.00 |
| 186 | Tulip UK Holdings (No.3) Limited | April 2, 2007 | GBP | 90.52 | 31,717.17 | (54,277.57) | 30,241.63 | 52,802.03 | - | - | (415.04) | - | (415.04) | - | 100.00 |
| 187 | U.E.S. Bright Bar Limited | April 2, 2007 | GBP | 90.52 | 13.58 | - | 13.58 | - | - | - | - | - | - | - | 100.00 |
| 188 | UK Steel Enterprise Limited | April 2, 2007 | GBP | 90.52 | 90.53 | 50.04 | 173.35 | 32.78 | 46.50 | 29.41 | (2.77) | - | (2.77) | - | 100.00 |
| 189 | UKSE Fund Managers Limited | April 2, 2007 | GBP | 90.52 | 0.32 | 0.10 | 0.67 | 0.26 | - | - | - | - | - | - | 100.00 |
| 190 | Unitol SAS | April 2, 2007 | EUR | 77.66 | 357.25 | 70.51 | 747.43 | 319.66 | 0.94 | 1,340.71 | (13.88) | - | (13.88) | - | 100.00 |
| 191 | Walker Manufacturing And Investments Limited | April 2, 2007 | GBP | 90.52 | 0.00 | 312.09 | 312.09 | - | - | - | - | - | - | - | 100.00 |
| 192 | Walkersteelstock Ireland Limited | April 2, 2007 | EUR | 77.66 | 75.80 | (75.80) | 12.56 | 12.57 | - | - | - | - | - | - | 100.00 |
| 193 | Walkersteelstock Limited | April 2, 2007 | GBP | 90.52 | 9.05 | - | 9.05 | - | - | - | - | - | - | - | 100.00 |
| 194 | Westwood Steel Services Limited | April 2, 2007 | GBP | 90.52 | 212.73 | - | 212.73 | - | - | - | - | - | - | - | 100.00 |
| 195 | Whitehead (Narrow Strip) Limited | April 2, 2007 | GBP | 90.52 | 81.47 | 22.35 | 103.82 | - | - | - | - | - | - | - | 100.00 |
| 196 | British Steel Trading Limited | January 23, 2019 | | | - | - | - | - | - | - | - | - | - | - | 100.00 |
| 197 | Blume Stahlservice GmbH | October 12, 2006 | EUR | 77.66 | - | - | - | - | - | - | - | - | - | - | - |

| Sl. No. | Name of the Company | Date since when subsidiary was acquired | Reporting currency | Exchange rate@ | Share Capital* (₹ crore) | Reserves & Surplus (₹ crore) | Total Assets (₹ crore) | Total Liabilities (₹ crore) | Total Investments (₹ crore) | Turnover (₹ crore) | Profit before Taxation (₹ crore) | Provision for Taxation (₹ crore) | Profit after Taxation (₹ crore) | Proposed Dividend (₹ crore) | Ownership (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 198 | Corus Aluminium Verwaltungsgesellschaft Mbh | October 12, 2006 | EUR | 77.66 | - | - | - | - | - | - | - | - | - | - | - |
| 199 | Corus Building Systems Bulgaria AD | June 19, 2008 | LEV | 39.75 | - | - | - | - | - | - | - | - | - | - | - |
| 200 | Kalzip Asia Pte Limited | October 12, 2006 | SGD | 51.03 | - | - | - | - | - | - | 15.80 | - | 15.80 | - | - |
| 201 | Kalzip FZE | November 1, 2012 | AED | 18.86 | - | - | - | - | - | 7.28 | 0.87 | - | 0.87 | (3.59) | - |
| 202 | Kalzip GmbH | October 12, 2006 | EUR | 77.66 | - | - | - | - | - | - | (0.01) | - | (0.01) | (0.98) | - |
| 203 | Kalzip GmbH | October 12, 2006 | EUR | 77.66 | - | - | - | - | - | 185.53 | 5.91 | 1.83 | 4.08 | - | - |
| 204 | Kalzip India Private Limited | | INR | 1.00 | - | - | - | - | - | 24.07 | 0.28 | - | 0.28 | - | - |
| 205 | Kalzip Italy SRL | June 11, 2010 | EUR | 77.66 | - | - | - | - | - | - | 0.06 | 0.03 | 0.03 | (0.32) | - |
| 206 | Kalzip Limited | October 12, 2006 | GBP | 90.52 | - | - | - | - | - | - | 0.09 | - | 0.09 | - | - |
| 207 | Kalzip Spain S.L.U. | October 12, 2006 | EUR | 77.66 | - | - | - | - | - | - | 0.06 | 0.02 | 0.04 | (11.36) | - |
| 208 | Tata Steel International Hellas SA | | EUR | 77.66 | - | - | - | - | - | - | - | - | - | - | - |
| 209 | T S Global Minerals Holdings Pte Ltd. | August 1, 2008 | USD | 69.15 | 9,121.54 | (6,595.74) | 5,782.95 | 3,257.15 | 3,110.47 | - | (1,143.18) | 17.24 | (1,160.42) | - | 100.00 |
| 210 | Al Rimal Mining LLC | February 25, 2008 | OMR | 180.19 | 18.02 | (11.45) | 9.54 | 2.98 | - | - | (0.00) | - | (0.00) | - | 70.00 |
| 211 | Kalimati Coal Company Pty. Ltd. | August 1, 2009 | AUD | 49.16 | 29.50 | (29.49) | 0.00 | 0.00 | - | - | 223.44 | - | 223.44 | - | 100.00 |
| 212 | TSMUK Limited | September 23, 2010 | USD | 69.15 | 4,074.90 | (389.90) | 7,498.52 | 3,813.53 | 2,005.21 | - | (0.07) | - | (0.07) | - | 100.00 |
| 213 | T S Canada Capital Ltd | December 31, 2012 | USD | 69.15 | 0.00 | 34.76 | 34.80 | 0.05 | - | - | (0.12) | 0.04 | (0.16) | - | 100.00 |
| 214 | Tata Steel Minerals Canada Limited | December 31, 2010 | USD | 69.15 | 6,071.78 | (3,271.68) | 7,025.56 | 4,225.46 | - | - | (48.61) | - | (48.61) | - | 77.68 |
| 215 | Black Ginger 461 (Proprietary) Ltd | March 6, 2008 | ZAR | 4.77 | - | - | - | - | - | 11.18 | 27.05 | - | 27.05 | - | - |
| 216 | Sedibeng Iron Ore Pty. Ltd. | February 24, 2011 | ZAR | 4.77 | - | - | - | - | - | 730.88 | 168.35 | 44.66 | 123.69 | - | - |
| 217 | Tata Steel Cote D' Ivoire S.A | May 15, 2012 | FCFA | 0.12 | - | - | - | - | - | - | (0.61) | - | (0.61) | - | - |
| 218 | Tata Steel International (Singapore) Holdings Pte. Ltd. | January 25, 2008 | USD | 69.15 | 479.13 | (4.35) | 488.88 | 14.10 | 9.01 | 1.42 | 111.04 | 0.97 | 110.07 | - | 100.00 |
| 219 | Tata Steel International (Singapore) Pte. Ltd | January 25, 2008 | USD | 69.15 | 8.51 | (8.51) | - | - | - | - | (8.97) | - | (8.97) | - | 100.00 |
| 220 | Tata Steel International (Asia) Limited | January 25, 2008 | HKD | 8.83 | 0.00 | 6.26 | 6.26 | - | - | 248.95 | 4.98 | - | 4.98 | - | 100.00 |
| 221 | Tata Steel International (Thailand) Limited | | THB | 2.18 | - | - | - | - | - | - | - | - | - | - | - |
| 222 | TSIA Holdings (Thailand) Limited | | THB | 2.18 | - | - | - | - | - | - | - | - | - | - | - |
| 223 | Tata Steel International (Shanghai) Ltd. | January 25, 2008 | CNY | 10.32 | 5.04 | 0.77 | 5.94 | 0.14 | - | 4.28 | 0.39 | 0.01 | 0.38 | - | 100.00 |
| 224 | Tata Steel (Thailand) Public Company Ltd. | April 4, 2006 | THB | 2.18 | 1,835.22 | 1,074.16 | 3,336.93 | 427.55 | - | 93.47 | 13.97 | (0.07) | 14.04 | - | 67.90 |
| 225 | N.T.S Steel Group Plc. | April 4, 2006 | THB | 2.18 | 1,008.53 | (920.46) | 1,179.90 | 1,091.84 | - | 4,656.21 | (63.39) | (0.01) | (63.38) | - | 99.76 |
| 226 | The Siam Construction Steel Co. Ltd. | April 4, 2006 | THB | 2.18 | 381.36 | 171.92 | 755.46 | 202.19 | 0.00 | 2,046.87 | 27.81 | 5.21 | 22.60 | - | 99.99 |
| 227 | The Siam Iron And Steel (2001) Co. Ltd. | April 4, 2006 | THB | 2.18 | 26.15 | 241.74 | 421.92 | 154.03 | - | 1,109.40 | (5.47) | (0.15) | (5.32) | - | 99.99 |
| 228 | T S Global Procurement Company Pte. Ltd. | April 23, 2010 | USD | 69.15 | 688.93 | 1,739.72 | 28,513.71 | 26,085.06 | - | 30,144.07 | 406.67 | 72.69 | 333.98 | - | 100.00 |
| 229 | ProCo Issuer Pte. Ltd. | September 8, 2010 | GBP | 90.52 | 0.00 | 181.33 | 8,130.55 | 7,949.22 | - | 628.86 | 64.86 | 10.87 | 53.99 | - | 100.00 |
| 230 | Tata Steel Odisha Limited | June 22, 2012 | INR | 1.00 | 2.57 | -2.59 | 0.02 | 0.04 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 231 | Tata Steel Processing and Distribution Limited | July 14, 2009 | INR | 1.00 | 68.25 | 613.18 | 1,512.68 | 831.25 | - | 4,280.92 | 117.78 | 41.68 | 76.10 | - | 100.00 |
| 232 | Tayo Rolls Limited | December 1, 2008 | INR | 1.00 | 10.26 | -478.47 | 62.03 | 530.24 | 0.00 | - | (19.89) | - | (19.89) | - | 54.91 |
| 233 | The Tata Pigments Limited | May 18, 1985 | INR | 1.00 | 0.75 | 53.26 | 87.38 | 33.36 | 24.93 | 115.70 | 6.86 | 1.98 | 4.88 | 0.75 | 100.00 |
| 234 | The Tinplate Company of India Ltd | April 1, 2011 | INR | 1.00 | 104.80 | 606.31 | 1,176.33 | 465.23 | 96.96 | 2,611.10 | 91.77 | 33.78 | 58.00 | 20.93 | 74.96 |
| 235 | Tata Steel Foundation | August 16, 2016 | INR | 1.00 | 1.00 | 0.71 | 12.95 | 11.24 | 2.07 | 43.66 | (6.94) | - | (6.94) | - | 100.00 |
| 236 | Jamshedpur Football and Sporting PrivateLimited | July 7, 2017 | INR | 1.00 | 32.00 | (19.08) | 24.67 | 11.75 | 0.06 | 46.52 | (10.92) | 0.00 | (10.93) | - | 100.00 |
| 237 | Sakchi Steel Limited | January 16, 2018 | INR | 1.00 | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 238 | Jugsalai Steel Limited | January 18, 2018 | INR | 1.00 | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |

| Sl. No. | Name of the Company | Date since when subsidiary was acquired | Reporting currency | Exchange rate@ | Share Capital* (₹ crore) | Reserves & Surplus (₹ crore) | Total Assets (₹ crore) | Total Liabilities (₹ crore) | Total Investments (₹ crore) | Turnover (₹ crore) | Profit before Taxation (₹ crore) | Provision for Taxation (₹ crore) | Profit after Taxation (₹ crore) | Proposed Dividend (₹ crore) | Ownership (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 239 | Noamundi Steel Limited | January 18, 2018 | INR | 1.00 | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 240 | Straight Mile Steel Limited | January 15, 2018 | INR | 1.00 | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 241 | Bistupur Steel Limited | January 18, 2018 | INR | 1.00 | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 242 | Jamadoba Steel Limited | January 19, 2018 | INR | 1.00 | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 243 | Dimna Steel Limited | January 24, 2018 | INR | 1.00 | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 244 | Bhubaneshwar Power Private Limited | August 6, 2008 | INR | 1.00 | 253.25 | 25.34 | 1,024.50 | 745.91 | - | 540.63 | 64.03 | 4.36 | 59.67 | - | 100.00 |
| 245 | Bamnipal Steel Limited | January 19, 2018 | INR | 1.00 | 258.90 | (15.66) | 403.85 | 160.62 | 170.14 | - | (15.66) | - | (15.66) | - | 100.00 |
| 246 | Tata Steel BSL Limited | May 18, 2018 | INR | 1.00 | 218.69 | 18,115.58 | 39,609.13 | 21,274.86 | 1,595.76 | 18,261.32 | (879.83) | - | (879.83) | - | 72.65 |
| 247 | Bhushan Steel (Orissa) Limited | May 18, 2018 | INR | 1.00 | 0.05 | (0.02) | 0.03 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 248 | Bhushan Steel (South) Limited | May 18, 2018 | INR | 1.00 | 0.05 | (1.06) | 0.00 | 1.01 | - | - | (0.76) | - | (0.76) | - | 100.00 |
| 249 | Bhushan Steel Madhya Bharat Limited | May 18, 2018 | INR | 1.00 | 0.05 | (0.02) | 0.03 | 0.00 | - | - | (0.01) | - | (0.01) | - | 100.00 |
| 250 | Bhushan Steel (Australia) PTY Ltd. | May 18, 2018 | AUD | 49.16 | 269.47 | (262.78) | 12.85 | 6.16 | - | - | (0.24) | - | (0.24) | - | 90.97 |
| 251 | Bowen Energy PTY Ltd. | May 18, 2018 | AUD | 49.16 | 89.00 | (111.90) | 0.17 | 23.07 | - | - | (0.23) | - | (0.23) | - | 100.00 |
| 252 | Bowen Coal PTY Ltd. | May 18, 2018 | AUD | 49.16 | 0.00 | 0.00 | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 253 | Bowen Consolidated PTY Ltd. | May 18, 2018 | AUD | 49.16 | 0.00 | 0.00 | 0.00 | - | - | - | - | - | - | - | 100.00 |
| 254 | Creative Port Development Private Limited | September 18, 2018 | INR | 1.00 | 0.25 | (1.06) | 24.37 | 25.18 | - | - | (0.06) | 0.00 | (0.06) | - | 51.00 |
| 255 | Subarnarekha Port Private Limited | September 18, 2018 | INR | 1.00 | 6.00 | 34.76 | 61.42 | 20.65 | - | - | (0.24) | (0.14) | (0.11) | - | 50.40 |

**Notes**:

* Includes share application money

\# Reporting period for subsidiary companies at Sl. 46, 56, 70, 79, 199 is December

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

$ Not considered for consolidation as financial information is not available

**Name of the subsidiaries which have been liquidated or sold during the year**

1 NatSteel Trade International (Shanghai) Company Ltd.
2 Blume Stahlservice GmbH
3 Corus Aluminium Verwaltungsgesellschaft Mbh
4 Corus Building Systems Bulgaria AD
5 Kalzip Asia Pte Limited
6 Kalzip FZE
7 Kalzip GmbH
8 Kalzip GmbH
9 Kalzip India Private Limited
10 Kalzip Italy SRL
11 Kalzip Limited
12 Kalzip Spain S.L.U.
13 Tata Steel International Hellas SA
14 Black Ginger 461 (Proprietary) Ltd
15 Sedibeng Iron Ore Pty. Ltd.
16 Tata Steel Cote D' Ivoire S.A
17 Tata Steel International (Thailand) Limited
18 TSIA Holdings (Thailand) Limited

**Name of the subsidiaries which are yet to commence operations**

1 Subarnarekha Port Private Limited
2 TSIL Energy Limited
3 Bhushan Steel (Orissa) Limited
4 Bhushan Steel (South) Limited
5 Bhushan Steel Madhya Bharat Limited
6 Bhushan Steel (Australia) PTY Ltd.
7 Bowen Energy PTY Ltd.
8 Bowen Coal PTY Ltd.
9 Bowen Consolidated PTY Ltd.

# PART 'B'- Joint Ventures and Associates

| Sl. No. | Name of the Entity | Latest audited balance sheet date | Date on which the Associate or Joint Venture was associated or acquired | Reporting currency* | No. of shares held by the company in associate/joint venture on the year end | Amount of Investment in associate/joint venture (₹ crore) | Extend of holding (%) | Description of how there is significant influence | Reason why the associate/joint venture is not consolidated | Net worth attributable to shareholding as per latest balance sheet | Share of profit/loss for the year (₹ crore) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | Considered in consolidation | Not considered in consolidation |
| **A.** | **Joint Venture** | | | | | | | | | | | |
| 1 | Himalaya Steel Mill Services Private Limited | March 31, | September 15, 2010 | INR | 36,19,945 | 3.62 | 26.00 | 1 | - | 4.15 | 1.15 | 3.28 |
| 2 | mjunction services limited | March 31, | February 1, 2001 | INR | 40,00,000 | 4.00 | 50.00 | 1 | - | 139.62 | 20.84 | 20.84 |
| 3 | S & T Mining Company Private Limited | March 31, | September 18, 2008 | INR | 1,29,41,400 | 12.94 | 50.00 | 1 | - | (4.61) | - | (2.69) |
| 4 | Tata BlueScope Steel Private Limited | March 31, | February 9, 2005 | INR | 43,30,00,000 | 433.00 | 50.00 | 1 | - | 400.52 | 80.71 | 80.27 |
| 5 | BlueScope Lysaght Lanka (Pvt) Ltd | March 31, | April 1, 2015 | LKR | 1,06,35,000 | 4.19 | 100.00 | 5 | - | 8.54 | (0.03) | - |
| 6 | Tata NYK Shipping Pte Ltd. | March 31, | March 19, 2007 | USD | 6,51,67,500 | 350.14 | 50.00 | 1 | - | 85.67 | 14.78 | 14.78 |
| 7 | Tata NYK Shipping (India) Private Limited | March 31, | April 1, 2015 | INR | 12,50,000 | 0.13 | 100.00 | 5 | - | 1.74 | 0.04 | 0.04 |
| 8 | Jamshedpur Continuous Annealing & Processing Company Private Limited | March 31, | August 17, 2012 | INR | 62,83,20,000 | 628.32 | 51.00 | 4 | - | 371.37 | 17.26 | 16.59 |
| 9 | T M Mining Company Limited | - | December 22, 2010 | INR | 2,29,116 | 0.23 | 74.00 | 4 | $ | - | - | - |
| 10 | TM International Logistics Limited | March 31, | January 18, 2002 | INR | 91,80,000 | 9.18 | 51.00 | 4 | - | 198.72 | 19.76 | 18.98 |
| 11 | International Shipping and Logistics FZE | March 31, | February 1, 2004 | USD | 1 | 1.24 | 100.00 | 5 | - | 232.62 | 3.83 | 3.68 |
| 12 | TKM Global China Ltd. | March 31, | June 25, 2008 | CNY | 1 | 4.39 | 100.00 | 5 | - | 3.84 | 0.14 | 0.13 |
| 13 | TKM Global GmbH | March 31, | March 1, 2005 | EUR | 100 | 1.11 | 100.00 | 5 | - | 182.77 | 1.57 | 1.51 |
| 14 | TKM Global Logistics Limited | March 31, | January 18, 2002 | INR | 36,00,000 | 5.16 | 100.00 | 5 | - | 27.72 | 1.79 | 1.72 |
| 15 | Industrial Energy Limited | March 31, | - | INR | 17,31,60,000 | 173.16 | 26.00 | 1 | - | 199.33 | 28.89 | 82.23 |
| 16 | Jamipol Limited | March 31, | April 24, 1995 | INR | 44,75,000 | 9.18 | 39.78 | 1 | - | 64.08 | 9.43 | 14.28 |
| 17 | Nicco Jubilee Park Limited | - | May, 2001 | INR | 3,40,000 | - | 25.31 | 1 | - | - | - | - |
| 18 | Medica TS Hospital Private Limited | - | August 5, 2014 | INR | 2,60,000 | 0.26 | 26.00 | 1 | - | - | - | - |
| 19 | SEZ Adityapur Limited. | March 31, | October 30, 2006 | INR | 25,497 | 0.03 | 51.00 | 5 | - | (0.04) | - | (0.01) |
| 20 | Naba Diganta Water Management Limited | March 31, | January 9, 2008 | INR | 1,36,53,000 | 13.65 | 74.00 | 5 | - | 16.89 | 2.73 | 0.96 |
| 21 | Air Products Llanwern Limited | September 30, | April 2, 2007 | GBP | 50,000 | 0.45 | 50.00 | 2 | - | 7.02 | 2.82 | 2.82 |
| 22 | Laura Metaal Holding B.V. | December 31, | April 2, 2007 | EUR | 2,744 | 9.67 | 49.00 | 2 | - | 159.78 | 24.55 | 25.55 |
| 23 | Ravenscraig Limited | December 31, | April 2, 2007 | GBP | 100 | 0.00 | 33.33 | 2 | - | (49.24) | (3.65) | (7.30) |
| 24 | Tata Steel Ticaret AS | December 31, | April 2, 2007 | TRY | 80,000 | 0.10 | 50.00 | 2 | - | 16.32 | 8.25 | 8.25 |
| 25 | Texturing Technology Limited | March 31, | April 2, 2007 | GBP | 10,00,000 | 9.05 | 50.00 | 2 | - | 12.40 | 4.66 | 4.66 |
| 26 | Hoogovens Court Roll Service Technologies VOF | March 31, | April 2, 2007 | EUR | - | 10.45 | 50.00 | 2 | - | 17.74 | 1.37 | 1.37 |
| 27 | Minas De Benga (Mauritius) Limited | March 31, | November 30, 2007 | USD | 27,13,43,558 | 2,439.05 | 35.00 | 2 | - | (1,165.76) | (44.90) | (83.39) |
| 28 | Andal East Coal Company Private Limited | March 31, | May 18, 2018 | INR | 3,30,000 | 1.46 | 33.89 | 1 | ** | - | - | - |
| 29 | Afon Tinplate Company Limited | | April 2, 2007 | GBP | - | - | - | 2 | - | - | - | - |
| 30 | Bsr Pipeline Services Limited | | April 2, 2007 | EUR | - | - | - | 1 | - | - | - | - |
| 31 | TVSC Construction Steel Solutions Limited | | May 30, 2014 | HKD | - | - | - | 2 | - | - | (2.44) | (2.44) |
| **B.** | **Associate** | | | | | | | | | | | |
| 1 | Kalinga Aquatic Ltd | - | - | INR | 10,49,920 | - | 30.00 | 1 | ** | - | - | - |
| 2 | Kumardhubi Fireclay & Silica Works Ltd | - | - | INR | 1,50,001 | - | 27.78 | 1 | ** | - | - | - |
| 3 | Kumardhubi Metal Casting and Engineering Limited | - | - | INR | 10,70,000 | - | 49.31 | 1 | ** | - | - | - |
| 4 | Strategic Energy Technology Systems Private Limited | - | - | INR | 2,56,14,500 | 25.61 | 25.00 | 1 | Not consolidated, as the investment value is impaired | - | - | - |
| 5 | Tata Construction & Projects Ltd. | - | - | INR | 11,97,699 | - | 27.19 | 1 | ** | - | - | - |
| 6 | TRF Limited. | March 31, | October 16, 1963 | INR | 37,53,275 | 5.79 | 34.11 | 1 | - | (22.89) | (36.01) | (69.56) |
| 7 | TRF Singapore Pte Limited | March 31, | April 1, 2015 | SGD | 2,59,83,481 | 91.81 | 100.00 | 5 | - | 44.93 | 6.79 | 13.11 |
| 8 | TRF Holdings Pte Limited | March 31, | April 1, 2015 | USD | 1 | 0.00 | 100.00 | 5 | - | 0.00 | 15.15 | 29.27 |
| 9 | Dutch Lanka Trailer Manufacturers Limited | March 31, | April 1, 2015 | USD | 15,23,06,150 | 123.25 | 100.00 | 5 | - | 8.11 | 3.78 | 7.29 |
| 10 | Dutch Lanka Engineering (Private) Limited | March 31, | April 1, 2015 | LKR | 11,50,000 | 0.60 | 100.00 | 5 | - | 1.61 | 0.10 | 0.19 |
| 11 | Dutch Lanka Trailer LLC | - | April 1, 2015 | OMR | 1,05,000 | 1.45 | 70.00 | 1 | - | - | (0.23) | (0.75) |
| 12 | Hewitt Robins International Ltd | March 31, | April 1, 2015 | GBP | 2,000 | 27.83 | 100.00 | 5 | - | 15.32 | 1.68 | 3.25 |
| 13 | Hewitt Robins International Holdings Ltd | March 31, | April 1, 2015 | GBP | 200 | 57.57 | 100.00 | 5 | - | 0.23 | - | - |
| 14 | YORK Transport Equipment (India) Private Limited | March 31, | April 1, 2015 | INR | - | - | - | 5 | - | - | 0.45 | 0.87 |
| 15 | YORK Transport Equipment (Asia) Pte Ltd | March 31, | April 1, 2015 | USD | - | - | - | 5 | - | - | (0.56) | (1.09) |
| 16 | YORK Transport Equipment Pty Ltd | March 31, | April 1, 2015 | AUD | - | - | - | 5 | - | - | (0.06) | (0.11) |
| 17 | YORK Sales (Thailand) Co. Ltd | March 31, | April 1, 2015 | THB | - | - | - | 5 | - | - | (0.31) | (0.60) |
| 18 | York Transport Equipment (SA) (Pty) Ltd | March 31, | April 1, 2015 | ZAR | - | - | - | 5 | - | - | (0.02) | (0.05) |
| 19 | Rednet Pte Ltd. | March 31, | April 1, 2015 | USD | - | - | - | 5 | - | - | (0.00) | (0.00) |
| 20 | YTE Special Products Pte Ltd | March 31, | April 1, 2015 | USD | - | - | - | 5 | - | - | 0.01 | 0.02 |
| 21 | Qingdao YTE Special Products Co. Ltd | March 31, | April 1, 2015 | CNY | - | - | - | 5 | - | - | (0.77) | (1.48) |
| 22 | YORK Transport Equipment (Shanghai) Co. Ltd | March 31, | April 1, 2015 | CNY | - | - | - | 5 | - | - | (0.03) | (0.05) |
| 23 | PT York Engineering | | April 1, 2015 | USD | - | - | - | 5 | - | - | - | - |
| 24 | Malusha Travels Pvt Ltd | - | August 5, 2014 | INR | 3,352 | 0.00 | 33.23 | 1 | - | - | - | - |
| 25 | European Profiles (M) Sdn. Bhd. | December 31, | January 25, 2008 | MYR | 7,00,000 | 1.19 | 20.00 | 3 | @ | - | - | 0.33 |
| 26 | Albi Profils SRL | December 31, | - | EUR | 1,800 | 0.71 | 30.00 | 2 | # | - | - | - |

| Sl. No. | Name of the Entity | Latest audited balance sheet date | Date on which the Associate or Joint Venture was associated or acquired | Reporting currency* | No. of shares held by the company in associate/joint venture on the year end | Amount of Investment in associate/joint venture (₹ crore) | Extend of holding (%) | Description of how there is significant influence | Reason why the associate/joint venture is not consolidated | Net worth attributable to shareholding as per latest balance sheet | Share of profit/loss for the year (₹ crore) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | Considered in consolidation | Not considered in consolidation |
| 27 | GietWals Onderhoud Combinatie B.V. | December 31, | April 2, 2007 | EUR | 50 | 10.24 | 50.00 | 2 | - | 19.69 | (12.42) | (12.42) |
| 28 | Hoogovens Gan Multimedia S.A. De C.V. | Unknown | April 2, 2007 | MXN | 455,000 shares of the variable part; 25,000 of the minimum fixed part of the capital stock | 0.01 | 50.00 | 2 | # | - | - | - |
| 29 | ISSB Limited | June 30, | April 2, 2007 | GBP | 500 | 0.00 | 50.00 | 2 | # | - | - | - |
| 30 | Wupperman Staal Nederland B.V. | December 31, | April 2 2007 | EUR | 2,400 | 66.27 | 30.00 | 2 | - | 126.48 | 14.97 | 34.92 |
| 31 | Fabsec Limited | December 31, | May 18 2001 | GBP | 250 | 0.00 | 25.00 | 2 | # | - | - | - |
| 32 | New Millennium Iron Corp. | March 31, | - | CAD | 4,74,02,908 | 340.08 | 26.18 | 1 | - | 35.10 | (3.74) | (10.54) |
| 33 | 9336-0634 Québec Inc | - | March 30, 2017 | CAD | 1 | - | 33.33 | 1 | $ | - | - | - |
| 34 | Bhushan Energy Limited | March 31, | May 18, 2018 | INR | 6,50,00,000 | 350.00 | 47.71 | 5 | & | - | - | - |
| 35 | Bhushan Capital & Credit Services Private Limited | March 31, | May 18, 2018 | INR | 86,43,742 | 9.40 | 42.58 | 5 | - | - | - | - |
| 36 | Jawahar Credit & Holdings Private Limited | March 31, | May 18, 2018 | INR | 86,43,742 | 9.40 | 39.65 | 5 | - | - | - | - |
| 37 | TRL Krosaki Refractories Limited | - | May 31, 2011 | INR | - | - | - | 1 | - | - | 12.76 | 35.17 |

**Notes**

1 Controls more than 20% of the total share capital
2 Controls more than 20% of the total share capital and has significant influence over operational and financial decision making
3 Insignificant influence on the financial and operating policy decisions
4 More than 50% stake, instead considered as joint venture as there is less significant influence over the control of the entity
5 Under the Ind AS regime, associate/joint venture of a subsidiary is also an indirect associate/joint venture & subsidiary of an associate/joint venture is also an indirect associate/joint venture
@ No control over financial and operating policies and hence not considered for consolidation
# The operations of the companies are not significant and hence are immaterial for consolidation
## Partnership without share capital
* Closing rate as on March 31, 2019 has been considered for calculation
** Companies are in liquidation
& Not considered for consolidation as corporate insolvency resolution process (CIRP) under the Insolvency and Bankruptcy Code, 2016 was initiated
$ Not considered for consolidation as financial information is not available

**Names of associates or joint ventures which have been liquidated or sold during the year**

1 Afon Tinplate Company Limited
2 BSR Pipeline Services Limited
3 TVSC Construction Steel Solutions Limited
4 TRL Krosaki Refractories Limited
5 York Transport Equipment (Asia) Pte Ltd
6 York Transport Equipment (India) Pvt Ltd
7 York Transport Equipment Pty Ltd
8 York Sales (Thailand) Company Limited
9 York Transport Equipment (SA) (Pty) Ltd
10 Rednet Pte Ltd
11 PT York Engineering
12 YTE Special Products Pte. Limited
13 Qingdao YTE Special Products Co. Limited
14 York Transport Equipment (Shanghai) Co. Ltd

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Chief Executive Officer
& Managing Director
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director
& Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

Mumbai, April 25, 2019

# ANNEXURE 7

## Companies that have become/ceased to be Company's Subsidiaries or Associate Companies (including Joint Venture Companies)

The names of companies which have become Subsidiaries or Associate Companies (including Joint Venture Companies) during the year:

| Sl. No. | Name of the Company |
|---|---|
| **Subsidiary** | |
| 1. | Tata Steel BSL Limited* |
| 2. | Bhushan Steel (Orissa) Limited |
| 3. | Bhushan Steel (South) Limited |
| 4. | Bhushan Steel Madhya Bharat Limited |
| 5. | Bhushan Steel (Australia) PTY Ltd. |
| 6. | Bowen Energy PTY Ltd. |
| 7. | Bowen Coal PTY Ltd. |
| 8. | Bowen Consolidated PTY Ltd. |
| 9. | Creative Port Development Private Limited |
| 10. | Subarnarekha Port Private Limited |
| 11. | British Steel Trading Limited |
| **Associate** | |
| 1. | Bhushan Energy Limited** |
| 2. | Bhushan Capital & Credit Services Private Limited |
| 3. | Jawahar Credit & Holdings Private Limited |
| **Joint Venture** | |
| 1. | Andal East Coal Company Private Limited *** |

* Earlier known as Bhushan Steel Limited. The name change was effective November 27, 2018

** Under CIRP Process of IBC

*** Under liquidation

The names of companies which have ceased to become Subsidiaries or Associate Companies (including Joint Venture Companies) during the year:

| Sl. No. | Name of the Company |
|---|---|
| **Subsidiary** | |
| 1. | Tata Steel International (Thailand) Limited |
| 2. | Kalzip GmbH |
| 3. | Blume Stahlservice GmbH |
| 4. | Corus Building Systems Bulgaria AD |
| 5. | TSIA Holdings (Thailand) Limited |
| 6. | Kalzip India Private Limited |
| 7. | Tata Steel Cote D' Ivoire S.A |
| 8. | Kalzip Asia Pte Limited |
| 9. | Kalzip FZE |
| 10. | Kalzip GmbH |
| 11. | Kalzip Italy SRL |
| 12. | Kalzip Limited |
| 13. | Kalzip Spain S.L.U. |
| 14. | Tata Steel International Hellas SA |
| 15. | Corus Aluminium Verwaltungsgesellschaft Mbh |
| 16. | Black Ginger 461 (Proprietary) Ltd |
| 17. | Sedibeng Iron Ore Pty. Ltd. |
| 18. | NatSteel Trade International (Shanghai) Company Ltd. |

| Sl. No. | Name of the Company |
|---|---|
| **Associate** | |
| 1. | York Transport Equipment (Asia) Pte Ltd |
| 2. | York Transport Equipment (India) Private Limited |
| 3. | York Transport Equipment Pty Ltd |
| 4. | York Sales (Thailand) Company Limited |
| 5. | York Transport Equipment (SA) (Pty) Ltd |
| 6. | Rednet Pte Ltd |
| 7. | PT York Engineering |
| 8. | YTE Special Products Pte. Limited |
| 9. | Qingdao YTE Special Products Co. Limited |
| 10. | York Transport Equipment (Shanghai) Co. Ltd |
| 11. | TRL Krosaki Refractories Limited |
| **Joint Venture** | |
| 1. | TVSC Construction Steel Solutions Limited |
| 2. | Afon Tinplate Company Limited |
| 3. | BSR Pipelines Services Limited |

On behalf of the Board of Directors

sd/-
**N. CHANDRASEKARAN**
Chairman
DIN: 00121863

Mumbai
April 25, 2019

# ANNEXURE 8

## Form No. MR-3

## Secretarial Audit Report for the Financial Year Ended March 31, 2019
## Pursuant to section 204 (1) of the Companies Act, 2013
## [Read with rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Tata Steel Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**)

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

   1. The Mines Act, 1952 and the rules, regulations made thereunder.
   2. Mines and Minerals (Development & Regulation) Act, 1957 and the rules made thereunder.
   3. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
   4. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
   5. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
   6. Factories Act, 1948 and allied State Laws.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(j) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

During the year certain forms DIR-12 in respect of appointment/cessation of Directors could not be filed due to technical error at MCA.

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

1. The Committee of Directors of the Company by circular resolution-CR No. 32, dated March 1, 2019, approved the allotment of 43,150 – 9.8359% Unsecured, Redeemable, Rated, Listed, Non-Convertible Debentures of face value of ₹10,00,000 each, aggregating ₹4,315 crore (**'NCDs'**) with ISIN INE081A08223. These NCDs are listed and traded on BSE Limited.

2. The Company has redeemed 9.15% NCDs of Series I (ISIN INE081A08199) aggregating ₹500 crore on the due date, January 24, 2019.

3. The following shares, earlier kept in abeyance were allotted to the Shareholders during Fiscal 2019:

   - 4,164 Fully Paid Ordinary Shares of face value ₹10 each were allotted to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018. The details for the same are as follows:

     — 324 Fully Paid Ordinary Shares allotted on July 27, 2018

     — 3,840 Fully Paid Ordinary Shares allotted on December 18, 2018

   - 2,080 Partly Paid Ordinary Shares of ₹10 each (₹2.504 paid-up) were allotted to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018. The details for the same are as follows:

     — 162 Partly Paid Ordinary Shares allotted on July 27,2018

     — 1,918 Partly Paid Ordinary Shares allotted on December 18, 2018

   - 701 Ordinary Shares of ₹10 each were allotted to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007. The details for the same are as follows:

     — 26 Ordinary Shares allotted on December 18, 2018

     — 675 Ordinary Shares allotted on March 27, 2019

4. The Company through its wholly-owned subsidiary, Bamnipal Steel Limited completed the acquisition of controlling stake of 72.65% in Tata Steel BSL Limited (formerly known as Bhushan Steel Limited), pursuant to the Resolution Plan as approved by National Company Law Tribunal vide its Order dated May 15, 2018, under Corporate Insolvency and Resolution Process of the Insolvency and Bankruptcy Code, 2016.

   Further, during the year, the Company acquired 1070,00,00,000 – 11.09% Non-Convertible Redeemable Preference Shares of face value ₹10 each, aggregating to ₹10,700 crore, in two tranches and 900,00,00,000 – 8.89% Optionally Convertible Redeemable Preference Shares of face value ₹10 each, aggregating to ₹9,000 crore, in two tranches, of Tata Steel BSL Limited.

5. On March 22, 2019, the Company acquired 25,00,00,000, 12.5% Non-Convertible Redeemable Preference Shares of TRF Limited on private placement basis aggregating to ₹250 crore.

6. On March 28, 2019, the Company acquired 27,97,000 Equity Shares of Tata Metaliks Limited at a price of ₹642 per Equity Share aggregating to ₹179,56,74,000 and 34,92,500 Warrants at a price of ₹642 per Warrant, with a right exercisable by the Warrant holder to subscribe for one equity share per Warrant of face value of ₹10 each, aggregating to ₹224,21,85,000 (25% paid on application).

7. On January 28, 2019, T S Global Holdings Pte. Ltd. (TSGH), an indirect wholly-owned subsidiary of the Company, executed definitive agreements to divest its entire equity stake held in NatSteel Holdings Pte. Ltd (100%) and Tata Steel (Thailand) Public Company Ltd (67.9%) to a company in which 70% equity shares will be held by an entity controlled by HBIS Group Co., Ltd (HBIS) and the balance 30% will be held by TSGH.

8. On September 22, 2018, the Company, as a part of strategy to grow in long products, executed definitive agreements for acquisition of steel business of Usha Martin Limited ('**UML**'), a special steel and wire rope manufacturer, through a slump sale on a going concern basis. Tata Sponge Iron Limited (TSIL) is an indirect subsidiary of the Company (54% shareholding). On October 24, 2018, the Company extended support for TSIL's entry into steel business and identified it as the strategic vehicle for acquisition of steel business of UML. On April 9, 2019, TSIL completed the acquisition of steel business undertaking including captive power plants, for a cash consideration payable to UML of ₹4,094 crore, which is subject to further hold backs of ₹640 crore, pending transfer of some of the assets including mines and certain land parcels.

9. On September 18, 2018, the Company completed the acquisition of 51% equity stake in Creative Port Development Private Limited.

10. On June 30, 2018, the Company and thyssenkrupp AG signed definitive agreements to combine the European Steel Business in a 50:50 joint venture. This follows the signing of Memorandum of Understanding in September 2017. Only after completion of the JV process, thyssenkrupp Steel Europe and Tata Steel in Europe will be integrated as one company.

**For Parikh & Associates**
Company Secretaries

sd/-
**P. N. PARIKH**
Partner
FCS No.: 327 CP No.: 1228

Place: Mumbai
Date: April 25, 2019

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

---

## ANNEXURE A

To,
The Members
Tata Steel Limited

Our report of even date is to be read along with this letter.

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

**For Parikh & Associates**
Company Secretaries

sd/-
**P. N. PARIKH**
Partner
FCS No.: 327 CP No.: 1228

Place: Mumbai
Date: April 25, 2019

# ANNEXURE 9

## Form No. MGT 9

## Extract of Annual Return as on March 31, 2019
## Pursuant to Section 92(3) of the Companies Act, 2013
## [Read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. Registration and other details

| | |
|---|---|
| CIN | L27100MH1907PLC000260 |
| Registration Date | August 26, 1907 |
| Name | Tata Steel Limited |
| Category/Sub-category of the Company | Public listed company having share capital |
| Registered office address<br>Contact details | Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001<br>Phone No. +91 22 6665 8282, Fax No. +91 22 6665 7724 |
| Whether listed company – Yes/No | Yes |
| Registrars and Transfer Agent | |
| Name | TSR Darashaw Limited |
| Address | 6-10, Haji Moosa Patrawala Industrial Estate, 20,<br>Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 |
| Contact details | Phone No. +91 22 6656 8484, Fax No. +91 22 6656 8494 |

## 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 | NIC Code of the Products | % to total turnover of the Company |
|---|---|---|---|
| 1 | Manufacture of basic iron and steel | 241 | 89.64% |

## III. Particulars of Holding, Subsidiary and Associate Companies

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 1. | ABJA Investment Co. Pte Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |
| 2. | Adityapur Toll Bridge Company Limited<br>Aiada Vikash Bhawan, Adityapur, Jamshedpur - 831 013<br>CIN: U45201JH1996PLC007124 | 88.50 |
| 3. | Tata Steel Special Economic Zone Limited<br>5th Floor, Zone C/2, Fortune Towers, Chandrasekharpur, Bhubaneswar - 751 023<br>CIN: U45201OR2006PLC008971 | 100.00 |
| 4. | The Indian Steel & Wire Products Ltd<br>Flat 7 D & E, 7th Floor, Everest House, 46 C Chowringhee Road, Kolkata - 700 071<br>CIN: U27106WB1935PLC008447 | 95.01 |
| 5. | Jamshedpur Utilities & Services Company Limited<br>Sakchi Boulevard Road, Northerntown, Bistupur, Jamshedpur - 831 001<br>CIN: U45200JH2003PLC010315 | 100.00 |
| 6. | Haldia Water Management Limited<br>Shakti Palace, Plot No 492 (Old) & 784 (New), 2nd Floor, Mouza, Khanjanchak Haldia - 721 602, West Bengal<br>CIN: U74140WB2008PLC126534 | 60.00 |
| 7. | Kalimati Global Shared Services Limited<br>1st Floor, Tata Centre, 43 Jawaharlal Nehru Road, Kolkata - 700 071<br>CIN: U74999WB2018PLC224208 | 100.00 |
| 8. | Mohar Export Services Pvt Ltd<br>Bank of Baroda Bldg, Bombay Samachar Marg, Mumbai- 400 001,<br>CIN: U51900MH1988PTC049518 | 66.46 |
| 9. | NatSteel Asia Pte. Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 10. | TS Asia (Hong Kong) Ltd.<br>Room 807, 8/F, Tower 1, Enterprise Square 1, No. 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong | 100.00 |
| 11. | Rujuvalika Investments Limited<br>Bombay House 3rd Flr, 24 Homi Mody Street, Mumbai - 400 001<br>CIN: U67120MH1988PLC049872 | 100.00 |
| 12. | T S Alloys Limited<br>N-3/24, IRC Village, Nayapalli, Bhubaneswar - 751 015 (Odisha)<br>CIN: U27109OR2004PLC009683 | 100.00 |
| 13. | Tata Korf Engineering Services Ltd<br>Tandem Apartment, 3rd Floor, Flat No.14, 52E, Ballygunge, Circular Road, Kolkata - 700 019<br>CIN: U74210WB1985PLC039675 | 100.00 |
| 14. | Tata Metaliks Ltd.<br>Tata Centre, 10th Floor, 43, J L Nehru Road, Kolkata - 700 071<br>CIN: L27310WB1990PLC050000 | 55.06 |
| 15. | Tata Sponge Iron Limited<br>P.O. Joda, Dist- Keonjhar, Odisha - 758 034<br>CIN: L27102OR1982PLC001091 | 54.50 |
| 16. | TSIL Energy Limited<br>Tata Sponge Administrative Building, Bileipada, P.O. Baneikala, Odisha - 758 038<br>CIN: U40109OR2012PLC016232 | 100.00 |
| 17. | Tata Steel (KZN) (Pty) Ltd.<br>22 Bronze Bar Road, Alton North, Richards Bay-3900, South Africa | 90.00 |
| 18. | T Steel Holdings Pte. Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |
| 19. | T S Global Holdings Pte. Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |
| 20. | Orchid Netherlands (No.1) B.V.<br>Wenckebachstraat 1, 1951 Jz, Velsen-Noord, Netherlands | 100.00 |
| 21. | NatSteel Holdings Pte. Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |
| 22. | Easteel Services (M) Sdn. Bhd.<br>Suite 6.1A, Level 6, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor, Malaysia | 100.00 |
| 23. | Eastern Steel Fabricators Philippines, Inc.<br>212 Barrio Bagbaguin, Meycauayan, Bulacan, Philippines | 67.00 |
| 24. | NatSteel (Xiamen) Ltd.<br>No. 19, Jiangang Road, Haicang South Industrial District, Xiamen, Fujian Province, People's Republic of China, Postcode 361026 | 100.00 |
| 25. | NatSteel Recycling Pte Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |
| 26. | NatSteel Trade International Pte. Ltd.<br>22, Tanjong Kling Road, Singapore 628048 | 100.00 |
| 27. | NatSteel Vina Co. Ltd.<br>Luu Xa, Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province, Vietnam | 56.50 |
| 28. | The Siam Industrial Wire Company Ltd.<br>14th Floor, Rasa Tower, 555 Phaholyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok 10900 Thailand | 100.00 |
| 29. | TSN Wires Co. Ltd.<br>14th Floor, Rasa Tower, 555 Phaholyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok 10900 Thailand | 60.00 |
| 30. | Tata Steel Europe Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 31. | Apollo Metals Limited<br>1001, 14th Avenue, Bethlehem, PA 18018-0045, USA | 100.00 |
| 32. | Automotive Laser Technologies Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 33. | Beheermaatschappij Industriele Produkten B.V.<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 34. | Bell & Harwood Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 35. | Blastmega Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 36. | Bore Samson Group Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 37. | Bore Steel Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 38. | British Guide Rails Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 39. | British Steel Corporation Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 40. | British Steel Directors (Nominees) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 41. | British Steel Engineering Steels (Exports) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 42. | British Steel Nederland International B.V.<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 43. | British Steel Service Centres Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 44. | British Tubes Stockholding Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 45. | C V Benine<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 76.92 |
| 46. | C Walker & Sons Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 47. | Catnic GmbH<br>Am Leitzenbach 16, 74889 Sinsheim, Germany | 100.00 |
| 48. | Catnic Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 49. | CBS Investissements SAS<br>Rue Geo Lufbery, Chauny 02301, France | 100.00 |
| 50. | Cogent Power Inc.<br>845 Laurentian Drive, Burlington, Ontario, Canada L7N 3W7 | 100.00 |
| 51. | Tata Steel Mexico SA de CV<br>Avenida Ing. Armando Birlain Shaffler No 2001 Corporatiave Central Park, Torre 1, 16 Pso C, Col Centro Sur, Querenturo, Cp 76090 Mexico | 100.00 |
| 52 | Cogent Power Inc.<br>250 Bishop Avenue, Bridgeport, CT06610, USA | 100.00 |
| 53. | Cogent Power Limited<br>Orb Works, Stephenson Street, Newport, Gwent, NP19 0RB | 100.00 |
| 54. | Color Steels Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 55. | Corbeil Les Rives SCI<br>Rue Decauville, Corbeil Essonnes 91100, France | 67.30 |
| 56. | Corby (Northants) & District Water Company Limited<br>C/o TSUK, PO Box 101, Weldon Road, Corby, Northamptonshire, NN17 5UA | 100.00 |
| 57. | Cordor (C& B) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 58. | Corus CNBV Investments<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 59. | Corus Cold drawn Tubes Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 60. | Corus Engineering Steels (UK) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 61. | Corus Engineering Steels Holdings Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 62. | Corus Engineering Steels Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 63. | Corus Engineering Steels Overseas Holdings Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 64. | Corus Engineering Steels Pension Scheme Trustee Limited<br>17th Floor, 125, Old Broad Street, London EC2N 1AR | 100.00 |
| 65. | Corus Group Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 66. | Corus Holdings Limited<br>15 Atholl Crescent, Edinburgh, EH3 8HA | 100.00 |
| 67. | Corus International (Overseas Holdings) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 68. | Corus International Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 69. | Corus International Romania SRL.<br>Bucaresti, Sector 1, Calea Floreasca, Nr. 169A, Corp A, Campus 10, Etaj 4, Birou 2039-2044, Romania | 100.00 |
| 70. | Corus Investments Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 71. | Corus Ireland Limited<br>70 Sir John Rogerson's Quay, Dublin 2, Ireland | 100.00 |
| 72. | Corus Large Diameter Pipes Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 73. | Corus Liaison Services (India) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 74. | Corus Management Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 75. | Corus Primary Aluminium B.V.<br>Wenckebachstraat 1, 1951 j2 Velsen-Noord, Netherlands | 100.00 |
| 76. | Corus Property<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 77. | Corus Service Centre Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 78. | Corus Steel Service STP LLC<br>34, Letter A, 9-th line, V.O., Saint Petersburg, 199004, Business centre 'Magnus', Saint Petersburg | 100.00 |
| 79. | Corus Tubes Poland Spolka Z.O.O<br>Ul. Grabiszynska, Wroclaw 43-234, Poland | 100.00 |
| 80. | Corus UK Healthcare Trustee Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 81. | Corus Ukraine Limited Liability Company<br>Office 16, Building 11/23B, Chekhivskiy Provulok/Vorovskogo Street, 01054 Kiev, Ukraine | 100.00 |
| 82. | CPN (85) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 83. | Crucible Insurance Company Limited<br>35/37, Athol Street, Douglas, Isle of Man | 100.00 |
| 84. | Degels GmbH<br>Königsberger Strasse 25, 41460 Neuss, Germany | 100.00 |
| 85. | Demka B.V.<br>Wenckebachstraat 1, 1951 J2 Velsen-Noord, Netherlands | 100.00 |
| 86. | DSRM Group Plc.<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 87. | Esmil B.V.<br>Wenckebachstraat 1, 1951 J2 Velsen-Noord, Netherlands | 100.00 |
| 88. | Europressings Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 89. | Firsteel Group Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 90. | Firsteel Holdings Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 91. | Fischer Profil GmbH<br>Waldstrasse 67, 57250 Netphen, Germany | 100.00 |
| 92. | Gamble Simms Metals Limited<br>Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12 | 100.00 |
| 93. | Grant Lyon Eagre Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 94. | H E Samson Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 95. | Hadfields Holdings Limited<br>30 Millbank, London, SW1P 4WY | 62.50 |
| 96. | Halmstad Steel Service Centre AB<br>Turbingatan 1, Halmstad, Sweden | 100.00 |
| 97. | Hammermega Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 98. | Harrowmills Properties Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 99. | Hille & Muller GmbH<br>Am Trippelsberg 48, Dusseldorf 40589, Germany | 100.00 |
| 100. | Hille & Muller USA Inc.<br>Delaware Avenue N.W., Warren, 44485 Ohio, USA | 100.00 |
| 101. | Hoogovens USA Inc.<br>475 N. Martingale road, Suite 400 Schaumburg, IL 60173 USA | 100.00 |
| 102. | Huizenbezit 'Breesaap' B.V.<br>Wenckebachstraat 1, 1951 J2 Velsen-Noord, Netherlands | 100.00 |
| 103. | Inter Metal Distribution SAS<br>3 Allee des Barbanniers, 92632 Gennevilliers Cedex, France | 100.00 |
| 104. | Layde Steel S.L.<br>Eguzkitza, 11, E-48200 Durango, Bizkaia, Spain | 100.00 |
| 105. | Lister Tubes Limited<br>Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12 | 100.00 |
| 106. | London Works Steel Company Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 107. | Midland Steel Supplies Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 108. | Montana Bausysteme AG<br>Durisolstrasse 11, Villmergen 5612, Switzerland | 100.00 |
| 109. | Naantali Steel Service Centre OY<br>Rautakatu 5, Naantali 21110, Finland | 100.00 |
| 110. | Nationwide Steelstock Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 111. | Norsk Stal Tynnplater AS<br>Habornveien 60, 1630 Gamle Fredrikstad, 0106 Fredrikstad, Norway | 100.00 |
| 112. | Norsk Stal Tynnplater AB<br>P.O.B. 17544 S-20010 Malmo, Sweden | 100.00 |
| 113. | Orb Electrical Steels Limited<br>Orb Works, Stephenson Street, Newport, NP19 0RB | 100.00 |
| 114. | Ore Carriers Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 115. | Oremco Inc.<br>60 E42 Street, New York 10165, USA | 100.00 |
| 116. | Plated Strip (International) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 117. | Precoat International Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 118. | Precoat Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 119. | Rafferty-Brown Steel Co Inc Of Conn.<br>2711 Centerville Road, Ste 400 Wilmington, 19808 USA | 100.00 |
| 120. | Round Oak Steelworks Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 121. | Runblast Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 122. | Runmega Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 123. | S A B Profiel B.V.<br>Produktieweg 2, 3401 MG IJsselstein, Netherlands | 100.00 |
| 124. | S A B Profil GmbH<br>Industriestrasse 13, Niederaula, 36272 Germany | 100.00 |
| 125. | Seamless Tubes Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 126. | Service Center Gelsenkirchen GmbH<br>Am Trippelsberg 48, Duesseldorf 40589, Germany | 100.00 |
| 127. | Service Center Maastricht B.V.<br>P O BOX 3040, 6202 NA Maastricht, Netherlands | 100.00 |
| 128. | Societe Europeenne De Galvanisation (Segal) Sa<br>Chassee de Ramioul 50, Ivoz Ramet, 4400 Belgium | 100.00 |
| 129. | Staalverwerking en Handel B.V.<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 130. | Steel StockHoldings Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 131. | Steelstock Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 132. | Stewarts & Lloyds Of Ireland Limited<br>1 Stokes Place, St Stephen's Green, Dublin 2, Ireland | 100.00 |
| 133. | Stewarts And Lloyds (Overseas) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 134. | Surahammar Bruks AB<br>Box 201, 735 00, Surahammar, Sweden | 100.00 |
| 135. | Swinden Housing Association Limited<br>Swinden House, Moorgate, Rotherham, S60 3AR, UK | 100.00 |
| 136. | Tata Steel Belgium Packaging Steels N.V.<br>Walemstraat 38, Duffel 2570, Belgium | 100.00 |
| 137. | Tata Steel Belgium Services N.V.<br>Coremansstraat 34, Berchem 2600, Belgium | 100.00 |
| 138. | Tata Steel Denmark Byggesystemer A/S<br>Kaarsbergs VEJ2, 8400 Ebeltoft, Denmark | 100.00 |
| 139. | Tata Steel Europe Distribution BV<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 140. | Tata Steel Europe Metals Trading BV<br>Wenckebachstraat 1, 1951 52 Velsen-Noord, Netherlands | 100.00 |
| 141. | Tata Steel France Batiment et Systemes SAS<br>Rue Geo Lufbery, Chauny 02300, France | 100.00 |
| 142. | Tata Steel France Holdings SAS<br>3, Allee des Barbanniers, 92632 Gennevilliers Cedex, France | 100.00 |
| 143. | Tata Steel Germany GmbH<br>Am Trippelsberg 48, Duesseldorf 40589, Germany | 100.00 |
| 144. | Tata Steel IJmuiden BV<br>Wenckebachstraat 1, Velsen-Noord 1951, JZ Netherlands | 100.00 |
| 145. | Tata Steel International (Americas) Holdings Inc<br>Wilmington Trust SP Services Inc. 1105 North Market Place, Wilmington, DE 19899, USA | 100.00 |
| 146. | Tata Steel International (Americas) Inc<br>475 N, Martingale Road, Suite 400, Schaumburg, IL 60173 USA | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 147. | Tata Steel International (Canada) Holdings Inc<br>Dentons Canada LLP, 1 Place Villa Marie, Suite 3900, Montreal, Quebec Canada H3B 4M7 | 100.00 |
| 148. | Tata Steel International (Czech Republic) S.R.O<br>Mala Stepanska 9, 120 Praha 2, Czech Republic | 100.00 |
| 149. | Tata Steel International (Denmark) A/S<br>Frederiksborgvej 23, 3520 Farum, Denmark | 100.00 |
| 150. | Tata Steel International (Finland) OY<br>Hitsaajankatu 22, 00810 Helsinki, Finland | 100.00 |
| 151. | Tata Steel International (France) SAS<br>3, Allee des Barbanniers, 92632 Gennevilliers Cedex, France | 100.00 |
| 152. | Tata Steel International (Germany) GmbH<br>Am Trippelsberg 48, 40589 Duesseldorf, Germany | 100.00 |
| 153. | Tata Steel International (South America) Representações LTDA<br>Santiago & Amboulos Advogados, AV. Rio Branco, 45-10 Andar, Grupo 1013 Centro – Rio De Janiero – RJ CEP 20090-003 | 100.00 |
| 154. | Tata Steel International (Italia) SRL<br>Via G.G. Winckelman 2, Milano 20146, Italy | 100.00 |
| 155. | Tata Steel International (Middle East) FZE<br>Plot Number B035R02, PO Box 18294, Jebel Ali, Dubai, UAE | 100.00 |
| 156. | Tata Steel International (Nigeria) Limited<br>Block 69 A. Plot 8, Admiralty Way, Lekki, Phase 1, Lagos, Nigeria | 100.00 |
| 157. | Tata Steel International (Poland) sp Zoo<br>Ul. Piastowska 7, 40-005 Katowice, Poland | 100.00 |
| 158. | Tata Steel International (Schweiz) AG<br>Basilea Treuhand AG, Henric-Petri Strasse 6, 4051 Basel, Switzerland | 100.00 |
| 159. | Tata Steel International (Sweden) AB<br>Barlastgatan 2, 41463 Goteborg, Sweden | 100.00 |
| 160. | Tata Steel International (India) Limited<br>3rd Floor, One Forbes, Dr, V B Gandhi Marg, Fort, Mumbai 400001<br>CIN: U74900MH2005PLC151710 | 100.00 |
| 161. | Tata Steel International Iberica SA<br>CL Rosario Pino 14-16 Torre Rioja 28020 Madrid, Spain | 100.00 |
| 162. | Tata Steel Istanbul Metal Sanayi ve Ticaret AS<br>El Madag Harbiye Mahallesi Cumhuriyet Caddesi, 48 Pegasus Evi kat: 7 Sisli, Istanbul, Turkey 34367 | 100.00 |
| 163. | Tata Steel Maubeuge SAS<br>22, Avenue Abbe Jean de Beco, Louvroil 5970, France | 100.00 |
| 164. | Tata Steel Nederland BV<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 165. | Tata Steel Nederland Consulting & Technical Services BV<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 166. | Tata Steel Nederland Services BV<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 167. | Tata Steel Nederland Star-Frame BV<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 168. | Tata Steel Nederland Technology BV<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands | 100.00 |
| 169. | Tata Steel Nederland Tubes BV<br>Souvereinstraat 35, 4903 RH Oosterhout, Netherlands | 100.00 |
| 170. | Tata Steel Netherlands Holdings B.V.<br>Wenckebachstraat 1, 1951 JZ Velsen-Noord, Ijmuiden Netherlands | 100.00 |
| 171. | Tata Steel Norway Byggsystemer A/S<br>Roraskogen 2, 3739 Skien, Norway | 100.00 |
| 172. | Tata Steel Sweden Byggsystem AB<br>Haldelsvagen, 4 30230 Halmstad, Sweden | 100.00 |
| 173. | Tata Steel UK Consulting Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 174. | Tata Steel UK Holdings Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 175. | Tata Steel UK Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 176. | Tata Steel USA Inc.<br>475 N Martingale Road, Suite 400, Schaumburg IL 60173, USA | 100.00 |
| 177. | The Newport And South Wales Tube Company Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 178. | The Stanton Housing Company Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 179. | The Templeborough Rolling Mills Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 180. | Thomas Processing Company<br>Delaware Avenue N.W., Warren, 44485-2699 Ohio, USA | 100.00 |
| 181. | Thomas Steel Strip Corp.<br>Delaware Avenue N.W., Warren, 44485 2699 Ohio, USA | 100.00 |
| 182. | Toronto Industrial Fabrications Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 183. | TS South Africa Sales Office Proprietary Limited<br>Komogelo Suite A1 & B1 Lakefield Avenue, Lakefield, Benoni South Africa | 100.00 |
| 184. | Tulip UK Holdings (No. 2) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 185. | Tulip UK Holdings (No. 3) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 186. | U.E.S. Bright Bar Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 187. | UK Steel Enterprise Limited<br>The Innovation Centre 217 Portobello, Sheffield S1 4DP | 100.00 |
| 188. | UKSE Fund Managers Limited<br>The Innovation Centre 217 Portobello, Sheffield S1 4DP | 100.00 |
| 189. | Unitol SAS<br>1 Rue Fernand Raynaud, Corbeil Essonnes 91814, France | 100.00 |
| 190. | Walker Manufacturing And Investments Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 191. | Walkersteelstock Ireland Limited<br>Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12 | 100.00 |
| 192. | Walkersteelstock Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 193. | Westwood Steel Services Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 194. | Whitehead (Narrow Strip) Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 195. | British Steel Trading Limited<br>30 Millbank, London, SW1P 4WY | 100.00 |
| 196. | T S Global Minerals Holdings Pte Ltd.<br>22 Tanjong Kling Road Singapore 628048 | 100.00 |
| 197. | Al Rimal Mining LLC<br>P O Box 54, Muscat, Sultanate of Oman, Postal Code 100 | 100.00 |
| 198. | Kalimati Coal Company Pty. Ltd.<br>Level 2, 400 Queen Street, Brisbane QLD 4000 I GPO Box 2778, Brisbane QLD 4001 | 100.00 |
| 199. | TSMUK Limited<br>18 Grosvenor Place, London.SW1X 7HS | 100.00 |
| 200. | Tata Steel Minerals Canada Ltd<br>Park Place, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8 | 77.68 |
| 201. | T S Canada Capital Limited<br>Park Place, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8 | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 202. | Tata Steel International (Singapore) Holdings Pte. Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |
| 203. | Tata Steel International (Shanghai) Ltd.<br>Room 2006, No. 568 Hengfeng Road, Zhabei District, 200070, Shanghai, China | 100.00 |
| 204. | Tata Steel International (Singapore) Pte. Ltd.<br>22 Tanjong Kling Road, Singapore 628048 | 100.00 |
| 205. | Tata Steel International (Asia) Limited<br>Unit 2313-15, 23/F., Bea Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong | 100.00 |
| 206. | Tata Steel (Thailand) Public Company Ltd.<br>555 Rasa Tower 2, 20th Floor, Phaholyothin Road, Chatuchak, Bangkok 10900, Thailand | 67.90 |
| 207. | N.T.S Steel Group Plc.<br>No. 351, Moo 6, 331 Highway, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230, Thailand | 99.76 |
| 208. | The Siam Construction Steel Co. Ltd.<br>Plot 1-23, Map Ta Phut Industrial Estate, Amphur Muang, Rayong 21150, Thailand | 99.99 |
| 209. | The Siam Iron And Steel (2001) Co. Ltd.<br>No. 49 Moo 11, Tambon Bang Khamode, Ampher Ban Mor, Saraburi 18270, Thailand | 99.99 |
| 210. | T S Global Procurement Company Pte. Ltd.<br>22 Tanjong Kling Road Singapore 628048 | 100.00 |
| 211. | ProCo Issuer Pte. Ltd.<br>22 Tanjong Kling Road Singapore 628048 | 100.00 |
| 212. | Tata Steel Odisha Limited<br>Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001<br>CIN: U27310MH2012PLC232512 | 100.00 |
| 213. | Tata Steel Processing and Distribution Limited<br>Tata Centre, 43 Chowringhee Road, Kolkata - 700 071<br>CIN: U27109WB1997PLC084005 | 100.00 |
| 214. | Tayo Rolls Limited<br>3 Circuit House Area (North-East), Road No. 11 PO & PS - Bistupur, Jamshedpur - 831 001<br>CIN: L27105JH1968PLC000818 | 54.91 |
| 215. | The Tata Pigments Limited<br>Sakchi Boulevard, Jamshedpur - 831 002<br>CIN: U24100JH1983PLC001836 | 100.00 |
| 216. | The Tinplate Company of India Ltd<br>4, Bankshall Street, Kolkata-700 001<br>CIN: L2811WB1920PLC003606 | 74.96 |
| 217. | Tata Steel Foundation<br>6th Floor, One Forbes, No. 1, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400 001<br>CIN: U85300MH2016NPL284815 | 100.00 |
| 218. | Jamshedpur Football and Sporting PrivateLimited<br>6th Floor, One Forbes, No. 1, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400 001<br>CIN: U92490MH2017PTC297047 | 100.00 |
| 219. | Sakchi Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27310MH2018PLC304205 | 100.00 |
| 220. | Jugsalai Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27109MH2018PLC304352 | 100.00 |
| 221. | Noamundi Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27320MH2018PLC304346 | 100.00 |
| 222. | Straight Mile Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27300MH2018PLC304187 | 100.00 |
| 223. | Bamnipal Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27310MH2018PLC304494 | 100.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013** | | |
| 224. | Tata Steel BSL Limited<br>Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065<br>CIN: L74899DL1983PLC014942 | 72.65 |
| 225. | Bhushan Steel (Orissa) Limited<br>Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065<br>CIN: U27100DL2010PLC202028 | 100.00 |
| 226. | Bhushan Steel (South) Limited<br>Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065<br>CIN: U27100DL2010PLC202027 | 100.00 |
| 227. | Bhushan Steel Madhya Bharat Limited<br>Ground Floor, Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065<br>CIN: U27100DL2010PLC202026 | 100.00 |
| 228. | Bhushan Steel (Australia) PTY Ltd.<br>Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000 | 90.97 |
| 229. | Bowen Energy PTY Ltd.<br>Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000 | 100.00 |
| 230. | Bowen Coal PTY Ltd.<br>Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000 | 100.00 |
| 231. | Bowen Consolidated PTY Ltd.<br>Mitchell & Partners, Suite 3 Level 2, 66 Clarence Street, Sydney NSW 2000 | 100.00 |
| 232. | Bistupur Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27310MH2018PLC304376 | 100.00 |
| 233. | Jamadoba Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27109MH2018PLC304486 | 100.00 |
| 234. | Dimna Steel Limited<br>Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506<br>CIN: U27209MH2018PLC304623 | 100.00 |
| 235. | Bhubaneshwar Power Private Limited<br>Golden Edifice, 1st Floor, Opp: Visweswaraya Statue, Khairatabad Circle, Hyderabad - 500 004<br>CIN: U40109TG2006PTC050759 | 100.00 |
| 236. | Creative Port Development Private Limited<br>Tarapur Complex, Plot No. F8, Midc, Tarapur Industrial Area, Palghar, Thane - 401506, Maharashtra<br>CIN: U63032MH2006PTC234335 | 51.00 |
| 237. | Subarnarekha Port Private Limited<br>MIG-93, Ananthvihar, Phase - 1, Pokhariput, Bhubaneswar, Puri - 751020, Odisha<br>CIN: U45203OR2008PTC010351 | 50.4 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Associate Companies (Pursuant to Section 2(6) of Companies Act, 2013)** | | |
| 1. | Kalinga Aquatic Ltd<br>259, Sipasurubali, Puri, Odisha<br>CIN: U05004OR1989PLC002356 | 30.00 |
| 2. | Kumardhubi Fireclay & Silica Works Ltd<br>Chartered Bank Building, 4, Netaji Subhash Road, Kolkata, West Bengal - 700 001<br>CIN: U45209WB1915PLC002601 | 27.78 |
| 3. | Kumardhubi Metal Casting and Engineering Limited<br>Xlri Campus, Circuit House, Area, Jamshedpur, Jharkhand - 831 001<br>CIN: U27100JH1983PLC001890 | 49.31 |
| 4. | Strategic Energy Technology Systems Private Limited<br>24, Bombay House, First Floor, Homi Mody Street, Mumbai - 400 001<br>CIN: U72900MH2006PTC163193 | 25.00 |
| 5. | Tata Construction & Projects Ltd.<br>6 A Middleton Street, Kolkata - 700 071 | 27.19 |
| 6. | TRF Limited.<br>11, Station Road, Burmamines, Jamshedpur-831 007, Jharkhand<br>CIN: L74210JH1962PLC000700 | 34.11 |
| 7. | TRF Singapore Pte Limited<br>6 Battery Road, #10-01, Singapore - 049906 | 100.00 |
| 8. | TRF Holdings Pte Limited<br>6 Battery Road, #10-01, Singapore - 049906 | 100.00 |
| 9. | Dutch Lanka Trailer Manufactures Limited<br>Nattandiya Road, Dankotuwa, Sri Lanka | 100.00 |
| 10. | Dutch Lanka Engineering (Private) Limited<br>No. 575, 1st Floor, Orumix Building, Nawala Road, Rajagiriya, Sri Lanka | 100.00 |
| 11. | Dutch Lanka Trailer LLC<br>PO Box 453, PC 217, Salalah, Al-Awqdain, Sultanate of Oman | 70.00 |
| 12. | Hewitt Robins International Ltd<br>Huntingdon Court, Huntingdon Way, Measham, Derbyshire, DE127NQ,U.K | 100.00 |
| 13. | Hewitt Robins International Holdings Ltd<br>Huntingdon Court, Huntingdon Way, Measham, Derbyshire, DE127NQ,U.K | 100.00 |
| 14. | Malusha Travels Pvt Ltd<br>Bank of Baroda Bldg, Bombay Samachar Marg, Mumbai - 400 001, Maharashtra<br>CIN: U63040MH1988PTC049514 | 33.23 |
| 15. | European Profiles (M) Sdn. Bhd.<br>Lot 51, Rawang Industrial Park, Selangor Darul Ehsan, Kualalumpur, Malaysia | 20.00 |
| 16. | Albi Profils SRL<br>Zone Industrielle D'albi-Jarlard, Rue Lebon, 81000 Albi, France | 30.00 |
| 17. | GietWalsOnderhoudCombinatie B.V.<br>PO Box 159, 1940, AD Beverwijk | 50.00 |
| 18. | Hoogovens Gan Multimedia S.A. De C.V.<br>Zaragoza 1300, Sur 6400, Monterrey, 82235, Mexico | 50.00 |
| 19. | ISSB Limited<br>Corinthian House, 17 Lansdowne Road, Croydon, Greater London, England, CR0 2BX | 50.00 |
| 20. | Wupperman Staal Nederland B.V.<br>Vlasweg 19, 4782 PW Moerdijk, Netherlands | 30.00 |
| 21. | Fabsec Limited<br>Cellbeam Ltd., Unit 516, Avenue East, Thorp Arch Estate, Wetherby, West Yorkshire, England, LS237DB | 25.00 |
| 22. | New Millennium Iron Corp.<br>1000 - 250 2nd Street SW, Calgary AB, Canada | 26.18 |
| 23. | 9336-0634 Québec Inc<br>720-900 BOUL. René-Lévesque Est, Québec, G1R2B5, Canada | 33.33 |
| 24. | Bhushan Energy Limited<br>Regus, Level S 2, American Plaza, Nehru Place, New Delhi - 110 019<br>CIN: U40105DL2005PLC140748 | 47.71 |
| 25. | Bhushan Capital & Credit Services Private Limited<br>Cabin No. 1, 1205, 89 Hemkunth Chamber, Nehru Place, New Delhi - 110 019<br>CIN: U74899DL1993PTC054636 | 42.58 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Associate Companies (Pursuant to Section 2(6) of Companies Act, 2013)** | | |
| 26. | Jawahar Credit & Holdings Private Limited<br>Cabin No. 1, 1205, 89 Hemkunth Chamber, Nehru Place, New Delhi - 110 019<br>CIN: U74899DL1993PTC054635 | 39.65 |
| 27. | Himalaya Steel Mill Services Private Limited<br>Ground Floor, Rings & Agrico Building Armoury Road Northern Town, Jamshedpur, Jharkhand, 831001<br>CIN: U74900JH2009PTC000689 | 26.00 |
| 28. | mjunction services limited<br>Tata Centre,43 J L Nehru Road, Kolkata - 700 071<br>CIN: U00000WB2001PLC115841 | 50.00 |
| 29. | S & T Mining Company Private Limited<br>Tata Centre, 1st Floor, 43, J. L. Nehru Road, Kolkata - 700 071 (W.B.)<br>CIN: U13100WB2008PTC129436 | 50.00 |
| 30. | Tata BlueScope Steel Private Limited<br>Metrolpolitan, Survey No. 21, Final Plot No. 27, Wakdewadi, Shivaji Nagar, Pune - 411 005<br>CIN: U45209PN2005PTC020270 | 50.00 |
| 31. | BlueScope Lysaght Lanka (Pvt) Ltd<br>No. 26 & 27, Sapugaskanda Industrial Estate, Pattiwila Road, Sapugaskanda | 100.00 |
| 32. | Tata NYK Shipping Pte Ltd.<br>11 Keppel Road, #10-03, Abi Plaza, Singapore – 089057 | 50.00 |
| 33. | Tata NYK Shipping (India) Private Limited<br>1401, PS Srijan Corporate Park, 14th Floor, Tower-1, Block-GP, Sector-V, Saltlake, Kolkata - 700 091 (India)<br>CIN: U61100WB2007PTC118354 | 100.00 |
| 34. | Jamshedpur Continuous Annealing & Processing Company Private Limited<br>Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 071<br>CIN: U27310WB2011PTC160845 | 51.00 |
| 35. | T M Mining Company Limited<br>Tata Centre, 43 Jawaharlal Nehru Road, Kolkata - 700 071<br>CIN: U13100WB2010PLC156401 | 74.00 |
| 36. | TM International Logistics Limited<br>43 J L Nehru Road, Tata Centre, Kolkata - 700 071<br>CIN: U63090WB2002PLC094134 | 51.00 |
| 37. | International Shipping and Logistics FZE<br>Office No. TPOFCA0140, P O Box 18490, Jebel Ali, Dubai United Arab Emirates | 100.00 |
| 38. | TKM Global China Ltd.<br>Unit G, Floor 11, Hengji Mansion, No. 99 Huai Hai East Road, Shanghai - 200021, P.R. China | 100.00 |
| 39. | TKM Global GmbH<br>Spladingstrasse 210, 20097 Hamburg, Germany | 100.00 |
| 40. | TKM Global Logistics Limited<br>Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 071<br>CIN: U51109WB1991PLC051941 | 100.00 |
| 41. | Industrial Energy Limited<br>C/O - The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009, Maharashtra, India<br>CIN: U74999MH2007PLC167623 | 26.00 |
| 42. | Jamipol Limited<br>Namdih Road, Burmamines, Jamshedpur - 831007<br>CIN: U24111JH1995PLC009020 | 39.78 |
| 43. | Nicco Jubilee Park Limited<br>Jheel Meel, Sector-IV, Salt Lake City, Kolkata, West Bengal - 700 106<br>CIN: U45201WB2001PLC092842 | 25.31 |
| 44. | Medica TS Hospital Private Limited<br>S-125, Maitri Vihar, P. O. - Rail Vihar, P. S. – Chandrasekharpur, Bhubaneswar - 751 023, Odisha<br>CIN: U85110OR2014PTC018162 | 26.00 |
| 45. | SEZ Adityapur Limited.<br>Sakchi Boulevard Road, Northern Town, Jamshedpur - 831 005<br>CIN: U45200JH2006PLC012633 | 51.00 |
| 46. | Naba Diganta Water Management Limited<br>Gn 11-19, Sector-V, Salt Lake, Kolkata - 700 091<br>CIN: U93010WB2008PLC121573 | 74.00 |

| Sl. No. | Name and address of the Company | Holding (%) |
|---|---|---|
| **Associate Companies (Pursuant to Section 2(6) of Companies Act, 2013)** | | |
| 47. | Air Products Llanwern Limited<br>Hersham Place Technology Park, Molesey Road, Walton on Thames Surrey, KT12 4RZ | 50.00 |
| 48. | Laura Metaal Holding B.V.<br>Rimurgerweg 40, 6471 XX Eygelshoven, Netherlands | 49.00 |
| 49. | Ravenscraig Limited<br>15 Atholl Crescent, Edinburgh, EH3 8HK, Scotland | 33.33 |
| 50. | Tata Steel Ticaret AS<br>Cumhuriyet Caddesi No:48 Pegasus Evi Kat:7 Harbiye 34367 Istanbul, Turkey | 50.00 |
| 51. | Texturing Technology Limited<br>PO Box 22, Texturing Technology Ltd Central Road, Tata Steel Site Margam, Port Talbot, West Glamorgan, Wales, SA13 2YJ | 50.00 |
| 52 | Hoogovens Court Roll Service Technologies VOF<br>Wenckebachstraat 1, 1951 Jz Velsen-Noord, Netherlands | 50.00 |
| 53. | Minas De Benga (Mauritius) Limited<br>C/o Ocorian Corporate Services Ltd, 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius | 35.00 |
| 54. | Andal East Coal Company Private Limited<br>37, Shakespeare Sarani, 4th Floor, Kolkata - 700 017<br>CIN: U10300WB2009PTC138558 | 33.89 |

**Note:** Companies listed from Sl. No. 27 to 54 are joint venture companies

## IV Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

### A Fully Paid-Up Equity Shares

### i) Category-wise Share Holding

| Sl No. | Category of Shareholders | Number of shares held (April 1, 2018) | | | | Number of shares held (March 31, 2019) | | | | % Change |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Electronic | Physical | Total | % | Electronic | Physical | Total | % | |
| **(A) Promoters (including Promoter Group)** | | | | | | | | | | |
| (1) | Indian | | | | | | | | | |
| (a) | Individuals/Hindu Undivided Family | - | - | - | - | - | - | - | - | - |
| (b) | Central Government | - | - | - | - | - | - | - | - | - |
| (c) | State Government(s) | - | - | - | - | - | - | - | - | - |
| (d) | Bodies Corporate | 35,98,80,277 | - | 35,98,80,277 | 31.95 | 35,98,80,601 | - | 35,98,80,601 | 31.95 | - |
| (e) | Financial Institutions/Banks | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (Trust) | 10,31,460 | - | 10,31,460 | 0.09 | - | - | - | - | (0.09) |
| **Sub-Total (A) (1)** | | **36,09,11,737** | **-** | **36,09,11,737** | **32.04** | **35,98,80,601** | **-** | **35,98,80,601** | **31.95** | **(0.09)** |
| (2) | Foreign | | | | | | | | | |
| (a) | Individuals<br>Non-Resident Individuals | - | - | - | - | - | - | - | - | - |
| (b) | Other Individuals | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Banks/FI | - | - | - | - | - | - | - | - | - |
| (e) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-Total (A) (2)** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)** | | **36,09,11,737** | **-** | **36,09,11,737** | **32.04** | **35,98,80,601** | **-** | **35,98,80,601** | **31.95** | **(0.09)** |
| **(B)** | **Public Shareholding** | | | | | | | | | |
| (1) | Institutions | | | | | | | | | |
| (a) | Mutual Funds | 14,75,65,586 | 26,658 | 14,75,92,244 | 13.10 | 16,46,08,291 | 26,357 | 16,46,34,648 | 14.61 | 1.51 |
| (b) | Financial Institutions/Banks | 18,95,090 | 1,60,202 | 20,55,292 | 0.18 | 43,13,216 | 1,59,322 | 44,72,538 | 0.40 | 0.21 |
| (c) | Central Government | 6,83,823 | - | 6,83,823 | 0.06 | 12,17,242 | - | 12,17,242 | 0.11 | 0.05 |
| (d) | State Governments(s) | 500 | 1,11,277 | 1,11,777 | 0.01 | 500 | 1,11,277 | 1,11,777 | 0.01 | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Companies | 15,21,05,744 | 1,380 | 15,21,07,124 | 13.50 | 16,98,31,669 | 1,230 | 16,98,32,899 | 15.08 | 1.57 |
| (g) | Foreign Institutional Investors | 21,61,08,805 | 16,945 | 21,61,25,750 | 19.19 | 17,18,86,794 | 15,070 | 17,19,01,864 | 15.26 | (3.93) |
| (h) | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| (i) | Any Other (specify) | | | | | | | | | |

| Sl No. | Category of Shareholders | Number of shares held (April 1, 2018) | | | | Number of shares held (March 31, 2019) | | | | % Change |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Electronic | Physical | Total | % | Electronic | Physical | Total | % | |
| (i - 1) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| (i - 2) | Foreign Institutional Investors - DR | - | - | - | - | - | - | - | - | - |
| (i - 3) | Foreign Bodies – DR | 5,66,956 | - | 5,66,956 | 0.05 | 3,23,635 | - | 3,23,635 | 0.03 | (0.02) |
| (i - 4) | Foreign Portfolio Investments – Individual | 892 | - | 892 | - | 892 | - | 892 | - | - |
| (i - 5) | Foreign National- DR | 164 | - | 164 | - | 164 | - | 164 | - | - |
| (i - 6) | Alternate Investment Funds | 1,000 | - | 1,000 | - | 34,095 | - | 34,095 | - | - |
| (i - 7) | Foreign National | 762 | - | 762 | - | 2,105 | - | 2,105 | - | - |
| (i – 8) | UTI | 15,191 | 16,387 | 31,578 | - | 260 | 16,197 | 16,457 | - | - |
| **Sub-Total (B) (1)** | | **51,89,44,513** | **3,32,849** | **51,92,77,362** | **46.10** | **51,22,18,863** | **3,29,453** | **51,25,48,316** | **45.50** | **(0.60)** |
| (2) | Non-Institutions | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i | Indian | 1,48,89,046 | 2,42,642 | 1,51,31,688 | 1.34 | 1,50,18,429 | 2,26,070 | 1,52,44,499 | 1.35 | 0.01 |
| ii | Overseas | 4,500 | - | 4,500 | - | 4,500 | - | 4,500 | - | - |
| (b) | Individuals - | | | | | | | | | |
| i | Individual shareholders holding nominal share capital up to ₹1 lakh | 13,41,07,082 | 1,84,82,698 | 15,25,89,780 | 13.55 | 14,38,58,160 | 1,54,73,274 | 15,93,31,434 | 14.14 | 0.60 |
| ii | Individual shareholders holding nominal share capital in excess of ₹1 lakh | 3,23,54,125 | 18,43,873 | 3,41,97,998 | 3.04 | 2,85,38,493 | 15,23,841 | 3,00,62,334 | 2.67 | (0.37) |
| (c) | Any Other | | | | | | | | | |
| i | Trusts | 70,93,589 | 51,28,424 | 1,22,22,013 | 1.08 | 1,09,08,766 | 34,02,549 | 1,43,11,315 | 1.27 | 0.19 |
| ii | IEPF Account | 28,71,968 | - | 28,71,968 | 0.25 | 32,58,266 | - | 32,58,266 | 0.29 | 0.03 |
| Iii | HUF | 51,47,726 | 2,740 | 51,50,466 | 0.46 | 54,84,862 | 1,973 | 54,86,835 | 0.49 | 0.03 |
| Iv | Clearing Member | 1,12,34,497 | - | 1,12,34,497 | 1.00 | 99,38,585 | - | 99,38,585 | 0.88 | (0.12) |
| v | LLP/LLP-DR | 1,52,155 | - | 1,52,155 | 0.01 | 29,49,037 | - | 29,49,037 | 0.26 | 0.25 |
| (d) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| **Sub-total (B) (2)** | | **20,78,54,688** | **2,57,00,377** | **23,35,55,065** | **20.73** | **21,99,59,098** | **2,06,27,707** | **24,05,86,805** | **21.35** | **0.62** |
| **Total Public Shareholding (B) = (B)(1)+(B)(2)** | | **72,67,99,201** | **2,60,33,226** | **75,28,32,427** | **66.83** | **73,21,77,961** | **2,09,57,160** | **75,31,35,121** | **66.85** | **0.02** |
| **(C)** | **Shares held by Custodians and against which Depository Receipts have been issued*** | 1,27,40,651 | - | 1,27,40,651 | 1.13 | 1,34,73,958 | - | 1,34,73,958 | 1.20 | 0.06 |
| **GRAND TOTAL (A)+(B)+(C)** | | **1,10,04,51,589** | **2,60,33,226** | **1,12,64,84,815** | **100.00** | **1,10,55,32,520** | **2,09,57,160** | **1,12,64,89,680** | **100.00** | |

**Note:**

*This represents public non-institutional shareholding.

## ii) Shareholding of Promoter (including Promoter Group)

| Sl. no | Shareholder's Name | Shareholding (April 1, 2018) | | | Shareholding (March 31, 2019) | | | % change in shareholding |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares | % of Shares Pledged/ encumbered | No. of Shares | % of total Shares | % of Shares Pledged/ encumbered | |
| 1 | Tata Sons Private Limited – Promoter | 34,31,42,275 | 30.46 | 1.24 | 34,31,42,275 | 30.46 | 1.24 | - |
| 2 | Tata Motors Limited | 51,41,696 | 0.46 | - | 51,41,696 | 0.46 | - | - |
| 3 | Tata Chemicals Ltd | 28,90,693 | 0.26 | - | 28,90,693 | 0.26 | - | - |
| 4 | Tata Investment Corporation Limited | 39,27,625 | 0.35 | - | 39,27,625 | 0.35 | - | - |
| 5 | Ewart Investments Limited | 20,82,364 | 0.18 | - | 20,82,364 | 0.18 | - | - |
| 6 | Rujuvalika Investments Limited (2) | 11,68,393 | 0.10 | - | 11,68,393 | 0.10 | - | - |
| 7 | Sir Dorabji Tata Trust | 8,42,460 | 0.07 | - | - | - | - | (0.07) |
| 8 | Tata Motors Finance Limited | 5,70,188 | 0.05 | - | 5,70,188 | 0.05 | - | - |
| 9 | Tata Industries Limited | 9,39,358 | 0.08 | - | 9,39,358 | 0.08 | - | - |
| 10 | Sir Ratan Tata Trust | 1,89,000 | 0.02 | - | - | - | - | (0.02) |
| 11 | Titan Company Limited | 2,025 | - | - | 2,349 | - | - | - |
| 12 | Tata Capital Limited | 15,660 | - | - | 15,660 | - | - | - |
| **Total** | | **36,09,11,737** | **32.04** | **1.24** | **35,98,80,601** | **31.95** | **1.24** | **(0.09)** |

**Notes:**

(1) Entities listed from Sl. No. 2 to 12 above form part of the Promoter Group.

(2) 11,68,393 Ordinary Shares held by Rujuvalika Investments Limited (a wholly-owned subsidiary of the Company effective May 8, 2015), do not carry any voting rights

## iii) Change in Promoter's (including Promoter Group) Shareholding

| Particulars | Date | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| **Titan Company Limited** | | | | | |
| At the beginning of the year | April 1, 2018 | 2,025 | - | 2,025 | - |
| Increase during the year (Allotment of shares kept in abeyance during Rights Issue of 2018) | August 17, 2018 | 324 | - | 2,349 | - |
| At the end of the year | March 31, 2019 | 2349 | - | 2349 | - |
| **Sir Dorabji Tata Trust** | | | | | |
| At the beginning of the year | April 1, 2018 | 8,42,460 | 0.07 | 8,42,460 | 0.07 |
| Change during the year (Decrease due to sale of Shares) | May 25, 2018 | (8,42,460) | (0.07) | - | - |
| At the end of the year | March 31, 2019 | - | - | - | - |
| **Sir Ratan Tata Trust** | | | | | |
| At the beginning of the year | April 1, 2018 | 1,89,000 | 0.02 | 1,89,000 | 0.02 |
| Change during the year (Decrease due to sale of Shares) | May 25, 2018 | (1,89,000) | (0.02) | - | - |
| At the end of the year | March 31, 2019 | - | - | - | - |

## iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No | Name of shareholders | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | **Life Insurance Corporation of India** | | | | |
| | At the beginning of the year | 10,83,88,660 | 9.62 | 10,83,88,660 | 9.62 |
| | Bought during the year | - | - | 10,83,88,660 | 9.62 |
| | Sold during the year | - | - | 10,83,88,660 | 9.62 |
| | At the end of the year | 10,83,88,660 | 9.62 | 10,83,88,660 | 9.62 |
| 2 | **HDFC Trustee Company Limited** | | | | |
| | At the beginning of the year | 3,73,29,326 | 3.31 | 3,73,29,326 | 3.31 |
| | Bought during the year | 1,15,10,783 | 1.02 | 4,88,40,109 | 4.34 |
| | Sold during the year | (54,47,012) | (0.48) | 4,33,93,097 | 3.85 |
| | At the end of the year | 4,33,93,097 | 3.85 | 4,33,93,097 | 3.85 |
| 3 | **Reliance Capital Trustee Co. Ltd.** | | | | |
| | At the beginning of the year | 3,60,62,228 | 3.20 | 3,60,62,228 | 3.20 |
| | Bought during the year | 1,63,98,731 | 1.46 | 5,24,60,959 | 4.66 |
| | Sold during the year | (1,50,13,679) | (1.33) | 3,74,47,280 | 3.32 |
| | At the end of the year | 3,74,47,280 | 3.32 | 3,74,47,280 | 3.32 |
| 4 | **Aditya Birla Sun Life Trustee Private Limited** | | | | |
| | At the beginning of the year | 1,62,03,057 | 1.44 | 1,62,03,057 | 1.44 |
| | Bought during the year | 1,86,51,356 | 1.66 | 3,48,54,413 | 3.09 |
| | Sold during the year | (1,51,23,141) | (1.34) | 1,97,31,272 | 1.75 |
| | At the end of the year | 1,97,31,272 | 1.75 | 1,97,31,272 | 1.75 |
| 5 | **ICICI Prudential Mutual Fund** | | | | |
| | At the beginning of the year | 1,18,41,996 | 1.05 | 1,18,41,996 | 1.05 |
| | Bought during the year | 1,29,46,144 | 1.15 | 2,47,88,140 | 2.20 |
| | Sold during the year | (78,19,446) | (0.69) | 1,69,68,694 | 1.51 |
| | At the end of the year | 1,69,68,694 | 1.51 | 1,69,68,694 | 1.51 |
| 6 | **ICICI Prudential Life Insurance Company Ltd.** | | | | |
| | At the beginning of the year | 15,14,260 | 0.13 | 15,14,260 | 0.13 |
| | Bought during the year | 1,55,29,496 | 1.38 | 1,70,43,756 | 1.51 |
| | Sold during the year | (16,74,061) | (0.15) | 1,53,69,695 | 1.36 |
| | At the end of the year | 1,53,69,695 | 1.36 | 1,53,69,695 | 1.36 |

| Sl. No | Name of shareholders | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| **7** | **SBI - Various Mutual Funds** | | | | |
| | At the beginning of the year | 65,43,098 | 0.58 | 65,43,098 | 0.58 |
| | Bought during the year | 1,12,39,413 | 1.00 | 1,77,82,511 | 1.58 |
| | Sold during the year | (47,69,829) | (0.42) | 1,30,12,682 | 1.16 |
| | At the end of the year | 1,30,12,682 | 1.16 | 1,30,12,682 | 1.16 |
| **8** | **Mirae Asset - Various Mutual Funds** | | | | |
| | At the beginning of the year | 54,89,866 | 0.49 | 54,89,866 | 0.49 |
| | Bought during the year | 68,72,991 | 0.61 | 1,23,62,857 | 1.10 |
| | Sold during the year | (26,73,225) | (0.24) | 96,89,632 | 0.86 |
| | At the end of the year | 96,89,632 | 0.86 | 96,89,632 | 0.86 |
| **9** | **NPS Trust - Various Funds** | | | | |
| | At the beginning of the year | 68,82,407 | 0.61 | 68,82,407 | 0.61 |
| | Bought during the year | 20,98,117 | 0.19 | 89,80,524 | 0.80 |
| | Sold during the year | (42,857) | (0.00) | 89,37,667 | 0.79 |
| | At the end of the year | 89,37,667 | 0.79 | 89,37,667 | 0.79 |
| **10** | **Government Pension Fund Global** | | | | |
| | At the beginning of the year | 1,11,13,963 | 0.99 | 1,11,13,963 | 0.99 |
| | Bought during the year | 32,72,495 | 0.29 | 1,43,86,458 | 1.28 |
| | Sold during the year | (61,87,012) | (0.55) | 81,99,446 | 0.73 |
| | At the end of the year | 81,99,446 | 0.73 | 81,99,446 | 0.73 |
| **11** | **The New India Assurance Company Limited** | | | | |
| | At the beginning of the year | 89,82,922 | 0.80 | 89,82,922 | 0.80 |
| | Bought during the year | 0 | 0.00 | 89,82,922 | 0.80 |
| | Sold during the year | (7,87,618) | (0.07) | 81,95,304 | 0.73 |
| | At the end of the year | 81,95,304 | 0.73 | 81,95,304 | 0.73 |
| **12** | **Abu Dhabi Investment Authority** | | | | |
| | At the beginning of the year | 79,78,333 | 0.71 | 79,78,333 | 0.71 |
| | Bought during the year | 32,85,920 | 0.29 | 1,12,64,253 | 1.00 |
| | Sold during the year | (46,23,288) | (0.41) | 66,40,965 | 0.59 |
| | At the end of the year | 66,40,965 | 0.59 | 66,40,965 | 0.59 |
| **13** | **SBI Life Insurance Co. Ltd.** | | | | |
| | At the beginning of the year | 45,05,961 | 0.40 | 45,05,961 | 0.40 |
| | Bought during the year | 40,16,460 | 0.36 | 85,22,421 | 0.76 |
| | Sold during the year | (21,65,934) | (0.19) | 63,56,487 | 0.56 |
| | At the end of the year | 63,56,487 | 0.56 | 63,56,487 | 0.56 |
| **14** | **DSP Blackrock - Various Mutual Funds** | | | | |
| | At the beginning of the year | 1,30,30,114 | 1.16 | 1,30,30,114 | 1.16 |
| | Bought during the year | 64,27,756 | 0.57 | 1,94,57,870 | 1.73 |
| | Sold during the year | (1,31,50,503) | (1.17) | 63,07,367 | 0.56 |
| | At the end of the year | 63,07,367 | 0.56 | 63,07,367 | 0.56 |
| **15** | **HDFC Life Insurance Company Limited** | | | | |
| | At the beginning of the year | 57,41,745 | 0.51 | 57,41,745 | 0.51 |
| | Bought during the year | 16,60,692 | 0.15 | 74,02,437 | 0.66 |
| | Sold during the year | (18,93,587) | (0.17) | 55,08,850 | 0.49 |
| | At the end of the year | 55,08,850 | 0.49 | 55,08,850 | 0.49 |

**Notes:**

(1) The above information is based on the weekly beneficiary position received from Depositories.

(2) The date wise increase or decrease in shareholding of the top ten shareholders is available on the website of the Company at www.tatasteel.com

(3) The % of total shares of the Company in respect of shares bought and sold during the year is calculated on the total share capital of the Company as on March 31, 2019.

## v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Name of the Shareholder | Shareholding (April 1, 2018) | | Shareholding (March 31, 2019) | |
|---|---|---|---|---|---|
| | | No. of Shares | % of Total Shares of the Company | No. of Shares | % of Total Shares of the Company |
| **Directors** | | | | | |
| 1 | Mr. T. V. Narendran | 2,032 | - | 2,032 | - |
| 2 | Mr. Koushik Chatterjee | 1,531 | - | 1,531 | - |
| **Key Managerial Personnel** | | | | | |
| 3 | Mr. Parvatheesam K | 100 | - | 100 | - |

**Notes:**

(1) Mr. N. Chandrasekaran, Ms. Mallika Srinivasan, Mr. O. P. Bhatt, Dr. Peter Blauwhoff, Mr. Aman Mehta, Mr. Deepak Kapoor and Mr. Saurabh Agrawal does not hold any fully paid-up ordinary shares in the Company during the year.

(2) Mr. V. K. Sharma through his relative holds 250 fully paid-up ordinary shares of the Company as on March 31, 2019

## B Partly Paid-Up Equity Shares

## i) Category-wise Share Holding

| Sl. No. | Category of Shareholders | Number of shares held (April 1, 2018) | | | | Number of shares held (March 31, 2019) | | | | % Change |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Electronic | Physical | Total | % of Total Shares | Electronic | Physical | Total | % of Total Shares | |
| **(A)** | **Promoters (Including Promoter Group)** | | | | | | | | | |
| (1) | Indian | | | | | | | | | |
| (a) | Individuals/Hindu Undivided Family | - | - | - | - | - | - | - | - | - |
| (b) | Central Government | - | - | - | - | - | - | - | - | - |
| (c) | State Governments(s) | - | - | - | - | - | - | - | - | - |
| (d) | Bodies Corporate | 3,89,42,837 | - | 3,89,42,837 | 50.16 | 3,89,42,999 | - | 3,89,42,999 | 50.16 | - |
| (e) | Financial Institutions/Banks | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (Trust) | - | - | - | - | - | - | - | - | - |
| **Sub-Total (A) (1)** | | **3,89,42,837** | **-** | **3,89,42,837** | **50.16** | **3,89,42,999** | **-** | **3,89,42,999** | **50.16** | **-** |
| (2) | Foreign | | | | | | | | | |
| (a) | Individuals Non-Resident Individuals | - | - | - | - | - | - | - | - | - |
| (b) | Other Individuals | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Banks/FI | - | - | - | - | - | - | - | - | - |
| (e) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-Total (A) (2)** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)** | | **3,89,42,837** | **-** | **3,89,42,837** | **50.16** | **3,89,42,999** | **-** | **3,89,42,999** | **50.16** | **-** |
| **(B)** | **Public Shareholding** | | | | | | | | | |
| (1) | Institutions | | | | | | | | | |
| (a) | Mutual Funds | 1,69,99,158 | - | 1,69,99,158 | 21.89 | 92,43,395 | - | 92,43,395 | 11.91 | (9.98) |
| (b) | Financial Institutions/Banks | 13,986 | - | 13,986 | 0.02 | 245 | - | 245 | - | (0.02) |
| (c) | Central Government | - | - | - | - | - | - | - | - | - |
| (d) | State Governments(s) | - | - | - | - | - | - | - | - | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Companies | 21,89,357 | - | 21,89,357 | 2.82 | 15,98,437 | - | 15,98,437 | 2.06 | (0.76) |
| (g) | Foreign Institutional Investors | 66,81,422 | 194 | 66,81,616 | 8.61 | 35,79,665 | - | 35,79,665 | 4.61 | (4.00) |
| (h) | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| (i) | Any Other (specify) | | | | | | | | | |
| (i - 1) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| (i - 2) | Foreign Institutional Investors - DR | - | - | - | - | - | - | - | - | - |
| (i - 3) | Foreign Bodies – DR | 53,633 | - | 53,633 | 0.07 | 17,133 | - | 17,133 | 0.02 | (0.05) |
| (i - 4) | Foreign Portfolio Investments – Individual | - | - | - | - | - | - | - | - | - |
| (i - 5) | Foreign National- DR | - | - | - | - | - | - | - | - | - |
| (i - 6) | Alternate Investment Funds | - | - | - | - | - | - | - | - | - |
| (i - 7) | Foreign National | 84 | - | 84 | - | 161 | - | 161 | - | - |
| (i – 8) | UTI | - | - | - | - | - | - | - | - | - |
| **Sub-Total (B) (1)** | | **2,59,37,640** | **194** | **2,59,37,834** | **33.41** | **1,44,39,036** | **-** | **1,44,39,036** | **18.60** | **(14.81)** |

| Sl. No. | Category of Shareholders | Number of shares held (April 1, 2018) | | | | Number of shares held (March 31, 2019) | | | | % Change |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Electronic | Physical | Total | % of Total Shares | Electronic | Physical | Total | % of Total Shares | |
| (2) | Non-Institutions | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i | Indian | 10,75,316 | 1,800 | 10,77,116 | 1.39 | 12,12,265 | 1,662 | 12,13,927 | 1.56 | 0.18 |
| ii | Overseas | - | - | - | - | - | - | - | - | - |
| (b) | Individuals - | | | | | | | | | |
| i | Individual shareholders holding nominal share capital up to ₹1 lakh | 76,79,326 | 2,75,030 | 79,54,356 | 10.24 | 1,48,23,765 | 2,05,279 | 1,50,29,044 | 19.36 | 19.36 |
| ii | Individual shareholders holding nominal share capital in excess of ₹1 lakh | 20,53,660 | 8 | 20,53,668 | 2.64 | 20,49,177 | - | 20,49,177 | 2.64 | (0.01) |
| (c) | Any Other | | | | | | - | | | |
| i | Trusts | 3,92,562 | 48 | 3,92,610 | 0.51 | 2,23,908 | - | 2,23,908 | 0.29 | (0.22) |
| ii | IEPF Account | - | - | - | - | - | - | - | - | - |
| iii | HUF | 5,10,495 | 488 | 5,10,983 | 0.66 | 12,24,366 | 347 | 12,24,713 | 1.58 | 0.92 |
| iv | Clearing Member | 3,46,741 | - | 3,46,741 | 0.45 | 40,71,561 | - | 40,71,561 | 5.24 | 4.80 |
| v | LLP/LLP-DR | 4,18,480 | - | 418480 | 0.54 | 4,42,340 | - | 4,42,340 | 0.57 | 0.03 |
| (d) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| **Sub-total (B) (2)** | | **1,24,76,580** | **2,77,374** | **1,27,53,954** | **16.43** | **2,40,47,382** | **2,07,288** | **2,42,54,670** | **31.24** | **14.81** |
| **Total Public Shareholding (B) = (B)(1)+(B)(2)** | | **3,84,14,220** | **2,77,568** | **3,86,91,788** | **49.84** | **3,84,86,418** | **2,07,288** | **3,86,93,706** | **49.84** | **-** |
| **(C)** | **Shares held by Custodians and against which Depository Receipts have been issued** | - | - | - | - | - | - | - | - | - |
| **GRAND TOTAL (A)+(B)+(C)** | | **7,73,57,057** | **2,77,568** | **7,76,34,625** | **100.00** | **7,74,29,417** | **2,07,288** | **7,76,36,705** | **100.00** | |

## ii) Shareholding of Promoter (including Promoter Group)

| Sl. No | Shareholder's Name | Shareholding (April 1, 2018) | | | Shareholding (March 31, 2019) | | | % change in shareholding |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares | % of Shares Pledged/ encumbered | No. of Shares | % of total Shares | % of Shares Pledged/ encumbered | |
| 1. | Tata Sons Private Limited – Promoter | 3,78,30,810 | 48.73 | - | 3,78,30,810 | 48.73 | - | - |
| 2. | Tata Motors Limited | 3,54,599 | 0.46 | - | 3,54,599 | 0.46 | - | - |
| 3. | Tata Chemicals Limited | 1,99,358 | 0.26 | - | 1,99,358 | 0.26 | - | - |
| 4. | Tata Investment Corporation Limited | 2,70,869 | 0.35 | - | 2,70,869 | 0.35 | - | - |
| 5. | Ewart Investments Limited | 1,43,611 | 0.18 | - | 1,43,611 | 0.18 | - | - |
| 6. | Tata Motors Finance Limited | 39,323 | 0.05 | - | 39,323 | 0.05 | - | - |
| 7. | Tata Industries Limited | 1,03,187 | 0.13 | - | 1,03,187 | 0.13 | - | - |
| 8. | Titan Company Limited | - | - | - | 162 | - | - | - |
| 9. | Tata Capital Limited | 1,080 | - | - | 1,080 | - | - | - |
| | | **3,89,42,837** | **50.16** | **-** | **3,89,42,999** | **50.16** | **-** | **-** |

**Note**:

Entities listed from Sl. No. 2 to 9 above form part of the Promoter Group.

## iii) Change in Promoter's (including Promoter Group) Shareholding

| Shareholder's Name | Date | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| **Titan Company Limited** | | | | | |
| At the beginning of the year | April 1, 2018 | - | - | - | - |
| Increase during the year (Allotment of shares kept in abeyance during Rights Issue 2018) | August 17, 2018 | 162 | - | 162 | - |
| At the end of the year | March 31, 2019 | 162 | - | 162 | - |

## iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Name of shareholders | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | **Reliance Capital Trustee Co. Ltd.** | | | | |
| | At the beginning of the year | 78,27,234 | 10.08 | 78,27,234 | 10.08 |
| | Bought during the year | 22,54,608 | 2.90 | 1,00,81,842 | 12.98 |
| | Sold during the year | (45,12,233) | (5.81) | 55,69,609 | 7.17 |
| | At the end of the year | 55,69,609 | 7.17 | 55,69,609 | 7.17 |
| 2 | **HDFC Trustee Company Limited** | | | | |
| | At the beginning of the year | 25,21,807 | 3.25 | 25,21,807 | 3.25 |
| | Bought during the year | - | - | 25,21,807 | 3.25 |
| | Sold during the year | (74,319) | (0.10) | 24,47,488 | 3.15 |
| | At the end of the year | 24,47,488 | 3.15 | 24,47,488 | 3.15 |
| 3 | **The New India Assurance Company Limited** | | | | |
| | At the beginning of the year | 7,76,084 | 1.00 | 7,76,084 | 1.00 |
| | Bought during the year | - | - | 7,76,084 | 1.00 |
| | Sold during the year | - | - | 7,76,084 | 1.00 |
| | At the end of the year | 7,76,084 | 1.00 | 7,76,084 | 1.00 |
| 4 | **Edelcap Securities Limited** | | | | |
| | At the beginning of the year | 2,160 | - | 2,160 | - |
| | Bought during the year | 5,89,254 | 0.76 | 5,91,414 | 0.76 |
| | Sold during the year | (2,160) | - | 5,89,254 | 0.76 |
| | At the end of the year | 5,89,254 | 0.76 | 5,89,254 | 0.76 |
| 5 | **Jhunjhunwala Rekha Rakesh** | | | | |
| | At the beginning of the year | 5,00,000 | 0.64 | 5,00,000 | 0.64 |
| | Bought during the year | 40,000 | 0.05 | 5,40,000 | 0.70 |
| | Sold during the year | - | - | 5,40,000 | 0.70 |
| | At the end of the year | 5,40,000 | 0.70 | 5,40,000 | 0.70 |
| 6 | **Government Pension Fund Global** | | | | |
| | At the beginning of the year | 7,18,974 | 0.93 | 7,18,974 | 0.93 |
| | Bought during the year | - | - | 7,18,974 | 0.93 |
| | Sold during the year | (2,05,566) | (0.27) | 5,13,408 | 0.66 |
| | At the end of the year | 5,13,408 | 0.66 | 5,13,408 | 0.66 |
| 7 | **SBI Arbitrage Opportunities Fund** | | | | |
| | At the beginning of the year | 5,63,819 | 0.73 | 5,63,819 | 0.73 |
| | Bought during the year | 44,260 | 0.05 | 6,08,079 | 0.78 |
| | Sold during the year | (1,16,453) | (0.15) | 4,91,626 | 0.63 |
| | At the end of the year | 4,91,626 | 0.63 | 4,91,626 | 0.63 |
| 8 | **Government Of Singapore** | | | | |
| | At the beginning of the year | 6,32,026 | 0.81 | 6,32,026 | 0.81 |
| | Bought during the year | - | - | 6,32,026 | 0.81 |
| | Sold during the year | (1,41,077) | (0.18) | 4,90,949 | 0.63 |
| | At the end of the year | 4,90,949 | 0.63 | 4,90,949 | 0.63 |
| 9 | **HDFC Life Insurance Company Limited** | | | | |
| | At the beginning of the year | 4,84,893 | 0.62 | 4,84,893 | 0.62 |
| | Bought during the year | - | - | 4,84,893 | 0.62 |
| | Sold during the year | - | - | 4,84,893 | 0.62 |
| | At the end of the year | 4,84,893 | 0.62 | 4,84,893 | 0.62 |
| 10 | **Franklin Templeton Investment Funds** | | | | |
| | At the beginning of the year | 3,32,388 | 0.43 | 3,32,388 | 0.43 |
| | Bought during the year | - | - | 3,32,388 | 0.43 |
| | Sold during the year | - | - | 3,32,388 | 0.43 |
| | At the end of the year | 3,32,388 | 0.43 | 3,32,388 | 0.43 |

| Sl. No. | Name of shareholders | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| **11** | **Aditya Birla Sun Life Trustee Private Limited** | | | | |
| | At the beginning of the year | 7,00,462 | 0.90 | 7,00,462 | 0.90 |
| | Bought during the year | - | - | 7,00,462 | 0.90 |
| | Sold during the year | (4,79,291) | (0.62) | 2,21,171 | 0.28 |
| | At the end of the year | 2,21,171 | 0.28 | 2,21,171 | 0.28 |
| **12** | **DSP Blackrock Various Mutual Funds** | | | | |
| | At the beginning of the year | 9,63,002 | 1.24 | 9,63,002 | 1.24 |
| | Bought during the year | - | - | 9,63,002 | 1.24 |
| | Sold during the year | (8,30,378) | (1.07) | 1,32,624 | 0.17 |
| | At the end of the year | 1,32,624 | 0.17 | 1,32,624 | 0.17 |

**Notes:**

(1) The above information is based on the weekly beneficiary position received from Depositories.

(2) The date wise increase or decrease in shareholding of the top ten shareholders is available on the website of the Company at www.tatasteel.com

(3) The % of total shares of the Company in respect of shares bought and sold during the year is calculated on the total share capital of the Company as on March 31, 2019.

### v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Name of the Shareholder | Shareholding (April 1, 2018) | | Shareholding (March 31, 2019) | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| **Directors** | | | | | |
| 1 | Mr. T. V. Narendran | 139 | - | 139 | - |
| 2 | Mr. Koushik Chatterjee | 105 | - | 105 | - |

**Note:**

Mr. N. Chandrasekaran, Ms. Mallika Srinivasan, Mr. O. P. Bhatt, Dr. Peter Blauwhoff, Mr. Aman Mehta, Mr. Deepak Kapoor, Mr. Saurabh Agrawal and Mr. V. K. Sharma does not hold any partly paid-up ordinary shares in the Company during the year.

## V. INDEBTEDNESS

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

(₹ crore)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| (i) Principal Amount | *2,528.86 | 25,596.94 | - | 28,125.80 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | 556.01 | - | 556.01 |
| **Total (i+ii+iii)** | **2,528.86** | **26,152.95** | **-** | **28,681.81** |
| **Change in Indebtedness during the financial year** | | | | |
| • Addition | 69.68 | **6,310.17 | - | 6,379.85 |
| • Reduction | 26.35 | #4,764.48 | - | 4,790.83 |
| **Net Change** | **43.33** | **1,545.69** | **-** | **1,589.02** |
| **Indebtedness at the end of the financial year** | | | | |
| (i) Principal Amount | *2,572.19 | 27,129.28 | - | 29,701.47 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | 569.36 | - | 569.36 |
| **Total (i+ii+iii)** | **2,572.19** | **27,698.64** | **-** | **30,270.83** |

*includes funded interest on SDF loan of ₹924.77 crore (31.03.2018: ₹855.09 crore)

**includes revaluation loss (net) of ₹59.12 crore on forex loans and amortisation of loan issue and premium and discount expenses aggregating ₹204.23 crore under effective interest rate method.

#includes realised exchange loss (net) of ₹0.69 crore on repayment of forex loans.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration of Managing Director, Whole-time Directors and/or Manager

(₹ lakh)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|---|---|---|---|---|
| | | Mr. T. V. Narendran CEO & MD | Mr. Koushik Chatterjee ED & CFO | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax, Act 1961 | 201.53 | 187.24 | 388.77 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 103.76 | 153.64 | 257.40 |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | 800.00 | 725.00 | 1,525.00 |
| 5 | Others (retirement benefits) | 17.34 | 16.26 | 33.60 |
| | **Total** | **1,122.63** | **1,082.14** | **2,204.77** |
| | Ceiling as per the Companies Act, 2013 | | | 1,52,517 |

### B. Remuneration to other Directors

(₹ lakh)

| Sl. No | Name | Commission | Sitting Fees | Total Compensation |
|---|---|---|---|---|
| **I** | **Non-Executive Directors** | | | |
| 1 | Mr. Natarajan Chandrasekaran - Chairman (1) | - | 4.80 | 4.80 |
| 2 | Mr. D. K. Mehrotra (2) | 38.00 | 2.40 | 40.40 |
| 3 | Mr. Saurabh Agrawal (3) | - | 6.40 | 6.40 |
| 4 | Mr. Vijay Kumar Sharma (4) | 36.00 | 1.20 | 37.20 |
| | **Total (I)** | **74.00** | **14.80** | **88.80** |
| **II** | **Independent Directors** | | | |
| 1 | Ms. Mallika Srinivasan | 125.00 | 4.00 | 129.00 |
| 2 | Mr. O. P. Bhatt | 181.00 | 9.60 | 190.60 |
| 3 | Dr. Peter Blauwhoff | 111.00 | 6.80 | 117.80 |
| 4 | Mr. Aman Mehta | 90.00 | 4.80 | 94.80 |
| 5 | Mr. Deepak Kapoor | 106.00 | 8.00 | 114.00 |
| | **Total (II)** | **613.00** | **33.20** | **646.20** |
| | **Grand Total (I + II)** | **687.00** | **48.00** | **735.00** |
| | Overall Ceiling as per the Companies Act, 2013 | | | 15,252 |

**Notes:**

(1) As a Policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

(2) Mr. D. K. Mehrotra stepped down as a Member of the Board effective May 16, 2018. The commission of Mr. D. K. Mehrotra was paid to Life Insurance Corporation of India.

(3) In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company.

(4) Mr. Vijay Kumar Sharma was appointed as an Additional (Non-Executive) Director effective August 24, 2018. The commission of Mr. Sharma is paid to Life Insurance Corporation of India.

### C. Remuneration to KMP other than MD/Manager/WTD

(₹ lakh)

| Sl. No. | Particulars of Remuneration | Mr. Parvatheesam K. Company Secretary & Chief Legal Officer (Corporate & Compliance) |
|---|---|---|
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 145.80 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 20.79 |
| | (c) Profit in lieu of salary under Section 17(3) of Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Bonus/Commission | - |
| 5 | Others (retirement benefits) | 3.33 |
| | **Total** | **169.92** |

**Note**:

Mr. Parvatheesam K was on leave between August 28, 2017 and July 11, 2018. Accordingly, his remuneration for the previous year includes salary drawn by him as Company Secretary and Compliance Officer for the period April 1, 2017 through August 27, 2017 and salary received by him up to March 31, 2018 towards his earned leave. His remuneration for the current year includes salary drawn by him for the period July 12, 2018 through March 31, 2019.

## VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES

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

sd/-
**T. V. Narendran**
Chief Executive Officer &
Managing Director
DIN: 03083605

sd/-
**Parvatheesam K**
Company Secretary &
Chief Legal Officer (Corporate & Compliance)
ACS: 15921

Mumbai
April 25, 2019

# ANNEXURE 10

## Particulars of Loans, Guarantees or Investments [Pursuant to Section 186 of the Companies Act, 2013]

### Amount outstanding as on March 31, 2019

(₹ crore)

| Particulars | Amount |
|---|---|
| Loans given | 65.01 |
| Guarantees given | 12,096.24 |
| Investments made | 38,929.25 |

### Loans, Guarantees given or Investments made during the Financial Year 2018-19

(₹ crore)

| Name of the Entity | Relation | Amount | Particulars of Loan, Guarantees given or Investments made | Purpose for which the loans, guarantees and investments are proposed to be utilised |
|---|---|---|---|---|
| Bamnipal Steel Limited | Subsidiary | 18,631.65* | Loan | Business purpose |
| Subarnarekha Port Private Limited | Subsidiary | 20.00 | Loan | Business purpose |
| Tata Steel Special Economic Zone Limited | Subsidiary | 13.00 | Loan | Business purpose |
| TRF Limited. | Associate | 242.00* | Loan | Business purpose |
| S & T Mining Company Private Limited | Joint Venture | 0.47 | Loan | Business purpose |
| T M Mining Company Limited | Joint Venture | 0.05# | Loan | Business purpose |
| Creative Port Development Private Limited | Subsidiary | 91.88 | Investments in Equity Shares | Business purpose |
| Tata Steel Special Economic Zone Limited | Subsidiary | 30.50 | Investments in Equity Shares | Business purpose |
| Jamshedpur Football and Sporting PrivateLimited | Subsidiary | 12.00 | Investments in Equity Shares | Business purpose |
| Bhubaneshwar Power Private Limited | Subsidiary | 23.00 | Investments in Equity Shares | Business purpose |
| Jamshedpur Utilities & Services Company Limited | Subsidiary | 4.00 | Investments in Equity Shares | Business purpose |
| Bamnipal Steel Limited | Subsidiary | 258.88 | Investments in Equity Shares | Business purpose |
| Tata Metaliks Ltd. | Subsidiary | 179.57 | Investments in Equity Shares | Business purpose |
| Subarnarekha Port Private Limited | Subsidiary | 10.01 | Investments in Equity Shares | Business purpose |
| Jamshedpur Continuous Annealing and Processing Company Private Limited | Joint Venture | 153.00 | Investments in Equity Shares | Business purpose |
| T M Mining Company Limited | Joint Venture | 0.01 | Investments in Equity Shares | Business purpose |
| Tata Metaliks Ltd. | Subsidiary | 56.05 | Investments in Warrants | Business purpose |
| Tata Steel Holdings Pte Ltd. | Subsidiary | 8,707.98 | Investments in Preference Shares | Business purpose |
| Tata Steel BSL Limited | Subsidiary | 19,700.00 | Investments in Preference Shares | Business purpose |
| Creative Port Development Private Limited | Subsidiary | 25.11 | Investments in Preference Shares | Business purpose |
| Tayo Rolls Limited | Subsidiary | 3.00 | Investments in Preference Shares | Business purpose |
| TRF Limited. | Associate | 250.00 | Investments in Preference Shares | Business purpose |

* Represents loans given and repaid during the year ended March 31, 2019

# Inter-corporate deposits has subsequently been converted into investment in equity shares during the Financial Year 2018-19

### Advance against equity as on March 31, 2019

(₹ crore)

| Name of the Entity | Relation | Amount |
|---|---|---|
| Tata Steel Special Economic Zone Limited | Subsidiary | 275.19 |

As on March 31, 2019, Company's loan in Tayo Rolls Limited, Tata Steel (KZN) (Pty) Ltd., S & T Mining Company Private Limited and Sanderson Industries Ltd. along with investment in Tayo Rolls Limited, Adityapur Toll Bridge Company Limited, Tata Steel Odisha Limited, Jamshedpur Football and Sporting Private Limited, Strategic Energy Technology Systems Private Limited, T M Mining Company Limited and S & T Mining Company Private Limited has been fully impaired.

On behalf of the Board of Directors

sd/-
**N. CHANDRASEKARAN**
Chairman
DIN: 00121863

Mumbai
April 25, 2019

# ANNEXURE 11

## Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo [Pursuant to Companies (Accounts) Rules, 2014]

## (A) Conservation of Energy

### (i) Steps taken or impact on conservation of energy

#### Jamshedpur

- Green Power initiative – successfully commissioned Coke Dry Quenching Power Plant of 40MW Capacity
- New by-product gas fired Boiler of 136 tph capacity commissioned
- Coal firing has permanently stopped at the Works, maximising the by-product gas utilisation
- Best by-product gas utilisation of 98.18% achieved
- Highest ever by-product gas-based power generation achieved
- 1.3 Lakh LED lights installed in the Works
- Lowest ever blast furnace gas flaring - 1.9% against the previous best of 3.16%
- Four Variable Frequency Drives installed for high power consuming equipment
- Lowest ever specific water consumption of 3.28 $m^3$/tcs, 11% reduction over Financial Year 2017-18
- Coal blend optimisation to The Tata Power Company Limited Jojobera units from captive mines
- Energy & Electrode consumption optimised in Laddle Furnace arcing process at LD shops through digital initiative
- Energy Performance Improvement Team (**'EPIT'**) formed to drive Energy Efficiency Campaign across the Indian operations, exploiting cross learning and synergy
- Mandatory Energy Audit carried out through an accredited Audit team as per Energy Conservation Act

#### Kalinganagar

**Blast Furnace**

- Increase in Pulverised Coal Injection (**'PCI'**) rate from 119kg/tHM to 150 kg/tHM, thereby reducing coke consumption
- Reduced specific water consumption from 0.56 $m^3$/tHM to 0.50 $m^3$/tHM by utilising waste water in slag granulation
- Reduced specific power consumption from 141 KWH/tHM to 115 KWH/tHM
- Substituted river sand by granulated slag for trough preparation
- Increase in share of dumped hot metal in granshot from 56% to 72% thereby reducing hot metal pooling

**Hot Strip Mill**

- Reduced mill specific power consumption from 122 KWH to 118 KWH through:
  - planned stoppages for longer duration in place of multiple shorter durations; and
  - higher pacing during rolling durations
- Reduced fuel consumption from 0.300 Gcal/t to 0.294 Gcal/t through air fuel ratio optimisation, Level 2 usage for combustion control and cutting fuel load during delays

**Sinter Plant**

- Reduced Water Consumption in Sinter Making in FY 2018-19 to 0.053 $m^3$/ton of Net Sinter (FY 2017-18: 0.08 $m^3$/ton)
- Reduced Solid Fuel requirement in Sinter Making in FY 2018-19 to 78 kg/ton of Net Sinter (FY 2017-18: 83 kg/ton)

**Utilities**

- Electrical power demand met from by-product gases utilisation - 56.46%
- By-product gas Utilisation - 93.98%
- Gas recovery - 45.11% of heats recovered
- TRT - Top Pressure Recovery Turbine average power generation 15MW
- Utilisation of LD gas in Coke Oven under firing to improve energy and combustion efficiency
- Centralised utility management established for efficient management of all utilities across plant
- Predictive controller model being used for ASU-Air Separation Unit to optimise power and subsequently reduction in oxygen venting

### (ii) Steps taken by the Company for utilising alternate sources of energy

#### Jamshedpur

- Initiated projects on power generation from solar and non-conventional energy source. Pilot project on low grade energy recovery on progress.

#### Kalinganagar

- Increased solid waste consumption in sinter making

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

| Particulars | ₹ crore |
|---|---|
| **Jamshedpur** | |
| Recovery of sensible heat of Coke by installation of Coke Dry Quenching System in Battery # 10 & 11 at Coke Plant | 62 |
| Replacement of Boiler # 3 at Power House # 4 | 4 |
| Installation of Variable Frequency Drive in HT motors with variable load | 1 |
| Provision for Light Diesel Oil firing facility in boilers of Power House # 4 (PH-4) | 4 |
| New LD Gas Holder | 69 |
| Capacity enhancement from 25 MW to 30 MW in PH-4 | 2 |
| **Kalinganagar** | |
| CDQ- Coke Dry Quenching | 65 |
| TRT- Top Pressure Recovery Turbine | 4 |

## (B) Technology Absorption

### 1. Efforts made towards technology absorption

### (i) Projects under Research and Development

| Project title | Benefits |
|---|---|
| **Jamshedpur** | |
| Calcium Ferrite addition trials in Basic Oxygen Furnace (**'BOF'**) to improve dephosphorisation to level < 0.01%. | Plant trials with calcium ferrite in BOF helped to tap steel below 0.01% phosphorous with more than 60% confidence from hot metal containing higher phosphorus of 0.18% than the world average of 0.10%. |
| Utilisation of Ferro chrome furnace off gas | The project was targeted to demonstrate production of bio-ethanol from ferro chrome furnace off gas using Lanzatech Technology. |
| Development of flotation reagent for reverse flotation of sub grade iron ore | Chemical regents have been developed for selective separation of alumina/ silica from iron ore slime by froth flotation process. The reagents have been conceptualised using first principle molecular modeling studies followed by lab scale synthesis and experimentation. These novel reagents show up to 10% yield improvement over commercial reagents. |
| Extraction of spinel and metal from Ferro chrome slag | Ferro chrome slag can be used for extraction of spinel and silico-chrome containing metal. Based on the laboratory results, plant trials were carried out. |
| Reduction roasting and magnetic separation of low grade Manganese ores | Low grade ferruginous manganese ores can be upgraded to high grade ores by reduction roasting and magnetic separation process. Based on the laboratory results, plant trials were carried out. |
| Nitrogen purging at Sinter plant | Plant trial helped to improve the strength of sinter and to reduce that cost of fuel. There was also a reduction in fuel consumption @2.5 kg/tonne of sinter, resulting in cost savings along with reduction of $CO_2$ emission. |
| Metallic Glass coatings on bearings | Nickel & Phosoporous containing hard metallic glass coating was deposited uniformly on bearing surface with at least double life warranty against high fatigue and electrochemical corrosion which also led to reduction in noise level. |
| Development of Advanced High Strength Steel 1000 steel for Automotive application | The steel is targeted to reduce weight of vehicle and fuel consumption |
| Development of steel for Lifting & Excavation application (>700 MPa YS) | The developed steel will help in weight reduction of equipment and cost saving. |
| Development of ferritic-bainitic780 MPa steel | The steel is targeted to reduce weight in Automotive wheel application. |
| VAVE and Early Vendor Involvement with Major Auto Customers | Value Analysis Value Engineering (**'VAVE'**) workshops were carried out for several models in FY 2018-19. These workshops are carried out to create value through cost and weight reduction ideas on the vehicle by means of use of newer steel grades, blank optimisation and engineering design changes. These activities result in improved Customer Service Index and opportunity to present Tata Steel new grades' material supply in newer models. |
| Micro-pillar forming | An innovative sheet metal forming technology has been developed and validated at lab scale mainly for automotive industry. This technology enables to increase the fatigue life of components significantly. |
| Third generation technology for full length profiling of copper staves | This technology gives reliable thickness profile along the length of the copper stave for the safe operation of blast furnaces. |
| To establish solid state joining of Aluminium to Steel for a motorbike handle application | Solid state fitting of Aluminium to Steel using magnetic pulse technique helped to achieve minimum load requirement without any post or pre-weld conditioning |

| Project title | Benefits |
|---|---|
| Improving blast furnace tuyere life | Tuyere is a copper casted component equipped with inherent cooling circuit to sustain in severe thermal environment while supplying hot blast, Pulverised coal inside the blast furnace. Based on detailed numerical analysis, modification of inherent cooling passageway of copper tuyere has been done. Modified design has yielded better cooling efficiency, lower copper temperature, lower thermal stress and reduction of incipient water boiling which will extent the tuyere life. |
| **Kalinganagar** | |
| Development of FB780 for WheelDisc Application | The development of FB780 for WheelDisc Application will help to reduce weight reduction and improve the fatigue life in vehicles. Tata Steel is the first manufacturer to produce FB780 Grade in India. |
| HS1000 | Commercial Vehicle manufacturers currently use HS800 grade produced by Tata Steel (only domestic supplier). Development of HS1000 will help to reduce vehicle weight and increase the load bearing capacity of the vehicles. Tata Steel is the first manufacturer to produce such high tensile material for commercial vehicles. |
| Development of Dual Phase Grade DP600 through CT Control in ROT | Development of Dual Phase Grade DP600 through CT Control in ROT will help to cater to growing requirements of Dual Phase Grade for various automotive applications such as WheelDiscs and other structural components for improving fatigue life and crash resistance. |

## (ii) Process Improvement:

### Jamshedpur

#### Mining:

- Establishing application of GPS based advanced portable tool to measure haul road parameters (gradient, curve radius, super elevation & rolling resistance) at Quarry - AB, West Bokaro. This will help to identify haul road problems, determine severity and allocate maintenance resources accordingly to improve haul road conditions thereby reducing haul truck fuel consumption and increasing the tyre life.
- Augmenting coal extraction ratio by increasing the backfilling rate at Bhelatand Colliery. Backfilling rate increased by ~24% by installing fish tale arrangement for homogenous mixing of water and sand.
- Site selection & prefeasibility study for underground coal gasification at Jamadoba for unlocking value from remaining coal resource (~200MT) which is unviable through current method of mining. All related baseline information/data is collated, Test bore hole drilling has been completed, hydro-geological & rock mechanics study is in progress.

#### Ore Beneficiation Technology

Recovery of Iron value from Slime using High Gradient Magnetic Separation (**'HGMS'**) Technique: In absence of adequate beneficiation facility at Noamundi, ~16% of wet Run of Mine is discarded as slime having ~8% Al2O3 and ~55% Fe. HGMS trials on pilot scale indicated a potential to recover ~50% iron value from slime having ~3.3% Al2O3 and ~63% Fe.

#### Coal Beneficiation Technology

- Enhancing visibility of critical unit operations (Flotation, Vacuum Belt Filter, Reflux Classifier & Thickeners) at West Bokaro washery#3 by installation of flow meter (6 nos), density meter(6 nos) & turbidity meter (2 nos) to improve process efficiency. 5 flow meters & 3 density meters installed till March 2019. Remaining measurement systems to be installed & commissioned by May 2019.
- Reducing misplacement of clean coal in Dense Media Cyclones (**'DMCs'**) by installation of real time monitoring system: An order has been placed on Commonwealth Scientific and Industrial Research Organisation (Australia) through minor capital scheme for procurement & installation of Electrical Impedance Spectrometer in 1 stream of DMCs (out of 4). Installation to be completed by August 2019. Based on the results, a decision for replication in the remaining streams would be taken.
- Integration of Intermediate size beneficiation circuit at Washery#3: Through detailed lab & pilot scale studies, it has been established that introduction of an intermediate circuit – Reflux Classifier for beneficiation of 0.5-0.15mm would result in clean coal yield gain by ~3-4%. A detailed project report consisting of preliminary engineering for the modified circuit, piping and instrumentation, equipment selection, specifications and general arrangement, project execution cost & duration prepared for approval & implementation.
- New generation mixing mechanism in Washery#3 Flotation cells: ~0.4% improvement in clean coal yield by replacement of conventional rotor-stator in the flotation cells with a new generation mixing mechanism.
- Hydrophobic Hydrophilic Separation – A non-conventional fine coal beneficiation technology to achieve higher clean coal yields at lower ash & moisture simultaneously: Lab scale results indicate a potential to enhance fine clean coal yield by ~4% at lower ash (<9%) and moisture (<2%). Based on the encouraging results, pilot scale studies to be carried out for establishing parameters such as specific reagent consumption, losses and power consumption, etc.

### Coal coke:

- Plastic trial at CP1 has established that 0.1% plastic in the blend can be used without affecting coke quality
- Establishing a new low-cost Indonesian coal (**'SMM'**) for TSJ blend
- Resolving the coke dumping issue at I Blast Furnace
- Evaluation of four different Bharat Coking Coal Limited coals to support domestic coal buying team

### Agglomeration:

- Usage of coke dust (generated during screening of dry quenched coke) at the rate of 10 kg/tonne started in pellet plant. This helped in the replacement of costlier conventional fuels such as coke breeze and anthracite in pelletising
- Successful trial of carbon composite briquettes produced from plant reverts was carried out at C Blast Furnace resulting in reduction in coke rate by 25 kg/tHM

### Blast Furnaces:

- Using extruded carbon-composite briquettes in the BF burden to reduce coke rate
- Curbing of raw flux additions in blast furnaces by using a predictive model

### Ferro Alloys:

- Successfully established new way of Silicon reduction in ferrochrome at Bamnipal by addition of Chrome ore mines through a series of plant trials. The concept is going to be operationalised in Financial Year 2019-20.
- Metallurgical know-how for making Carbon composite chrome ore briquette at Ferro Alloy Plant, Gopalpur to lower production cost & utilisation of plant waste is established and plant trial is on

### Process Visualisation & Diagnostics:

- Online Pile Visibility Model developed to facilitate reduction in sinter chemistry variation at TSJ - RMBB2
- Development of anomaly detection-based tool to facilitate quick process diagnosis
- Coke Oven Wall Health Monitoring System Development and Deployment at TSJ and TSK using Push Force Profile

### Process Energy & Emission:

- Intermittent disposal of last of Electrostatic Precipitator dust in sinter plants implemented in all sinter plants which resulted in reduction of 10-15 mg/nm$^3$ Suspended Particulate Matter level
- Predictive control for Total Dissolved Solid and Chemical Oxygen Demand of By-Product Plant waste water which helped in better control of Biological Oxygen Treatment process.

### Characterisation & Specialty support:

- Identification and development of Coal tar distillation Product: In a collaborative project with National Physical Laboratory (**'NPL'**), Delhi all the coal tar samples generated in Tata steel coke ovens have been characterised and its feasibility for manufacturing high end distillation carbon product such as needle coke and carbon fibre has been assessed. The suitable collaboration agencies for carrying out the test work for producing high end carbon product like needle coke/carbon fibre is identified.
- Establishing LD slag for one of the component in Portland slag cement: We have significantly progressed in the endeavour of establishing LD slag as raw mix component in Portland slag cement. In a collaborative project with National Council of cement and building material Faridabad (**'NCCBM'**), LD slag samples have been characterised and subsequent study is in progress. We are in constant interaction with BIS and have managed to incorporate LD slag samples from other major steel plants in India like Sail and JSW in the existing study with NCCBM. Successful completion of this project will help to get acceptance from Bureau of Indian Standards which will lead to complete evacuation of 0-6mm fraction of LD slag.

## Kalinganagar

### Raw Material Holding System

- Reduction in rail idle freight in Outbound logistics from 20.6% in Financial Year 2017-18 to 16.6% in Financial Year 2018-19
- Improvement in Pulverised Coal Injection rate at Blast Furnace from 150kg/tHM to 175 kg/tHM in Financial Year 2018-19 by debottlenecking PCI circuit.
- Reduction of water consumption in coke plant from 1.32 M$^3$/TGC in Financial Year 2017-18 to 1.05 M$^3$/TGC in Financial Year 2018-19

### Blast Furnace

- Improvement in fuel rate at Blast furnace from 555 kg/tHM to 540 kg/tHM using advance analytics
- Improvement in Blast Furnace coke yield from 65% in Financial Year 2017-18 to 71% in Financial Year 2018-19.

### Steel Melting Shop (**'SMS'**)

- Improvement in casting speed of SMS Caster from 1.20 Mtr/Min in Financial Year 2017-18 to 1.24 Mtr/Min in Financial Year 2018-19
- Reduction of Hot Metal and Scrap in SMS from 1,118 kg/tcs in Financial Year 2017-18 to 1,111.8 kg/tcs in Financial Year 2018-19

- Reduction of lime consumption in SMS from 75.36 kg/tcs in Financial Year 2017-18 to 70.7 kg/tcs in Financial Year 2018-19

### Hot Strip Mill

- Roughing Mill speed optimised through benchmarking with Jamshedpur and Tata Steel BSL Limited (**'TSBSL'**)
- Achieved better product properties through usage of lesser number of Finishing Mill stands (Use of 5 stands instead of 7 stands) for thicker sections
- Installed Laminar water header before Finishing Mill to avoid rescaling and hence Rolled in Scale defect
- Extra-to-order tonnage reduced by 80% because of width deviation by set up optimisation using advance analytics.
- Slab and Coil image identification mechanism for avoiding Rank-A defect
- Improve product yield by avoiding discarding prime material through usage of High resolution movable camera for detecting defects at offline inspection station

## (iii) Product Development

### Jamshedpur

- Tata Shakti, Tata Kosh and Tata Steelium launched and now, it will be commercialised through TSBSL
- Ford Global Approval for Galvanised automotive application.
- Bake hardening steel development through Jamshedpur
- Continuous Annealing & Processing Company Private Limited for automotive Commercial Vehicle segment
- Development of Eco-friendly passivation for Galvano to eliminate pre-treatment process at Customer end
- HC 80A with improved torsion properties to meet Customer demand
- Gr 3[Staple] for high speed wire drawing were to supply to niche Customer
- WR3M for high speed wire drawing increased productivity by 30%
- HC82BCr[LR] for single Low Relaxation Prestressed Concrete wire – Entry into new segment
- Fe 550D rebars with higher ductility
- Fe 600 rebars with higher strength and ductility

### Kalinganagar

- Volume Ramp up of all Automotive grades including critical grades such as HS800 @4kt/month, TPI Grades @ 8kt
- Development of Automotive Grades such as IF, FB780, JSH590BN, DP780, DP980, SPFH590 & HS1000 to improve Tata Steel's share of business in growing Automotive markets

## 2. Benefits derived from key projects:

| Project title | Benefits derived |
|---|---|
| **Jamshedpur** | |
| Roughing mill window expansion for Skin panel rolling in HSM | 8000 tonnes extra skin panel volume. Saving potential ~ 41 crore/annum |
| Improvement of productivity of New Bar Mill (**'NBM'**) by optimising water-box cooling using first principle-based model | Increase in rolling speed of 10, 12 and 16 mm rebar. One of the enabler to pave a way to cross the ABP target of NBM and reach the milestone of 1.037 MT in Financial Year 2018-19. |
| Improve the consistency in microstructure in high end High Carbon wire rods | Reduction in customer complaints and increase in productivity at customer end. |
| Successful Trial of HPPI grate bars | >1 crore/annum (potential) |
| Aluminum control prediction model (**'ACPM'**) for bath chemistry based on mill signal | Improvement in quality of galvanised automotive products from Continuous Galvanizing Line #2 |
| **Kalinganagar** | |
| Reduction in rail idle freight in Outbound logistics | Development of customised wagon builder led to 24% reduction in rail idle weight through optimised loading of coils in wagons |
| Reduction of HM+Scrap in SMS | Implementation of slag detection system in convertor and caster led to reduction in HM+Scrap by 6 kg/tcs |
| Improvement in casting speed of SMS Caster | Increase in maximum casting speed of peritectic grades with development of high speed casting powder led to increase in throughput of SMS |
| Improvement in PCI rate at BF TSK from 150kg/tHM to 175 kg/tHM inFinancial Year 2018-19 by debottlenecking PCI circuit. | PCI mill availability increased to 92% in Financial Year 2018-19 as compared to baseline of 85%. Due to this, PCI injection level increased |
| Reduction of fuel rate at Blast furnace from 555kg/tHM to 540 kg/tHM using advance analytics | Fuel rate improved from the baseline level of 555 kg/tHM in H1 Financial Year 2018-19 to 540 kg/tHM |

**3. Information regarding imported technology (last three years)**

| Sl. No. | Technology imported | Year | Status |
|---|---|---|---|
| **Jamshedpur** | | | |
| 1. | Slab Deburring & Slab Marking Machine in Caster# 1 & 3 | 2017 | Commissioned |
| 2. | Installation of Torch Cutting Machine in Caster# 1 & 3 | | |
| 3. | Installation of Tension Leveller at CGL#1 | | |
| 4. | Coil Box revamp at HSM | | |
| 5. | Installation & Commissioning of Twin RH Facility | | |
| 6. | Installation of 4th Grinder | | |
| 7. | Installation of Surface Inspection System for TSCR | | |
| 8. | Installation of new Slab Scarfing machine | | |
| 9. | Power augmentation at BFRS | | |
| 10. | Fire fighting system at LD gas holder | | |
| 11. | Hot Rolled Skin Pass & Oiled (**'HRSPO'**) coils at CRM Bara (Ph-II) | | |
| 12. | Barrel reclaimer | | |
| 13. | Conveyors for pre-screening plant at Noamundi | 2018 | |
| 14. | E BF Re-lining | | |
| 15. | H BF - Augmentation of electrics | | |
| 16. | SP#2 Dedusting system | | |
| 17. | Coke Oven Flare Stack | | |
| 18. | Upgradation of RCL1 at CRM | | |
| 19. | Dust extraction system at H BF Stockhouse | | |
| 20. | LD Slag processing plant | | |
| 21. | LD#2 Secondary emission Project-ESP-3 system | 2019 | |
| 22. | HSM Furnace skid revamping | | |
| 23. | Torch cutting at IBMD | | |
| 24. | Replacement of Boiler # 3 at PH#4 | | |
| 25. | Modification of Induration Burner at Pellet Plant | | |
| 26. | CDQ#10 and Power Plant | | |
| **Kalinganagar** | | | |
| 27. | Dynamic Soft Reduction facility in Slab Caster | 2017 | Commissioned |
| 28. | Installation of Slab tilter facility at Steel Melt Shop | 2018 | |
| 29. | Installation of RH Degasser facility at Steel Melt Shop | | |

**4. Expenditure on Research & Development (R&D)**

| | | (₹ crore) |
|---|---|---|
| (a) | Capital | 2.82 |
| (b) | Recurring | 212.97 |
| **(c)** | **Total** | **215.79** |
| (d) | Total R&D expenditure as a % of Total Turnover | 0.31 |

## (C) Foreign Exchange Earnings and Outgo

(₹ crore)

| | FY 2018-19 | FY 2017-18 |
|---|---|---|
| Foreign exchange earnings | 6,497.94 | 5,898.19 |
| Value of direct imports (C.I.F. Value) | 14,519.26 | 13,355.43 |
| Expenditure in foreign currency | 450.04 | 334.94 |

On behalf of the Board of Directors

sd/-
**N. CHANDRASEKARAN**
Chairman
DIN: 00121863

Mumbai
April 25, 2019

# FINANCIAL HIGHLIGHTS

(₹ crore)

| | Tata Steel Standalone | | Tata Steel Group | |
|---|---|---|---|---|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Revenue from operations | 70,610.92 | 60,519.37 | 1,57,668.99 | 1,24,109.69 |
| Profit/(loss) before tax | 16,227.25 | 6,638.25 | 15,905.72 | 20,956.09 |
| Profit/(loss) after tax (including discontinued operations) | 10,533.19 | 4,169.55 | 9,098.33 | 17,762.81 |
| Dividends | 1,145.92 | 971.22 | 1,144.76 | 970.05 |
| Retained earnings | 27,694.90 | 18,700.25 | 14,056.43 | 7,801.99 |
| Capital employed | 1,10,238.18 | 98,174.73 | 1,84,565.65 | 1,64,524.06 |
| Net worth | 72,729.71 | 63,789.84 | 71,289.54 | 61,807.14 |
| Borrowings | 29,701.47 | 28,125.80 | 1,00,816.22 | 92,147.05 |
| | Ratio | | Ratio | |
| Net debt: Equity | 0.42 | 0.15 | 1.43 | 1.37 |
| | ₹ | | ₹ | |
| Net worth per share as at year end | 634.68 | 556.67 | 622.75 | 539.92 |
| Earnings per share: | | | | |
| Basic | 90.41 | 38.57 | 87.75 | 128.12 |
| Diluted | 90.40 | 38.56 | 87.74 | 128.10 |
| Dividend declared per Ordinary Share | 13.00 | 10.00 | 13.00 | 10.00 |
| Employees (Numbers) | 32,984 | 34,072 | 75,294 | 65,144 |
| Shareholders (Numbers) | 8,09,578 | 7,81,392 | | |

## FINANCIAL RATIOS

| | | Tata Steel Standalone | | Tata Steel Group | |
|---|---|---|---|---|---|
| | | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| 1. | EBITDA/Turnover | 29.38% | 26.11% | 18.88% | 17.22% |
| 2. | PBET/Turnover | 23.14% | 16.53% | 10.16% | 9.15% |
| 3. | Return on average capital employed | 16.26% | 13.09% | 12.98% | 10.87% |
| 4. | Return on average net worth | 15.43% | 7.21% | 13.67% | 35.09% |
| 5. | Asset turnover | 72.19% | 60.02% | 69.20% | 64.69% |
| 6. | Inventory turnover (in days) | 60 | 67 | 72 | 80 |
| 7. | Debtors turnover (in days) | 8 | 12 | 28 | 35 |
| 8. | Gross block to net block | 1.22 | 1.17 | 1.40 | 1.47 |
| 9. | Net debt to equity | 0.42 | 0.15 | 1.43 | 1.37 |
| 10. | Current ratio | 0.73 | 0.91 | 1.39 | 1.46 |
| 11. | Interest service coverage ratio | 9.57 | 7.03 | 4.38 | 4.13 |
| 12. | Net worth per share (₹) | 634.68 | 556.67 | 622.75 | 539.92 |
| 13. | Basic earnings per share - continuing operations (₹) | 90.41 | 38.57 | 88.32 | 126.39 |
| | Basic earnings per share - continuing and discontinued (₹) | 90.41 | 38.57 | 87.75 | 128.12 |
| 14. | Dividend payout | 17% | 33% | 20% | 8% |
| 15. | P/E ratio | 5.76 | 14.80 | 5.90 | 4.52 |

1. EBITDA/Turnover

   (EBITDA: PBT +/(-) Exceptional Items + Net Finance Charges + Depreciation and amortisation - Share of results of equity accounted investments )

   (Net Finance Charges: Finance costs - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments)

   (Turnover: Revenue from Operations)

2. PBET/Turnover

   Profit before exceptional items and tax/Turnover

3. Return on Average Capital Employed: EBIT/Average Capital Employed

   (Capital Employed: Total Equity + Non-current Borrowings + Current maturities of Non-current borrowings and Finance Lease Obligations + Current Borrowings + Deferred tax liabilities)

   (EBIT: PBT +/(-) Exceptional Items + Net Finance Charges)

4. Return on Average Net worth: PAT (including discontinued operations)/Average Net worth

   (Net worth: Total equity + Preference Shares issued by subsidiary companies + Warrants issued by a subsidiary company + Hybrid Perpetual Securities)

5. Asset Turnover: Turnover/(Total Assets - Investments - Advance Against Equity)

6. Inventory Turnover: Average Inventory/Sale of Products in days

7. Debtors Turnover: Average Debtors/Turnover in days

8. Gross Block to Net Block: Gross Block/Net Block

   (Gross Block: Cost of tangible assets + Capital work in progress + Cost of intangible assets + Intangible assets under development)

   (Net Block: Gross Block - Accumulated depreciation and amortisation - Accumulated impairment)

9. Net Debt to Equity: Net Debt/Average Net Worth

   (Net Debt: Non-current borrowings + Current maturities of Non-current borrowings and Finance Lease Obligations + Current borrowings - Current Investments - Non-current balances with banks - Cash and Bank Balances)

10. Current Ratio: Current Assets including assets held for sale (excluding current investments)/Current Liabilities including liabilities held for sale

    (Current liabilities: Trade Payables + Other current liabilities + Short-term provisions - Current maturities of Non-current borrowings and Finance Lease Obligations)

11. Interest Service Coverage Ratio: EBIT/Net Finance Charges (excluding interest on short term debts)

12. Net worth per share: Net Worth/Number of Equity Shares

13. Basic Earnings per share: Profit attributable to Ordinary Shareholders/Weighted average number of Ordinary Shares

14. Dividend Payout: Proposed dividend for the year (includes tax on dividend)/Profit after tax

15. P/E Ratio: Market Price per share/Basic Earnings per share-continuing operations

## PRODUCTION STATISTICS

'000 Tonnes

| Year | Iron Ore | Coal | Iron | Crude steel | Rolled/ Forged Bars and Structurals | Plates | Sheets | Hot Rolled Coils/ Strips | Cold Rolled Coils | Railway Materials | Semi-Finished for Sale | Total Saleable Steel |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1989-90 | 3,726 | 3,754 | 2,268 | 2,323 | 553 | 91 | 117 | 155 | - | 17 | 1,033 | 1,913 |
| 1990-91 | 3,509 | 3,725 | 2,320 | 2,294 | 558 | 88 | 118 | 153 | - | 14 | 1,013 | 1,901 |
| 1991-92 | 3,996 | 3,848 | 2,400 | 2,415 | 599 | 92 | 123 | 170 | - | 9 | 1,045 | 1,978 |
| 1992-93 | 4,126 | 3,739 | 2,435 | 2,477 | 575 | 78 | 122 | 163 | - | 7 | 1,179 | 2,084 |
| 1993-94 | 4,201 | 3,922 | 2,598 | 2,487 | 561 | - | 124 | 281 | - | 6 | 1,182 | 2,117 |
| 1994-95 | 4,796 | 4,156 | 2,925 | 2,788 | 620 | - | 137 | 613 | - | 2 | 1,074 | 2,391 |
| 1995-96 | 5,181 | 4,897 | 3,241 | 3,019 | 629 | - | 133 | 1,070 | - | - | 869 | 2,660 |
| 1996-97 | 5,766 | 5,294 | 3,440 | 3,106 | 666 | - | 114 | 1,228 | - | - | 811 | 2,783 |
| 1997-98 | 5,984 | 5,226 | 3,513 | 3,226 | 634 | 0 | 60 | 1,210 | 0 | 0 | 1,105 | 2,971 |
| 1998-99 | 6,056 | 5,137 | 3,626 | 3,264 | 622 | 0 | 0 | 1,653 | 0 | 0 | 835 | 3,051 |
| 1999-00 | 6,456 | 5,155 | 3,888 | 3,434 | 615 | 0 | 0 | 2,057 | 0 | 0 | 615 | 3,262 |
| 2000-01 | 6,989 | 5,282 | 3,929 | 3,566 | 569 | 0 | 0 | 1,858 | 356 | 0 | 647 | 3,413 |
| 2001-02 | 7,335 | 5,636 | 4,041 | 3,749 | 680 | 0 | 0 | 1,656 | 734 | 0 | 566 | 3,596 |
| 2002-03 | 7,985 | 5,915 | 4,437 | 4,098 | 705 | 0 | 0 | 1,563 | 1,110 | 0 | 563 | 3,975 |
| 2003-04 | 8,445 | 5,842 | 4,466 | 4,224 | 694 | 0 | 0 | 1,578 | 1,262 | 0 | 555 | 4,076 |
| 2004-05 | 9,803 | 6,375 | 4,347 | 4,104 | 706 | 0 | 0 | 1,354 | 1,445 | 0 | 604 | 4,074 |
| 2005-06 | 10,834 | 6,521 | 5,177 | 4,731 | 821 | 0 | 0 | 1,556 | 1,495 | 0 | 679 | 4,551 |
| 2006-07 | 9,776 | 7,041 | 5,552 | 5,046 | 1,230 | 0 | 0 | 1,670 | 1,523 | 0 | 506 | 4,929 |
| 2007-08 | 10,022 | 7,209 | 5,507 | 5,014 | 1,241 | 0 | 0 | 1,697 | 1,534 | 0 | 386 | 4,858 |
| 2008-09 | 10,417 | 7,282 | 6,254 | 5,646 | 1,350 | 0 | 0 | 1,745 | 1,447 | 0 | 833 | 5,375 |
| 2009-10 | 12,044 | 7,210 | 7,231 | 6,564 | 1,432 | 0 | 0 | 2,023 | 1,564 | 0 | 1,421 | 6,439 |
| 2010-11 | 13,087 | 7,024 | 7,503 | 6,855 | 1,486 | 0 | 0 | 2,127 | 1,544 | 0 | 1,534 | 6,691 |
| 2011-12 | 13,189 | 7,460 | 7,750 | 7,132 | 1,577 | 0 | 0 | 2,327 | 1,550 | 0 | 1,514 | 6,970 |
| 2012-13 | 15,005 | 7,295 | 8,858 | 8,130 | 1,638 | 0 | 0 | 3,341 | 1,445 | 0 | 1,518 | 7,941 |
| 2013-14 | 17,364 | 6,972 | 9,899 | 9,155 | 1,676 | 0 | 0 | 4,271 | 1,638 | 0 | 1,346 | 8,931 |
| 2014-15 | 13,694 | 6,044 | 10,163 | 9,331 | 1,778 | 0 | 0 | 4,259 | 1,836 | 0 | 1,200 | 9,073 |
| 2015-16 | 16,431 | 6,227 | 10,655 | 9,960 | 1,823 | 0 | 0 | 4,742 | 1,689 | 0 | 1,443 | 9,698 |
| 2016-17 | 21,284 | 6,315 | 13,051 | 11,683 | 1,882 | 0 | 0 | 6,295 | 1,837 | 0 | 1,481 | 11,351 |
| 2017-18 | 23,043 | 6,224 | 13,855 | 12,482 | 1,882 | 0 | 0 | 7,093 | 1,853 | 0 | 1,481 | 12,237 |
| 2018-19 | 23,374 | 6,546 | 14,237 | 13,228 | 1,959 | 0 | 0 | 7,801 | 1,858 | 0 | 1,386 | 12,980 |

## FINANCIAL STATISTICS

(₹ crore)

| Year | Capital | Reserves and Surplus | Borrow-ings | Gross Block | Net Block | Invest-ments | Total Income | Total Expen-diture * | Depre-ciation | Profit before Tax | Tax | Profit after Tax | Dividend# |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2016-17 | 3,246.42 | 48,687.59 | 28,284.63 | 87,987.34 | 78,731.11 | 13,665.71 | 53,675.42 | 44,776.94 | 3,541.55 | 5,356.93 | 1,912.38 | 3,444.55 | 924.71 |
| 2017-18 | 3,421.14 | 60,368.70 | 28,125.80 | 90,354.85 | 77,402.35 | 24,276.93 | 61,283.03 | 50,917.32 | 3,727.46 | 6,638.25 | 2,468.70 | 4,169.55 | 1,159.63 |
| **2018-19** | **3,421.12** | **69,308.59** | **29,701.47** | **93,762.15** | **77,018.31** | **39,406.72** | **73,016.00** | **52,985.79** | **3,802.96** | **16,227.25** | **5,694.06** | **10,533.19** | **1,370.78** |

* Expenditure includes excise duty recovered on sales.

\# Includes tax on dividend.

## DIVIDEND STATISTICS

| Year | First Preference (₹150) | | Second Preference (₹100) | | | Ordinary (₹100 upto 1988-89 and ₹10 from 1989-90)[c] | | | | Total ₹lakh |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rate ₹ | Dividend ₹ lakh | Rate ₹ | Dividend @ ₹ lakh | Tax on dividend ₹ lakh | Rate* ₹ | | Dividend @ ₹ lakh | Tax on dividend ₹ lakh | |
| 1989-90 | – | – | – | – | – | 3.00 | a,b | 5,059.30 | – | 5,059.30 |
| 1990-91 | – | – | – | – | – | 3.10 | | 7,134.23 | – | 7,134.23 |
| 1991-92 | – | – | – | – | – | 3.50 | | 8,054.78 | – | 8,054.78 |
| 1992-93 | – | – | – | – | – | 2.50 | c | 6,482.21 | – | 6,482.21 |
| 1993-94 | – | – | – | – | – | 3.00 | d | 9,655.44 | – | 9,655.44 |
| 1994-95 | – | – | – | – | – | 3.50 | e | 11,823.94 | – | 11,823.94 |
| 1995-96 | – | – | – | – | – | 4.50 | f | 15,697.11 | – | 15,697.11 |
| 1996-97 | – | – | – | – | – | 4.50 | | 18,222.25 | 1,656.57 | 18,222.25 |
| 1997-98 | – | – | – | – | – | 4.00 | | 16,198.05 | 1,472.55 | 16,198.05 |
| 1998-99 | – | – | – | – | – | 4.00 | | 16,329.05 | 1,618.19 | 16,329.05 |
| 1999-00 | – | – | 9.25 | 860.80 | 85.30 | 4.00 | | 16,329.07 | 1,618.20 | 17,189.87 |
| 2000-01 | – | – | – | 1,496.58 [g,h] | 275.88 | 5.00 | | 20,264.09 | 1,875.50 | 21,760.67 |
| 2001-02 | – | – | 8.42 | 228.33 | 21.13 | 4.00 | | 14,710.88 | – | 14,939.21 |
| 2002-03 | – | – | – | – | – | 8.00 | | 33,299.88 | 3,781.33 | 33,299.88 |
| 2003-04 | – | – | – | – | – | 10.00 | | 41,625.77 | 4,727.58 | 41,625.77 |
| 2004-05 | – | – | – | – | – | 13.00 | | 82,137.22 | 10,185.74 | 82,137.22 |
| 2005-06 | – | – | – | – | – | 13.00 | | 82,042.66 | 10,092.00 | 82,042.66 |
| 2006-07 | – | – | – | – | | 15.50 | | 1,10,432.51 | 16,041.72 | 1,10,432.51 |
| 2007-08 | – | – | 0.4[i] | 2,596.11 | 377.12 | 16.00 | | 1,36,759.54 | 19,866.05 | 1,39,355.65 |
| 2008-09 | – | – | 2.00 | 12,805.48 | 1,860.16 | 16.00 | | 1,36,443.72 | 19,549.31 | 1,49,249.20 |
| 2009-10 | – | – | 2.00 | 5,367.78 | 779.74 | 8.00 | | 82,477.15 | 11,500.02 | 87,844.93 |
| 2010-11 | – | – | – | – | – | 12.00 | | 1,30,777.35 | 15,671.62 | 1,30,777.35 |
| 2011-12 | – | – | – | – | – | 12.00 | | 1,34,703.22 | 18,157.49 | 1,34,703.22 |
| 2012-13 | – | – | – | – | – | 8.00 | | 90,569.91 | 12,872.69 | 90,569.91 |
| 2013-14 | – | – | – | – | – | 10.00 | | 1,03,740.40 | 6,618.86 | 1,03,740.40 |
| 2014-15 | – | – | – | – | – | 8.00 | | 92,627.74 | 14,930.51 | 92,627.74 |
| 2015-16 | – | – | – | – | – | 8.00 | | 92,471.69 | 14,774.46 | 92,471.69 |
| 2016-17 | – | – | – | – | – | 10.00 | | 1,16,893.21 | 19,771.66 | 1,16,893.21 |
| 2017-18 | – | – | – | – | – | 10.00[j] | | 1,38,147.27 | 23,554.82 | 1,38,147.27 |
| 2018-19 | – | – | – | – | – | 13.00 | | 1,79,587.42 | 30,620.57 | 1,79,587.42 |

a The Ordinary Shares of ₹100 each have been sub-divided into Ordinary Shares of ₹10 each during 1989-90 and the rate of Dividend is per Ordinary Share of ₹10 each.

b On the Capital as increased by shares allotted on Conversion of Convertible Debentures.

c On the Capital as increased by Rights Issue of Ordinary Shares during 1992-93.

d On the Capital as increased by Ordinary Shares issued during 1993-94 against Detachable Warrants.

e On the Capital as increased by Ordinary Shares issued during 1994-95 against Detachable Warrants and Foreign Currency Convertible Bonds.

f On the Capital as increased by Ordinary Shares issued during 1995-96 against Detachable Warrants, Foreign Currency Convertible Bonds and Naked Warrants.

g Includes Dividend of ₹22.30 lakhs on 9.25% Cumulative Redeemable Preference Shares for the period April 1, 2000 to June 27, 2000.

h Includes Dividend of ₹1,198.40 lakhs on 8.42% Cumulative Redeemable Preference Shares for the period June 1, 2000 to March 31, 2001.

i Dividend paid for 74 days.

j On the Capital as increased by Rights Issue of Ordinary Shares during 2017-18.

* Dividend proposed for the year

@ Includes tax on dividend.

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF TATA STEEL LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying Standalone Financial Statements of Tata Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Assessment of litigations and related disclosure of contingent liabilities**<br><br>[Refer to Note 2 (c) to the Standalone Financial Statements– "Use of estimates and critical accounting judgements – Provisions and contingent liabilities", Note 36 (A) to the Standalone Financial Statements – "Contingencies" and Note 37 to the Standalone Financial Statements – "Other significant litigations"]<br><br>As at March 31, 2019, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.<br><br>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.<br><br>As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter. | Our audit procedures included the following:<br><br>• We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;<br><br>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;<br><br>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations made in the Standalone Financial Statements;<br><br>• We used auditor's experts to gain an understanding and to evaluate the disputed tax matters;<br><br>• We considered external legal opinions, where relevant, obtained by management;<br><br>• We met with the Company's external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation;<br><br>• We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements;<br><br>• We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and<br><br>• We assessed the adequacy of the Company's disclosures.<br><br>Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Standalone Financial Statements are considered to be reasonable. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Assessment of carrying value of equity investments in subsidiaries, associates and joint ventures and fair value of other investments**<br><br>[Refer to Note 2 (c) to the Standalone Financial Statements – "Use of estimates and critical accounting judgements – Impairment and fair value measurements of financial instruments", Note 2 (m) to the Standalone Financial Statements – "Investments in subsidiaries, associates and joint ventures", Note 2(n)(I) to the Standalone Financial Statements – "Financial assets", Note 6 to the Standalone Financial Statements – "Investments in subsidiaries, associates and joint ventures", Note 7 to the Standalone Financial Statements – "Investments" and Note 39 (b) to the Standalone Financial Statements – "Fair value hierarchy"]<br><br>The Company has equity investments in various subsidiaries, associates, joint ventures and other companies. It also has made investments in preference shares in certain subsidiaries/associates and debentures in a joint venture.<br><br>The Company accounts for equity investments in subsidiaries, associates and joint ventures at cost (subject to impairment assessment) and other investments at fair value.<br><br>For investments carried at cost where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised, if required, to its recoverable amount.<br><br>For investments carried at fair values, a fair valuation is done at the year-end as required by Ind AS 109. In case of certain investments, cost is considered as an appropriate estimate of fair value since there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range as permitted under Ind AS 109.<br><br>The accounting for investments is a Key Audit Matter as the determination of recoverable value for impairment assessment/fair valuation involves significant management judgement.<br><br>The impairment assessment and fair valuation for such investments have been done by the management in accordance with Ind AS 36 and Ind AS 113 respectively.<br><br>The key inputs and judgements involved in the impairment/fair valuation assessment of unquoted investments include:<br>• Forecast cash flows including assumptions on growth rates<br>• Discount rates<br>• Terminal growth rate<br><br>Economic and entity specific factors are incorporated in valuation used in the impairment assessment. | Our audit procedures included the following:<br>• We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment and fair valuation of material investments.<br>• We evaluated the Company's process regarding impairment assessment and fair valuation by involving auditor's valuation experts to assist in assessing the appropriateness of the valuation model including the independent assessment of the underlying assumptions relating to discount rate, terminal value etc.<br>• We assessed the carrying value/fair value calculations of all individually material investments, where applicable, to determine whether the valuations performed by the Company were within an acceptable range determined by us and the auditor's valuation experts.<br>• We evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.<br>• We checked the mathematical accuracy of the impairment model and agreed relevant data back to the latest budgets, actual past results and other supporting documents.<br>• We assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in fair valuation.<br>• We discussed with the component auditors of certain entities to develop an understanding of the operating performance and outlook used in their own valuation model and to assess consistency with the assumptions used in the model.<br>• We had discussions with management to obtain an understanding of the relevant factors in respect of certain investments carried at fair value where a wide range of fair values were possible due to various factors such as absence of recent observable transactions, restrictions on transfer of shares, existence of multiple valuation techniques, investee's varied nature of portfolio of investments for which significant estimates/judgements are required to arrive at fair value.<br>• We evaluated the adequacy of the disclosures made in the Standalone Financial Statements.<br><br>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity investments in subsidiaries, associates and joint ventures and fair value of other investments. |

**Other Information**

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Integrated Report, Board's Report alongwith its Annexures and Financial Highlights included in the Company's Annual Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2018-19'), but does not include the financial statements and our auditor's report thereon.

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

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

   We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the Standalone 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.

   The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

   - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations as on March 31, 2019 on its financial position in its Standalone Financial Statements – Refer Notes 36 (A) and 37 to the Standalone Financial Statements.

ii. The Company has long-term contracts including derivative contracts as on March 31, 2019 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019 except for amounts aggregating to ₹5.21 crore, which according to the information and explanations provided by the management is held in abeyance due to dispute/pending legal cases.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

**Russell I Parera**
Partner
Membership Number 042190

Place: Mumbai
Date: April 25, 2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tata Steel Limited on the Standalone Financial Statements as of and for the year ended March 31, 2019**

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls with reference to Standalone Financial Statements of Tata Steel Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 Act.

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls with reference to financial statements

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

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Russell I Parera**
Partner
Membership Number 042190

Place: Mumbai
Date: April 25, 2019

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Tata Steel Limited on the Standalone Financial Statements as of and for the year ended March 31, 2019**

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

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

(c) According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the Standalone Financial Statements, are held in the name of the Company, except for the following:

(i) title deeds of freehold land with gross and net carrying amount of ₹60.44 crore and title deeds of buildings with gross carrying amount and net carrying amount of ₹83.48 crore and ₹74.49 crore respectively, which are held in the name of erstwhile companies which have subsequently been amalgamated with the Company;

(ii) title deeds of freehold land with gross and net carrying amount of ₹202.67 crore and title deeds of buildings with gross carrying amount and net carrying amount of ₹95.62 crore and ₹76.91 crore respectively, which are not readily available.

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loans, to eleven companies covered in the register maintained under Section 189 of the Act. The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest except for two inter corporate loans aggregating ₹0.52 crore granted to two joint venture companies during the year ended March 31, 2019, with a maximum amount of ₹1.12 crore from the aforesaid joint venture companies outstanding during the year. These companies are under liquidation, and are therefore in our opinion prejudicial to the Company's interests.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Except for amounts aggregating ₹670.10 crore outstanding as at March 31, 2019 towards principal and interest from four subsidiary companies and two joint venture companies, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, the total amount overdue for more than ninety days as at March 31, 2019 is ₹640.58 crore outstanding from three subsidiary companies and a joint venture company. In such instances, in our opinion, reasonable steps, as applicable, have been taken by the Company for the recovery of the principal amounts and interest.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the unclaimed deposits accepted from the public, as applicable. According to the information and explanations given to us, 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 on the Company in respect of the aforesaid deposits.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities, other than arrear dues outstanding for a period of more than six months as at March 31, 2019 in respect of pension set out below. We are informed that the Company has applied for exemption from operations of Employees' State Insurance Act at some locations. We are also informed that actions taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and payment has not been made of the contributions demanded. The extent of the arrears of statutory dues outstanding as at March 31, 2019, for a period of more than six months from the date they became payable are as follows:

| Name of the statute | Nature of dues | Amount (₹ crore) | Period to which the amount relates | Date of payment |
|---|---|---|---|---|
| Coal Mines Pension Scheme, 1998 | Pension | 29.43 | Oct'17 to Sept'18 | April 23, 2019* |

*Writ petition filed with High Court of Jharkhand subsequent to the balance sheet date on April 24, 2019.

Also refer Note 42 to the Standalone Financial Statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax as at March 31, 2019 which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2019, which have not been deposited on account of a dispute, are as follows:

| Name of the Statute | Nature of dues | Amount (net of payments) (₹ crore) | Amount paid (₹ crore) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Income- tax Act, 1961 | Income Tax | 1,427.24* | 965.00* | 1998-1999, 2006-2008, 2009-2012, 2013-2014 | Tribunal |
| | | 235.82 | 100.00 | 2010-2011, 2014-2015 | Commissioner (Appeals) |
| Customs Act,1962 | Customs Duty | 3.95 | 0.07 | 2002-2003 | High Court |
| | | 79.67 | 50.00 | 2005-2008 | Commissioner |
| Central Excise Act,1944 | Excise Duty | 33.23 | 0.10 | 1988-1990, 2003-2009 | High Court |
| | | 1,132.71 | 57.85 | 1990-1991, 1992-1997, 1998-2017 | Tribunal |
| | | 170.30 | 111.63 | 1988-1990, 1994-2002, 2003-2004, 2005-2017 | Commissioner |
| | | 0.03 | 0.01 | 1998-1999 | Joint Commissioner |
| | | 0.18 | - | 1985-1987, 1998-1999 | Deputy Commissioner |
| | | 0.85 | - | 1983-1985 | Assistant Commissioner |
| Sales Tax Laws | Sales Tax | 33.90 | 19.22 | 1983-1984, 1991-1997, 2000-2004, 2008-2009 | High Court |
| | | 71.78 | 6.19 | 1977-1978, 1980-1981, 1983-1985, 1987-1988, 1989-1999, 2000-2002, 2003-2005, 2009-2011, 2013-2017 | Tribunal |
| | | 247.17 | 7.06 | 1988-1990, 1991-1992, 1993-1994, 2001-2004, 2006-2007, 2008-2009, 2010-2012, 2013-2015 | Commissioner |
| | | 1.91 | - | 2011-12 | Joint Commissioner |
| | | 28.18 | 2.47 | 2002-2003, 2006-2010, 2012-2015 | Additional Commissioner |
| | | 63.97 | 3.01 | 1975-1976, 1983-1988, 1994-1995, 1997-2009, 2013-2016 | Deputy Commissioner |
| | | 61.77 | 3.40 | 1973-1974, 1980-1997, 2004-2005, 2008-2009, 2012-2013, 2015-2016 | Assistant Commissioner |
| Value Added Tax Laws | Value Added Tax | 252.84 | 1.07 | 1994-1996, 2007-2008, 2012-2016 | High Court |
| | | 19.06 | 1.72 | 2005-2011, 2012-2016 | Tribunal |
| | | 273.75 | 0.89 | 2006-2015, 2016-2017 | Commissioner |
| | | 72.89 | 8.10 | 2010-2017 | Joint Commissioner |
| | | 2.61 | 0.47 | 2005-2006, 2012-2015 | Additional Commissioner |
| | | 165.39 | 3.72 | 2005-2011, 2012-2016 | Deputy Commissioner |
| | | 1.63 | 0.06 | 1997-1998, 2005-2006, 2015-2017 | Assistant Commissioner |

*excluding net excess payments/adjustments for the year 2008-2009 aggregating ₹123.21 crore.

| Name of the Statute | Nature of dues | Amount (net of payments) (₹ crore) | Amount paid (₹crore) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Finance Act,1994 | Service Tax | 1,286.52 | 23.34 | 2004-2016 | Tribunal |
| | | 5.98 | 0.13 | 2005-2013, 2014-2017 | Commissioner |
| | | 0.97 | - | 2009-2010 | Deputy Commissioner |

The following matters have been decided in favour of the Company although the department has preferred appeal at higher levels:

| Name of the Statute | Nature of dues | Amount (net of payments) (₹ crore) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Central Excise Act,1944 | Excise Duty | 235.48 | 2004-2005 | Supreme Court |
| | | 16.98 | 2009-2010, 2013-2014 | Tribunal |

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer. In our opinion, and according to the information and explanations given to us, the moneys raised by way of further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.

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

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

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

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

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

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

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

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

**Russell I Parera**
Partner
Membership Number 042190

Place: Mumbai
Date: April 25, 2019

# BALANCE SHEET
as at March 31, 2019

(₹ crore)

| | Note | Page | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Assets** | | | | |
| **I Non-current assets** | | | | |
| (a) Property, plant and equipment | 3 | 227 | 70,416.82 | 70,942.90 |
| (b) Capital work-in-progress | | | 5,686.02 | 5,641.50 |
| (c) Intangible assets | 5 | 231 | 805.20 | 786.18 |
| (d) Intangible assets under development | | | 110.27 | 31.77 |
| (e) Investments in subsidiaries, associates and joint ventures | 6 | 232 | 4,437.76 | 3,666.24 |
| (f) Financial assets | | | | |
| (i) Investments | 7 | 235 | 34,491.49 | 5,970.32 |
| (ii) Loans | 8 | 240 | 231.16 | 213.50 |
| (iii) Derivative assets | | | 9.05 | 12.13 |
| (iv) Other financial assets | 9 | 242 | 310.65 | 21.21 |
| (g) Non-current tax assets (net) | | | 1,428.38 | 1,043.84 |
| (h) Other assets | 11 | 246 | 2,535.98 | 2,140.84 |
| **Total non-current assets** | | | **1,20,462.78** | **90,470.43** |
| **II Current assets** | | | | |
| (a) Inventories | 12 | 248 | 11,255.34 | 11,023.41 |
| (b) Financial assets | | | | |
| (i) Investments | 7 | 235 | 477.47 | 14,640.37 |
| (ii) Trade receivables | 13 | 248 | 1,363.04 | 1,875.63 |
| (iii) Cash and cash equivalents | 14 | 250 | 544.85 | 4,588.89 |
| (iv) Other balances with banks | 15 | 250 | 173.26 | 107.85 |
| (v) Loans | 8 | 240 | 55.92 | 74.13 |
| (vi) Derivative assets | | | 14.96 | 30.07 |
| (vii) Other financial assets | 9 | 242 | 940.76 | 491.51 |
| (c) Other assets | 11 | 246 | 2,209.98 | 1,812.05 |
| **Total current assets** | | | **17,035.58** | **34,643.91** |
| **Total assets** | | | **1,37,498.36** | **1,25,114.34** |
| **Equity and liabilities** | | | | |
| **III Equity** | | | | |
| (a) Equity share capital | 16 | 251 | 1,146.12 | 1,146.12 |
| (b) Hybrid perpetual securities | 17 | 254 | 2,275.00 | 2,275.00 |
| (c) Other equity | 18 | 254 | 69,308.59 | 60,368.72 |
| **Total equity** | | | **72,729.71** | **63,789.84** |
| **IV Non-current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 19 | 258 | 26,651.19 | 24,568.95 |
| (ii) Derivative liabilities | | | 59.82 | 70.08 |
| (iii) Other financial liabilities | 20 | 261 | 125.07 | 19.78 |
| (b) Provisions | 21 | 261 | 1,918.18 | 1,961.21 |
| (c) Retirement benefit obligations | 22 | 262 | 1,430.35 | 1,247.73 |
| (d) Deferred income | 23 | 263 | 747.23 | 1,365.61 |
| (e) Deferred tax liabilities (net) | 10 | 243 | 7,807.00 | 6,259.09 |
| (f) Other liabilities | 24 | 263 | 436.16 | 224.71 |
| **Total non-current liabilities** | | | **39,175.00** | **35,717.16** |
| **V Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 19 | 258 | 8.09 | 669.88 |
| (ii) Trade payables | 25 | 264 | | |
| (a) Total outstanding dues of micro and small enterprises | | | 149.49 | 25.48 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | | 10,820.07 | 11,217.27 |
| (iii) Derivative liabilities | | | 139.57 | 16.41 |
| (iv) Other financial liabilities | 20 | 261 | 6,872.35 | 6,541.40 |
| (b) Provisions | 21 | 261 | 778.23 | 735.28 |
| (c) Retirement benefit obligations | 22 | 262 | 102.12 | 90.50 |
| (d) Current tax liabilities (net) | | | 358.14 | 454.06 |
| (e) Other liabilities | 24 | 263 | 6,365.59 | 5,857.06 |
| **Total current liabilities** | | | **25,593.65** | **25,607.34** |
| **Total equity and liabilities** | | | **1,37,498.36** | **1,25,114.34** |
| **Notes forming part of the financial statements** | 1-46 | | | |

In terms of our report attached

For and on behalf of the Board of Directors

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Managing Director & Chief Executive Officer
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

## STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2019

(₹ crore)

| | | Note | Page | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|---|
| I | Revenue from operations | 26 | 264 | 70,610.92 | 60,519.37 |
| II | Other income | 27 | 265 | 2,405.08 | 763.66 |
| III | **Total income** | | | **73,016.00** | **61,283.03** |
| IV | **Expenses:** | | | | |
| | (a) Cost of materials consumed | | | 19,840.29 | 16,877.63 |
| | (b) Purchases of stock-in-trade | | | 1,807.85 | 647.21 |
| | (c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress | 28 | 266 | (554.33) | 545.36 |
| | (d) Employee benefits expense | 29 | 266 | 5,131.06 | 4,828.85 |
| | (e) Finance costs | 30 | 267 | 2,823.58 | 2,810.62 |
| | (f) Depreciation and amortisation expense | 31 | 267 | 3,802.96 | 3,727.46 |
| | (g) Other expenses | 32 | 267 | 24,622.81 | 22,178.02 |
| | | | | **57,474.22** | **51,615.15** |
| | Less: Expenditure (other than interest) transferred to capital and other accounts | | | 799.70 | 336.66 |
| | **Total expenses** | | | **56,674.52** | **51,278.49** |
| V | **Profit before exceptional items and tax (III-IV)** | | | **16,341.48** | **10,004.54** |
| VI | **Exceptional items:** | 33 | 268 | | |
| | (a) Profit/(loss) on sale of non-current investments | | | 262.28 | - |
| | (b) Provision for impairment of investments/doubtful advances | | | (12.53) | (62.92) |
| | (c) Provision for demands and claims | | | (328.64) | (3,213.68) |
| | (d) Employee separation compensation | | | (35.34) | (89.69) |
| | **Total exceptional items** | | | **(114.23)** | **(3,366.29)** |
| VII | **Profit before tax (V+VI)** | | | **16,227.25** | **6,638.25** |
| VIII | **Tax expense:** | | | | |
| | (a) Current tax | | | 6,297.11 | 1,586.78 |
| | (b) Deferred tax | | | (603.05) | 881.92 |
| | **Total tax expense** | | | **5,694.06** | **2,468.70** |
| IX | **Profit for the year (VII-VIII)** | | | **10,533.19** | **4,169.55** |
| X | **Other comprehensive income/(loss)** | | | | |
| | **A (i) Items that will not be reclassified subsequently to profit and loss** | | | | |
| | (a) Remeasurement gain/(loss) on post-employment defined benefit plans | | | 5.95 | 237.63 |
| | (b) Fair value changes of investments in equity shares | | | (46.63) | (223.00) |
| | **(ii) Income tax on items that will not be reclassified subsequently to profit and loss** | | | (2.63) | (82.24) |
| | **B (i) Items that will be reclassified subsequently to profit and loss** | | | | |
| | (a) Fair value changes of cash flow hedges | | | (10.62) | 9.96 |
| | **(ii) Income tax on items that will be reclassified subsequently to profit and loss** | | | 3.71 | (3.47) |
| | **Total other comprehensive income/(loss) for the year** | | | **(50.22)** | **(61.12)** |
| XI | **Total comprehensive income/(loss) for the year (IX+X)** | | | **10,482.97** | **4,108.43** |
| XII | **Earnings per share** | 34 | 269 | | |
| | Basic (₹) | | | 90.41 | 38.57 |
| | Diluted (₹) | | | 90.40 | 38.56 |
| XIII | **Notes forming part of the financial statements** | 1 - 46 | | | |

In terms of our report attached

For and on behalf of the Board of Directors

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

sd/- **N. Chandrasekaran**, Chairman, DIN: 00121863
sd/- **Mallika Srinivasan**, Director, DIN: 00037022
sd/- **O. P. Bhatt**, Director, DIN: 00548091
sd/- **Peter Blauwhoff**, Director, DIN: 07728872
sd/- **Deepak Kapoor**, Director, DIN: 00162957
sd/- **Aman Mehta**, Director, DIN: 00009364

sd/- **V. K. Sharma**, Director, DIN: 02449088
sd/- **Saurabh Agrawal**, Director, DIN: 02144558
sd/- **T. V. Narendran**, Managing Director & Chief Executive Officer, DIN: 03083605
sd/- **Koushik Chatterjee**, Executive Director & Chief Financial Officer, DIN: 00004989
sd/- **Parvatheesam K.**, Company Secretary & Chief Legal Officer (Corporate & Compliance), ACS: 15921

Mumbai, April 25, 2019

# STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2019

## A. Equity share capital

(₹ crore)

| Balance as at April 1, 2018 | Changes during the year | Balance as at March 31, 2019 |
|---|---|---|
| **1,146.12** | 0.00* | **1,146.12** |

(₹ crore)

| Balance as at April 1, 2017 | Changes during the year | Balance as at March 31, 2018 |
|---|---|---|
| **971.41** | 174.71 | **1,146.12** |

* represents value less than ₹0.01 crore.

## B. Hybrid perpetual securities

(₹ crore)

| Balance as at April 1, 2018 | Changes during the year | Balance as at March 31, 2019 |
|---|---|---|
| **2,275.00** | - | **2,275.00** |

(₹ crore)

| Balance as at April 1, 2017 | Changes during the year | Balance as at March 31, 2018 |
|---|---|---|
| **2,275.00** | - | **2,275.00** |

## C. Other equity

(₹ crore)

| | Retained earnings (refer note 18A, page 254) | Items of other comprehensive income (refer note 18B, page 254) | Other reserves (refer note 18C, page 256) | Share application money pending allotment (refer note 18D, page 257) | Total |
|---|---|---|---|---|---|
| **Balance as at April 1, 2018** | **18,700.25** | **108.86** | **41,559.59** | **0.02** | **60,368.72** |
| Profit for the year | 10,533.19 | - | - | - | 10,533.19 |
| Other comprehensive income for the year | 3.88 | (54.10) | - | - | (50.22) |
| **Total comprehensive income for the year** | **10,537.07** | **(54.10)** | **-** | **-** | **10,482.97** |
| Issue of Ordinary Shares | - | - | 0.26 | (0.26) | - |
| Equity issue expenses written (off)/back | - | - | 0.57 | - | 0.57 |
| Dividend[(i)] | (1,145.92) | - | - | - | (1,145.92) |
| Tax on dividend | (224.86) | - | - | - | (224.86) |
| Distribution on hybrid perpetual securities | (266.12) | - | - | - | (266.12) |
| Tax on distribution on hybrid perpetual securities | 92.99 | - | - | - | 92.99 |
| Transfers within equity | 1.49 | (1.49) | - | - | - |
| Application money received | - | - | - | 0.24 | 0.24 |
| **Balance as at March 31, 2019** | **27,694.90** | **53.27** | **41,560.42** | **-** | **69,308.59** |

## STATEMENT OF CHANGES IN EQUITY (CONTD.)
for the year ended March 31, 2019

(₹ crore)

| | Retained earnings (refer note 18A, page 254) | Items of other comprehensive income (refer note 18B, page 254) | Other reserves (refer note 18C, page 256 | Share application money pending allotment (refer note 18D, page 257) | Total |
|---|---|---|---|---|---|
| **Balance as at April 1, 2017** | **12,280.91** | **3,752.83** | **32,653.85** | **0.01** | **48,687.60** |
| Profit for the year | 4,169.55 | - | - | - | 4,169.55 |
| Other comprehensive income for the year | 155.39 | (216.51) | - | - | (61.12) |
| **Total comprehensive income for the year** | **4,324.94** | **(216.51)** | **-** | **-** | **4,108.43** |
| Issue of Ordinary Shares(ii) | - | - | 8,939.59 | (0.01) | 8,939.58 |
| Equity issue expenses written (off)/back(ii) | - | - | (33.85) | - | (33.85) |
| Dividend(i) | (971.22) | - | - | - | (971.22) |
| Tax on dividend | (188.41) | - | - | - | (188.41) |
| Distribution on hybrid perpetual securities | (266.13) | - | - | - | (266.13) |
| Tax on distribution on hybrid perpetual securities | 92.70 | - | - | - | 92.70 |
| Transfers within equity | 3,427.46 | (3,427.46) | - | - | - |
| Application money received | - | - | - | 0.02 | 0.02 |
| **Balance as at March 31, 2018** | **18,700.25** | **108.86** | **41,559.59** | **0.02** | **60,368.72** |

(i) Dividend paid during the year ended March 31, 2019 is ₹10.00 per Ordinary Share (face value ₹10 each, fully paid up) and ₹2.504 per Ordinary Share (face value ₹10, partly paid up ₹2.504 per share) (March 31, 2018: ₹10.00 per Ordinary Share of face value ₹10 each, fully paid up).

(ii) Represents premium received and issue expenses on rights issue of shares during the year ended March 31, 2018.

## D. Notes forming part of the financial statements Note 1-46

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Managing Director & Chief Executive Officer
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

(₹ crore)

| | | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|---|
| **A.** | **Cash flows from operating activities:** | | | | |
| | **Profit before tax** | | **16,227.25** | | **6,638.25** |
| | Adjustments for: | | | | |
| | Depreciation and amortisation expense | 3,802.96 | | 3,727.46 | |
| | Dividend income | (96.25) | | (88.57) | |
| | (Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets sold/scrapped/written off) | 1.42 | | 40.48 | |
| | Exceptional (income)/expenses | 114.23 | | 3,366.29 | |
| | (Gain)/loss on cancellation of forwards, swaps and options | (36.95) | | 79.33 | |
| | Interest income and income from current investments and guarantees | (2,273.30) | | (788.38) | |
| | Finance costs | 2,823.58 | | 2,810.62 | |
| | Exchange (gain)/loss on revaluation of foreign currency loans and swaps | (1.27) | | (88.17) | |
| | Other non-cash items | (612.79) | | (588.33) | |
| | | | 3,721.63 | | 8,470.73 |
| | **Operating profit before changes in non-current/current assets and liabilities** | | **19,948.88** | | **15,108.98** |
| | Adjustments for: | | | | |
| | Non-current/current financial and other assets | (611.22) | | 456.70 | |
| | Inventories | (214.60) | | (784.63) | |
| | Non-current/current financial and other liabilities/provisions | 602.59 | | (487.09) | |
| | | | (223.23) | | (815.02) |
| | **Cash generated from operations** | | **19,725.65** | | **14,293.96** |
| | Income taxes paid | | (4,532.54) | | (2,502.51) |
| | **Net cash from/(used in) operating activities** | | **15,193.11** | | **11,791.45** |
| **B.** | **Cash flows from investing activities:** | | | | |
| | Purchase of capital assets | (3,676.86) | | (2,527.46) | |
| | Sale of capital assets | 18.94 | | 13.28 | |
| | Purchase of investments in subsidiaries[(i)] | (29,076.49) | | (5,018.88) | |
| | Purchase of other non-current investments | (403.02) | | - | |
| | Sale of other non-current investments | 306.63 | | 3,877.78 | |
| | (Purchase)/sale of current investments (net) | 14,759.69 | | (8,650.92) | |
| | Loans given | (18,908.41) | | (622.68) | |
| | Repayment of loans given | 18,914.72 | | 487.61 | |
| | Fixed/restricted deposits with banks (placed)/realised | (78.29) | | (13.32) | |
| | Interest and guarantee commission received | 1,696.86 | | 92.67 | |
| | Dividend received from subsidiaries | 39.38 | | 30.31 | |
| | Dividend received from associates and joint ventures | 38.62 | | 41.06 | |
| | Dividend received from others | 18.25 | | 17.20 | |
| | **Net cash from/(used in) investing activities** | | **(16,349.98)** | | **(12,273.35)** |

## STATEMENT OF CASH FLOWS (CONTD.)
for the year ended March 31, 2019

(₹ crore)

| | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| **C. Cash flows from financing activities:** | | | | |
| Proceeds from issue of equity shares (net of issue expenses [ii]) | (6.03) | | 9,087.23 | |
| Proceeds from borrowings | 5,884.67 | | 2,343.84 | |
| Repayment of borrowings | (4,448.06) | | (2,850.24) | |
| Repayment of finance lease obligations | (89.25) | | (108.14) | |
| Amount received/(paid) on utilisation/cancellation of derivatives | 15.55 | | (110.72) | |
| Distribution on hybrid perpetual securities | (265.39) | | (267.10) | |
| Interest paid | (2,607.88) | | (2,769.66) | |
| Dividend paid | (1,145.92) | | (971.22) | |
| Tax on dividend paid | (224.86) | | (188.41) | |
| **Net cash from/(used in) financing activities** | | **(2,887.17)** | | **4,165.58** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(4,044.04)** | | **3,683.68** |
| **Opening cash and cash equivalents (refer note 14, page 250)** | | **4,588.89** | | **905.21** |
| **Closing cash and cash equivalents (refer note 14, page 250)** | | **544.85** | | **4,588.89** |

(i) Includes investments in preference shares ₹**28,686.09** crore (2017-18: ₹4,646.55 crore).

(ii) During the year ended March 31, 2018, expenses incurred in connection with Rights Issue, 2018 was partly paid by the Company and was pending adjustment against actual utilisation from the issue proceeds. The same has been fully utilised during the year.

(iii) Significant non-cash movements in borrowings during the year include:

(a) amortisation/effective interest rate adjustments of upfront fees ₹**204.23** crore (2017-18: ₹206.88 crore).

(b) exchange loss ₹**59.12** crore (2017-18: loss ₹149.90 crore).

(c) adjustments to finance leases obligations, decrease ₹**34.35** crore (2017-18: increase ₹110.37 crore).

### D. Notes forming part of the financial statements — Note 1-46

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Managing Director & Chief Executive Officer
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

## 1. Company information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Mumbai, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has presence across the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing finished products. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled, coated steel, rebars, wire rods, tubes and wires.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

As on March 31, 2019, Tata Sons Private Limited owns 31.64 % of the Ordinary Shares of the Company, and has the ability to influence the Company's operations.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 25, 2019.

## 2. Significant accounting policies

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

### (a) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

### (b) Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### (c) Use of estimates and critical accounting judgements

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

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

Key source of estimation of uncertainty at the date of the financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations as discussed below.

#### Impairment

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note 3, page 227, note 5, page 231and note 6, page 232.

#### Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(i), page 218.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in note 2 (u), page 224 and its further information are set out in note 10, page 243.

#### Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate

## 2. Significant accounting policies (Contd.)

can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details are set out in note 21, page 261 and note 36A, page 276.

**Fair value measurements of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 39, page 281.

**Retirement benefit obligations**

The Company's retirement benefit obligations are subject to number of judgements including discount rates, inflation and salary growth. Significant judgements are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice. Further details on the Company's retirement benefit obligations, including key judgements are set out in note 35, page 269.

### (d) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

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

### (e) Exploration for and evaluation of mineral resources

Expenditures associated with search for specific mineral resources are recognised as exploration and evaluation assets. The following expenditure comprises cost of exploration and evaluation assets:

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition
- researching and analysing existing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and feasibility studies
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource

Administration and other overhead costs are charged to the cost of exploration and evaluation assets only if directly related to an exploration and evaluation project.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the statement of profit and loss.

The Company measures its exploration and evaluation assets at cost and classifies as property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

As the asset is not available for use, it is not depreciated. All exploration and evaluation assets are monitored for indications of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and the development of the deposit is sanctioned

## 2. Significant accounting policies (Contd.)

by the management. The carrying value of such exploration and evaluation asset is reclassified to mining assets.

### (f) Development expenditure for mineral reserves

Development is the establishment of access to mineral reserves and other preparations for commercial production. Development activities often continue during production and include:

- sinking shafts and underground drifts (often called mine development)
- making permanent excavations
- developing passageways and rooms or galleries
- building roads and tunnels and
- advance removal of overburden and waste rock

Development (or construction) also includes the installation of infrastructure (e.g., roads, utilities and housing), machinery, equipment and facilities.

Development expenditure is capitalised and presented as part of mining assets. No depreciation is charged on the development expenditure before the start of commercial production.

### (g) Provision for restoration and environmental costs

The Company has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its mining sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material. Future restoration and environmental costs, discounted to net present value, are capitalised and the corresponding restoration liability is raised as soon as the obligation to incur such costs arises. Future restoration and environmental costs are capitalised in property, plant and equipment or mining assets as appropriate and are depreciated over the life of the related asset. The effect of time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss.

### (h) Intangible assets

Patents, trademarks and software costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when all of the following conditions are met:

(i) completion of the development is technically feasible.

(ii) it is the intention to complete the intangible asset and use or sell it.

(iii) ability to use or sell the intangible asset.

(iv) it is clear that the intangible asset will generate probable future economic benefits.

(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available.

(vi) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost or deemed cost applied on transition to Ind AS, less accumulated amortisation and accumulated impairment losses.

### (i) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost/deemed cost of property, plant and equipment and intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised.

## 2. Significant accounting policies (Contd.)

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for main categories of property, plant and equipment and intangible assets are:

| | Estimated useful life (years) |
|---|---|
| Buildings | upto 60 years* |
| Roads | 5 years |
| Plant and machinery | upto 40 years* |
| Railway sidings | upto 35 years* |
| Vehicles and aircraft | 5 to 20 years |
| Furniture, fixtures and office equipments | 4 to 6 years |
| Computer software | 5 years |
| Assets covered under Electricity Act (life as prescribed under the Electricity Act) | 3 to 34 years |

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

Major furnace relining expenses are depreciated over a period of 10 years (average expected life).

Freehold land is not depreciated.

Assets value upto ₹25,000 are fully depreciated in the year of acquisition.

*For these class of assets, based on internal assessment and independent technical evaluation carried out by chartered engineers, the Company believes that the useful lives as given above best represents the period over which the Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

### (j) Impairment

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

### (k) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or an operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessee**

(i) **Operating lease** – Rentals payable under operating leases are charged to the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of fair value of the asset or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest

## 2. Significant accounting policies (Contd.)

on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

**The Company as lessor**

(i) **Operating lease** – Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) **Finance lease** –When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

### (l) Stripping costs

The Company separates two different types of stripping costs that are incurred in surface mining activity:

- developmental stripping costs and
- production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

A mine can operate several open pits that are regarded as separate operations for the purpose of mine planning and production. In this case, stripping costs are accounted for separately, by reference to the ore extracted from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning and production, stripping costs are aggregated too.

The determination of whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances. The following factors normally point towards the stripping costs for the individual pits being accounted for separately:

- mining of the second and subsequent pits is conducted consecutively with that of the first pit, rather than concurrently
- separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset
- the pits are operated as separate units in terms of mine planning and the sequencing of overburden and ore mining, rather than as an integrated unit
- expenditures for additional infrastructure to support the second and subsequent pits are relatively large
- the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

The relative importance of each factor is considered by the management to determine whether, the stripping costs should be attributed to the individual pit or to the combined output from the several pits.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

The Company recognises a stripping activity asset in the production phase if, and only if, all of the following are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Company
- the entity can identify the component of the ore body for which access has been improved and
- the costs relating to the improved access to that component can be measured reliably.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost/deemed cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

### (m) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is

## 2. Significant accounting policies (Contd.)

assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

### (n) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**(I) Financial assets**

**Cash and bank balances**

Cash and bank balances consist of:

(i) **Cash and cash equivalents** - which include cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than one year. These balances with banks are unrestricted for withdrawal and usage.

(ii) **Other bank balances** - which include balances and deposits with banks that are restricted for withdrawal and usage.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

**Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

**Dividend income**

Dividend income from investments is recognised when the right to receive payment has been established.

**Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets (apart from trade receivables that do not constitute of financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

## 2. Significant accounting policies (Contd.)

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition.

**De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

**(II) Financial liabilities and equity instruments**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

**De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, cross currency swaps, interest rate swaps and collars. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months, except for certain currency swaps and interest rate derivatives.

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

The Company adopts hedge accounting for forward foreign exchange and interest rate contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, *inter alia*, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then,

## NOTES
forming part of the financial statements

## 2. Significant accounting policies (Contd.)

at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

### (o) Employee benefits

#### Defined contribution plans

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered the service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

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

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

#### Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

### (p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions.

### (q) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

## 2. Significant accounting policies (Contd.)

### (r) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

### (s) Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

### (t) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

### (u) Income taxes

Tax expense for the period comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off

## 2. Significant accounting policies (Contd.)

against future income tax liability. MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### (v) Revenue

The Company manufactures and sells a range of steel and other products.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the retrospective effect method. The adoption of the new standard did not have a material impact on the Company.

#### Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

#### Sale of power

Revenue from sale of power is recognised when the services are provided to the customer based on approved tariff rates established by the respective regulatory authorities. The Company doesn't recognise revenue and an asset for cost incurred in the past that will be recovered.

### (w) Foreign currency transactions and translations

The financial statements of the Company are presented in Indian Rupees ('₹'), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First-time adoption of Indian Accounting Standards" are added/deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the re-translation or settlement of other monetary items are included in the statement of profit and loss for the period.

### (x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

## 2. Significant accounting policies (Contd.)

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

### (y) Earnings per share

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

### (z) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019.

**Ind AS 116 – "Leases"**

Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as right of use of the leased assets or together with property, plant and equipment. If lease payments are made over time a financial liability representing the future obligation would be recognised.

**Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'**

This Appendix clarifies how the recognition and measurement requirements of Ind AS 12 'Income Taxes', are applied while performing the determination of taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates.

The Company is in the process of evaluating the impact of adoption of the above pronouncements on its financial statements.

## NOTES
forming part of the financial statements

## 3. Property, plant and equipment
[Item No. I(a), Page 210]

(₹ crore)

| | Land including roads | Buildings | Plant and machinery | Furniture, fixtures and office equipments | Vehicles | Railway sidings | Total |
|---|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2018 | 14,117.17 | 5,902.00 | 60,846.29 | 431.26 | 304.62 | 1,056.94 | 82,658.28 |
| Additions | 75.79 | 221.14 | 2,613.71 | 118.90 | 86.83 | 23.45 | 3,139.82 |
| Disposals | - | (13.80) | (0.37) | (1.26) | (12.48) | - | (27.91) |
| Other re-classifications | - | - | 9.05 | - | (9.05) | - | - |
| **Cost/deemed cost as at March 31, 2019** | **14,192.96** | **6,109.34** | **63,468.68** | **548.90** | **369.92** | **1,080.39** | **85,770.19** |
| Impairment as at April 1, 2018 | 0.15 | 1.32 | 0.09 | - | - | - | 1.56 |
| **Accumulated impairment as at March 31, 2019** | **0.15** | **1.32** | **0.09** | **-** | **-** | **-** | **1.56** |
| Accumulated depreciation as at April 1, 2018 | 493.55 | 690.56 | 9,980.12 | 291.37 | 164.42 | 93.80 | 11,713.82 |
| Charge for the year | 115.61 | 233.32 | 3,162.19 | 73.19 | 30.51 | 37.85 | 3,652.67 |
| Disposals | - | (2.06) | (0.29) | (1.19) | (11.14) | - | (14.68) |
| Other re-classifications | - | - | 6.00 | - | (6.00) | - | - |
| **Accumulated depreciation as at March 31, 2019** | **609.16** | **921.82** | **13,148.02** | **363.37** | **177.79** | **131.65** | **15,351.81** |
| **Total accumulated depreciation and impairment as at March 31, 2019** | **609.31** | **923.14** | **13,148.11** | **363.37** | **177.79** | **131.65** | **15,353.37** |
| Net carrying value as at April 1, 2018 | 13,623.47 | 5,210.12 | 50,866.08 | 139.89 | 140.20 | 963.14 | 70,942.90 |
| **Net carrying value as at March 31, 2019** | **13,583.65** | **5,186.20** | **50,320.57** | **185.53** | **192.13** | **948.74** | **70,416.82** |

(₹ crore)

| | Land including roads | Buildings | Plant and machinery | Furniture, fixtures and office equipments | Vehicles | Railway sidings | Total |
|---|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2017 | 14,058.74 | 5,722.77 | 58,458.26 | 352.18 | 324.15 | 1,024.00 | 79,940.10 |
| Additions | 58.43 | 179.23 | 2,414.33 | 82.96 | 17.44 | 32.94 | 2,785.33 |
| Disposals | - | - | (26.30) | (3.88) | (36.97) | - | (67.15) |
| **Cost/deemed cost as at March 31, 2018** | **14,117.17** | **5,902.00** | **60,846.29** | **431.26** | **304.62** | **1,056.94** | **82,658.28** |
| Impairment as at April 1, 2017 | 0.15 | 1.32 | 0.09 | - | - | - | 1.56 |
| **Accumulated impairment as at March 31, 2018** | **0.15** | **1.32** | **0.09** | **-** | **-** | **-** | **1.56** |
| Accumulated depreciation as at April 1, 2017 | 390.40 | 461.43 | 6,844.56 | 246.46 | 159.14 | 57.58 | 8,159.57 |
| Charge for the period | 103.15 | 229.13 | 3,140.58 | 48.72 | 27.64 | 36.22 | 3,585.44 |
| Disposals | - | - | (5.02) | (3.81) | (22.36) | - | (31.19) |
| **Accumulated depreciation as at March 31, 2018** | **493.55** | **690.56** | **9,980.12** | **291.37** | **164.42** | **93.80** | **11,713.82** |
| **Total accumulated depreciation and impairment as at March 31, 2018** | **493.70** | **691.88** | **9,980.21** | **291.37** | **164.42** | **93.80** | **11,715.38** |
| Net carrying value as at April 1, 2017 | 13,668.19 | 5,260.02 | 51,613.61 | 105.72 | 165.01 | 966.42 | 71,778.97 |
| **Net carrying value as at March 31, 2018** | **13,623.47** | **5,210.12** | **50,866.08** | **139.89** | **140.20** | **963.14** | **70,942.90** |

(i) Buildings include ₹**2.32** crore (March 31, 2018: ₹2.32 crore) being cost of shares in co-operative housing societies and limited companies.

## NOTES
forming part of the financial statements

## 3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 210]

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

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Assets held under finance leases** | | |
| Cost/deemed cost | 3,851.65 | 3,632.46 |
| Accumulated depreciation and impairment | 1,700.33 | 1,590.98 |
| | **2,151.32** | **2,041.48** |
| | | |
| **Owned assets** | **48,169.25** | **48,824.60** |
| | | |
| | **50,320.57** | **50,866.08** |

(iii) Net carrying value of furniture, fixtures and office equipments comprises of:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Furniture and fixtures** | | |
| Cost/deemed cost | 118.24 | 104.02 |
| Accumulated depreciation and impairment | 94.67 | 80.04 |
| | **23.57** | **23.98** |
| **Office equipments** | | |
| Cost/deemed cost | 430.66 | 327.24 |
| Accumulated depreciation and impairment | 268.70 | 211.33 |
| | **161.96** | **115.91** |
| | **185.53** | **139.89** |

(iv) ₹**88.68** crore (2017-18: ₹75.96 crore) of borrowing costs has been capitalised during the year on qualifying assets under construction using a capitalisation rate of **9.00**% (2017-18: 9.00%).

(v) Rupee liability has increased by ₹**106.56** crore (March 31, 2018: ₹44.33 crore) arising out of re-translation of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment, generally plant and machinery. This increase is adjusted against the carrying cost of assets and depreciated over their remaining useful life. The depreciation for the current year is higher by ₹**3.50** crore (2017-18: ₹1.39 crore) on account of this adjustment.

(vi) Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. During the year ended March 31, 2019, the Company has recognised an impairment charge of ₹**8.54** crore (2017-18: ₹33.99 crore) in respect of expenditure incurred (included within capital work-in-progress) at one of its mining sites. The impairment recognised is included within other expenses in the statement of profit and loss.

## NOTES
forming part of the financial statements

## 3. Property, plant and equipment (Contd.)
[Item No. I(a), Page 210]

(vii) Property, plant and equipment includes capital cost of in-house research facilities as below:

(₹ crore)

| | Buildings | Plant and machinery | Furniture, fixtures and office equipments | Vehicles | Total |
|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2018 | **6.35** | **72.72** | **7.01** | **0.09** | **86.17** |
| | *6.04* | *66.56* | *6.08* | *0.09* | *78.77* |
| Additions | **-** | **20.21** | **1.23** | **-** | **21.44** |
| | *0.31* | *6.16* | *0.93* | *-* | *7.40* |
| Cost/deemed cost as at March 31, 2019 | **6.35** | **92.93** | **8.24** | **0.09** | **107.61** |
| | *6.35* | *72.72* | *7.01* | *0.09* | *86.17* |
| Capital work-in-progress | | | | | **1.12** |
| | | | | | *19.75* |

Figures in italics represent comparative figures for previous years.

(viii) Details of property, plant and equipment pledged against borrowings is presented in note 19, page 258.

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

### A. Operating leases:
Significant leasing arrangements include lease of land for periods ranging between 12 to 99 years renewable on mutual consent, lease of office space and assets dedicated for use under long-term arrangements. Payments under long-term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification. Payments linked to changes in inflation index under the lease arrangements have been considered as contingent rent and recognised in the statement of profit and loss as and when incurred.

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

(₹ crore)

| | Minimum lease payments | |
|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 |
| Not later than one year | 120.57 | 111.60 |
| Later than one year but not later than five years | 436.38 | 352.18 |
| Later than five years | 954.28 | 992.63 |
| | **1,511.23** | **1,456.41** |

During the year ended March 31, 2019, total operating lease rental expense recognised in the statement of profit and loss was ₹**222.76** crore, (2017-18: ₹252.12 crore) including contingent rent of ₹**49.27** crore (2017-18: ₹31.20 crore).

## NOTES
forming part of the financial statements

## 4. Leases (Contd.)

### B. Finance leases:

Significant leasing arrangements include assets dedicated for use under long-term arrangements. The arrangements cover a substantial part of the economic life of the underlying assets and generally contain a renewal option on expiry. Payments under long-term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

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

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Minimum lease payments | Minimum lease payments less future finance charges | Minimum lease payments | Minimum lease payments less future finance charges |
| Not later than one year | 469.27 | 195.49 | 463.76 | 119.81 |
| Later than one year but not later than five years | 1,335.16 | 499.50 | 1,523.48 | 432.02 |
| Later than five years | 2,885.77 | 1,434.87 | 4,013.01 | 1,701.63 |
| **Total future minimum lease commitments** | **4,690.20** | **2,129.86** | **6,000.25** | **2,253.46** |
| Less: Future finance charges | 2,560.34 | | 3,746.79 | |
| **Present value of minimum lease payments** | **2,129.86** | | **2,253.46** | |
| **Disclosed as:** | | | | |
| Borrowings - Non-current (refer note 19, page 258) | 1,934.37 | | 2,133.65 | |
| Other financial liabilities - Current (refer note 20, page 261) | 195.49 | | 119.81 | |
| | **2,129.86** | | **2,253.46** | |

## NOTES
forming part of the financial statements

## 5. Intangible assets
[Item No. I(c), Page 210]

(₹ crore)

| | Software costs | Mining assets | Total |
|---|---|---|---|
| Cost/deemed cost as at April 1, 2018 | 240.89 | 1,782.41 | 2,023.30 |
| Additions | 25.77 | 146.60 | 172.37 |
| **Cost/deemed cost as at March 31, 2019** | **266.66** | **1,929.01** | **2,195.67** |
| Accumulated impairment as at April 1, 2018 | - | 37.05 | 37.05 |
| Charge for the year | - | 3.06 | 3.06 |
| **Accumulated impairment as at March 31, 2019** | **-** | **40.11** | **40.11** |
| Accumulated amortisation as at April 1, 2018 | 167.74 | 1,032.33 | 1,200.07 |
| Charge for the year | 28.01 | 122.28 | 150.29 |
| **Accumulated amortisation as at March 31, 2019** | **195.75** | **1,154.61** | **1,350.36** |
| **Total accumulated amortisation and impairment as at March 31, 2019** | **195.75** | **1,194.72** | **1,390.47** |
| Net carrying value as at April 1, 2018 | 73.15 | 713.03 | 786.18 |
| **Net carrying value as at March 31, 2019** | **70.91** | **734.29** | **805.20** |

(₹ crore)

| | Software costs | Mining assets | Total |
|---|---|---|---|
| Cost/deemed cost as at April 1, 2017 | 198.72 | 1,684.56 | 1,883.28 |
| Additions | 42.17 | 97.85 | 140.02 |
| **Cost/deemed cost as at March 31, 2018** | **240.89** | **1,782.41** | **2,023.30** |
| Accumulated impairment as at April 1, 2017 | - | 37.05 | 37.05 |
| **Accumulated impairment as at March 31, 2018** | **-** | **37.05** | **37.05** |
| Accumulated amortisation as at April 1, 2017 | 146.35 | 911.70 | 1,058.05 |
| Charge for the year | 21.39 | 120.63 | 142.02 |
| **Accumulated amortisation as at March 31, 2018** | **167.74** | **1,032.33** | **1,200.07** |
| **Total accumulated amortisation and impairment as at March 31, 2018** | **167.74** | **1,069.38** | **1,237.12** |
| Net carrying value as at April 1, 2017 | 52.37 | 735.81 | 788.18 |
| **Net carrying value as at March 31, 2018** | **73.15** | **713.03** | **786.18** |

(i) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.

(ii) The Company has recognised an impairment charge of ₹**5.17** crore (including intangible under development) (2017-18 Nil) for expenditure incurred in respect of certain mines which are not in operation.

(iii) Software costs related to in-house development included within software costs is ₹**0.28** crore (2017-18: ₹0.27 crore).

## NOTES
forming part of the financial statements

## 6. Investments in subsidiaries, associates and joint ventures
[Item No. I(e), Page 210]

(₹ crore)

| | No. of shares as at March 31, 2019 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **A. Investments carried at cost/deemed cost** | | | |
| **(a) Equity investment in subsidiary companies** | | | |
| **(i) Quoted** | | | |
| (1) Tata Metaliks Ltd. | 1,54,64,590 | 205.87 | 26.30 |
| (27,97,000 shares purchased during the year) | | | |
| (2) Tata Sponge Iron Limited | 83,93,554 | 86.54 | 86.54 |
| (3) Tayo Rolls Limited | 55,87,372 | - | - |
| (4) The Tinplate Company of India Ltd | 7,84,57,640 | 395.02 | 395.02 |
| | | **687.43** | **507.86** |
| **(ii) Unquoted** | | | |
| (1) ABJA Investment Co. Pte Ltd. (Face value of USD 1 each) | 2,00,000 | 1.08 | 1.08 |
| (2) Adityapur Toll Bridge Company Limited | 4,14,00,000 | 26.40 | 26.40 |
| (3) Bamnipal Steel Limited | 25,88,95,798 | 258.89 | 0.01 |
| (25,88,85,798 shares purchased during the year) | | | |
| (4) Bhubaneshwar Power Private Limited | 23,69,86,703 | 321.73 | 298.72 |
| (2,30,00,000 shares purchased during the year) | | | |
| (5) Bistupur Steel Limited | 10,000 | 0.01 | 0.01 |
| (6) Creative Port Development Private Limited | 1,27,500 | 91.88 | - |
| (1,27,500 shares purchased during the year) | | | |
| (7) Dimna Steel Limited | 10,000 | 0.01 | 0.01 |
| (8) The Indian Steel & Wire Products Ltd | 56,92,651 | 3.08 | 3.08 |
| (9) Jamadoba Steel Limited | 10,000 | 0.01 | 0.01 |
| (10) Jamshedpur Football and Sporting Private Limited | 3,20,00,000 | 32.00 | 20.00 |
| (1,20,00,000 shares purchased during the year) | | | |
| (11) Jamshedpur Utilities & Services Company Limited | 2,43,50,000 | 24.35 | 20.35 |
| (40,00,000 shares purchased during the year) | | | |
| (12) Jugsalai Steel Limited | 10,000 | 0.01 | 0.01 |
| (13) Mohar Exports Services Pvt Ltd* | 3,352 | - | - |
| (14) NatSteel Asia Pte. Ltd. (Face value of SGD 1 each) | 28,14,37,128 | 773.86 | 773.86 |
| (15) Noamundi Steel Limited | 10,000 | 0.01 | 0.01 |
| (16) Rujuvalika Investments Limited | 13,28,800 | 60.40 | 60.40 |
| (17) Sakchi Steel Limited | 10,000 | 0.01 | 0.01 |
| (18) Straight Mile Steel Limited | 10,000 | 0.01 | 0.01 |
| (19) Subarnarekha Port Private Limited | 4,24,183 | 17.01 | - |
| (2,51,666 shares purchased during the year) | | | |
| (20) Tata Korf Engineering Services Ltd* | 3,99,986 | - | - |
| (21) The Tata Pigments Limited (Face value of ₹100 each) | 75,000 | 0.70 | 0.70 |
| (22) Tata Steel Foundation | 10,00,000 | 1.00 | 1.00 |
| (23) T Steel Holdings Pte. Ltd.* (Face value of GBP 1 each) | 5,93,17,67,688 | - | - |
| (24) Tata Steel (KZN) (Pty) Ltd.* (Face value of ZAR 1 each) | 12,96,00,000 | - | - |

## NOTES
forming part of the financial statements

## 6. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(e), Page 210]

(₹ crore)

| | No. of shares as at March 31, 2019 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (25) Tata Steel Odisha Limited | 25,67,000 | 2.57 | 2.57 |
| (26) Tata Steel Processing and Distribution Limited | 6,82,50,000 | 274.45 | 274.45 |
| (27) Tata Steel Special Economic Zone Limited | 18,52,42,631 | 160.32 | 129.82 |
| (3,05,00,000 shares purchased during the year) | | | |
| (28) T S Alloys Limited | 6,57,07,544 | 78.64 | 78.64 |
| | | **2,128.43** | **1,691.15** |
| Aggregate provision for impairment in value of investments | | (50.00) | (38.00) |
| | | **2,078.43** | **1,653.15** |
| | | **2,765.86** | **2,161.01** |
| **(b) Investment in equity share warrants of subsidiary companies** | | | |
| **(i) Unquoted** | | | |
| (1) Tata Metaliks Ltd. | 34,92,500 | 56.05 | - |
| (34,92,500 equity share warrants purchased during the year) | | | |
| | | **56.05** | **-** |
| **(c) Equity investment in associate companies** | | | |
| **(i) Quoted** | | | |
| (1) TRF Limited. | 37,53,275 | 5.79 | 5.79 |
| | | **5.79** | **5.79** |
| **(ii) Unquoted** | | | |
| (1) Kalinga Aquatic Ltd* | 10,49,920 | - | - |
| (2) Malusha Travels Pvt Ltd, ₹33,520 (March 31, 2018: ₹33,520) | 3,352 | - | - |
| (3) Nicco Jubilee Park Limited* | 3,40,000 | - | - |
| (4) Strategic Energy Technology Systems Private Limited | 2,56,14,500 | 0.91 | 0.91 |
| (5) TRL Krosaki Refractories Limited | - | - | 42.38 |
| (55,63,864 shares sold during the year) | | | |
| | | **0.91** | **43.29** |
| Aggregate provision for impairment in value of investments | | (0.91) | (0.91) |
| | | **-** | **42.38** |
| | | **5.79** | **48.17** |
| **(d) Equity investment in joint ventures** | | | |
| **(i) Unquoted** | | | |
| (1) Himalaya Steel Mill Services Private Limited | 36,19,945 | 3.62 | 3.62 |
| (2) Industrial Energy Limited | 17,31,60,000 | 173.16 | 173.16 |
| (3) Jamipol Limited | 36,75,000 | 8.38 | 8.38 |
| (4) Jamshedpur Continuous Annealing & Processing Company Private Limited | 62,83,20,000 | 628.32 | 475.32 |
| (15,30,00,000 shares purchased during the year) | | | |
| (5) Medica TS Hospital Private Limited | 2,60,000 | 0.26 | 0.26 |
| (6) mjunction services limited | 40,00,000 | 4.00 | 4.00 |
| (7) S & T Mining Company Private Limited | 1,29,41,400 | 12.94 | 12.94 |

## NOTES
forming part of the financial statements

## 6. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(e), Page 210]

(₹ crore)

| | | No. of shares as at March 31, 2019 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| (8) | Tata BlueScope Steel Private Limited (formerly Tata BlueScope Steel Limited) | 43,30,00,000 | 433.00 | 433.00 |
| (9) | Tata NYK Shipping Pte Ltd. (Face value of USD 1 each) | 6,51,67,500 | 350.14 | 350.14 |
| (10) | TM International Logistics Limited | 91,80,000 | 9.18 | 9.18 |
| (11) | T M Mining Company Limited | 2,29,116 | 0.23 | 0.16 |
| | (Inter-corporate deposits converted to 66,316 shares during the year) | | | |
| | | | **1,623.23** | **1,470.16** |
| | Aggregate provision for impairment in value of investments | | (13.17) | (13.10) |
| | | | **1,610.06** | **1,457.06** |
| **Total investments in subsidiaries, associates and joint ventures** | | | **4,437.76** | **3,666.24** |

* These investments are carried at a book value of ₹1.00

(i) The Company holds 51% of the equity share capital in TM International Logistics Limited, Jamshedpur Continuous Annealing & Processing Company Private Limited and T M Mining Company Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.

(ii) Carrying value and market value of quoted and unquoted investments are as below:

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a)** | **Investment in subsidiary companies:** | | |
| | Aggregate carrying value of quoted investments | 687.43 | 507.86 |
| | Aggregate market value of quoted investments | 2,876.68 | 3,211.31 |
| | Aggregate carrying value of unquoted investments | 2,134.48 | 1,653.15 |
| **(b)** | **Investment in associate companies:** | | |
| | Aggregate carrying value of quoted investments | 5.79 | 5.79 |
| | Aggregate market value of quoted investments | 44.87 | 83.66 |
| | Aggregate carrying value of unquoted investments | - | 42.38 |
| **(c)** | **Investment in joint ventures:** | | |
| | Aggregate carrying value of unquoted investments | 1,610.06 | 1,457.06 |

(iii) During the year ended March 31, 2019, the Company acquired 51% stake in Creative Port Development Private Limited (CPDPL) a proposed greenfield port project. Consequent to the acquisition, Subarnarekha Port Private Limited became a subsidiary of the Company.

(iv) During the year ended March 31, 2019, the Company through its wholly owned subsidiary Bamnipal Steel Limited, completed the acquisition of Tata Steel BSL Limited (formerly Bhushan Steel Limited) pursuant to a corporate insolvency resolution process implemented under the Insolvency and Bankruptcy Code, 2018.

(v) The Hon'ble National Company Law Tribunal (NCLT), Kolkata vide order dated April 5, 2019 has admitted the initiation of Corporate Insolvency Resolution Process (CIRP) in respect of Tayo Rolls Limited, a subsidiary of the Company.

## NOTES
forming part of the financial statements

## 7. Investments

[Item No. I(f)(i) and II(b)(i), Page 210]

### A. Non-current

(₹ crore)

| | No. of shares as at March 31, 2019 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(I) Investments carried at fair value through other comprehensive income:** | | | |
| **Investment in equity shares** | | | |
| **(i) Quoted** | | | |
| (1) Credit Analysis & Research Limited | 3,54,000 | 35.03 | 42.79 |
| (2) Housing Development Finance Corporation Ltd. (Face value of ₹2 each) | 7,900 | 1.55 | 1.44 |
| (3) Tata Consultancy Services Limited (Face Value of ₹1 each) | 46,798 | 9.37 | 6.78 |
| (23,804 bonus shares in 1:1 was received and 810 shares were bought back during the year) | | | |
| (4) Tata Investment Corporation Limited | 2,28,015 | 19.00 | 18.10 |
| (18,003 shares were bought back during the year) | | | |
| (5) Tata Motors Ltd. (Face value of ₹2 each) | 1,00,000 | 1.74 | 3.27 |
| (6) The Tata Power Company Ltd. (Face value of ₹1 each) | 3,91,22,725 | 288.73 | 309.07 |
| (7) Timken India Ltd. ₹587.25 (March 31, 2018: ₹704.00) | 1 | - | - |
| (8) Steel Strips Wheels Limited | 10,86,972 | 93.19 | 115.76 |
| | | **448.61** | **497.21** |
| **(ii) Unquoted#** | | | |
| (1) IFCI Venture Capital Funds Ltd. | 1,00,000 | 0.10 | 0.10 |
| (2) Panatone Finvest Ltd. | 45,000 | 0.05 | 0.05 |
| (3) Steelscape Consultancy Pvt. Ltd. | 50,000 | - | - |
| (4) Subarnarekha Port Private Limited | | - | 7.00 |
| (5) Taj Air Limited | 42,00,000 | - | - |
| (6) Tarapur Environment Protection Society | 82,776 | 0.89 | 0.89 |
| (7) Tata Industries Ltd. (Face value of ₹100 each) | 99,80,436 | 202.19 | 202.19 |
| (8) Tata International Ltd. (Face value of ₹1,000 each) | 28,616 | 31.19 | 31.19 |
| (9) Tata Services Ltd. (Face value of ₹1,000 each) | 1,621 | 0.16 | 0.16 |
| (10) Tata Sons Private Limited (Face value of ₹1,000 each) | 12,375 | 68.75 | 68.75 |
| (11) Tata Teleservices Ltd. | 8,74,27,533 | - | - |
| (12) Others(iii) | | 0.01 | 0.01 |
| | | **303.34** | **310.34** |
| | | **751.95** | **807.55** |

## NOTES
forming part of the financial statements

## 7. Investments (Contd.)

[Item No. I(f)(i) and II(b)(i), Page 210]

(₹ crore)

| | No. of shares as at March 31, 2019 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(II) Investments carried at fair value through profit and loss:** | | | |
| **Investment in preference shares** | | | |
| **(a) Subsidiary companies** | | | |
| **(i) Unquoted** | | | |
| (1) T Steel Holdings Pte. Ltd. | 55,41,31,297 | 5,016.25 | 5,113.03 |
| 5.00% non-cumulative redeemable preference shares (Face value of GBP 1 each) | | | |
| (2) T Steel Holdings Pte. Ltd. | 1,25,80,00,000 | 8,698.44 | - |
| 5.60% non-cumulative redeemable preference shares (Face value of USD 1 each) | | | |
| (1,25,80,00,000 shares acquired during the year) | | | |
| (3) Tayo Rolls Limited | 43,30,000 | - | - |
| 7.00% non-cumulative redeemable preference shares (Face value of ₹100 each) | | | |
| (2,00,000 shares acquired during the year) | | | |
| (4) Tayo Rolls Limited | 64,00,000 | - | - |
| 7.17% non-cumulative redeemable preference shares (Face value of ₹100 each) | | | |
| (5) Tayo Rolls Limited | 3,00,000 | - | - |
| 8% non-cumulative redeemable preference shares (Face value of ₹100 each) | | | |
| (3,00,000 shares acquired during the year) | | | |
| (6) Tayo Rolls Limited | 2,31,00,000 | - | - |
| 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each) | | | |
| (7) Creative Port Development Private Limited | 25,10,830 | 25.11 | - |
| 0.01% non-cumulative optionally convertible redeemable preference shares (Face value of ₹100 each) | | | |
| (25,10,830 shares acquired during the year) | | | |
| (8) Tata Steel BSL Limited (formerly Bhushan Steel Limited) | 10,70,00,00,000 | 10,700.00 | - |
| 11.09 % non-cumulative redeemable preference shares | | | |
| (10,70,00,00,000 shares acquired during the year) | | | |
| (9) Tata Steel BSL Limited (formerly Bhushan Steel Limited) | 9,00,00,00,000 | 9,000.00 | - |
| 8.89 % non-cumulative optionally convertible redeemable preference shares | | | |
| (9,00,00,00,000 shares acquired during the year) | | | |
| | | **33,439.80** | **5,113.03** |

## NOTES
forming part of the financial statements

## 7. Investments (Contd.)

[Item No. I(f)(i) and II(b)(i), Page 210]

(₹ crore)

| | No. of shares as at March 31, 2019 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(b) Associate companies** | | | |
| **(i) Unquoted** | | | |
| (1) TRF Limited. | 25,00,00,000 | 250.00 | - |
| 12.50 % non-cumulative redeemable preference shares | | | |
| (25,00,00,000 shares acquired during the year) | | | |
| | | **250.00** | **-** |
| | | **33,689.80** | **5,113.03** |
| **Investments in debentures and bonds** | | | |
| **(a) Investment in joint ventures** | | | |
| **(i) Unquoted** | | | |
| (1) Medica TS Hospital Private Limited | 4,97,400 | 49.74 | 49.74 |
| Secured optionally convertible redeemable debentures (Face value of ₹1,000 each) | | | |
| | | **49.74** | **49.74** |
| | | **34,491.49** | **5,970.32** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Investments carried at fair value through profit and loss:** | | |
| **Investment in mutual funds – Unquoted** | | |
| (1) Aditya Birla Sun Life Cash Plus - Growth | - | 1,191.57 |
| (2) Axis Liquid Fund - Growth | - | 1,477.02 |
| (3) Baroda Pioneer Liquid Fund - Growth | - | 882.72 |
| (4) DSP BlackRock Liquidity Fund - Growth | - | 1,250.63 |
| (5) HDFC Cash Management Fund - Saving Plan - Growth | - | 1,044.26 |
| (6) ICICI Prudential Money Market Fund - Growth | - | 1,440.59 |
| (7) IDBI Liquid Fund - Growth | - | 741.08 |
| (8) IDFC Cash Fund - Growth | - | 952.69 |
| (9) Invesco India Liquid Fund - Growth | - | 1,246.89 |
| (10) Kotak Liquid Scheme - Growth | - | 616.07 |
| (11) LIC MF Liquid Fund - Growth | - | 738.43 |
| (12) Reliance Liquidity Fund - Growth | - | 1,329.38 |
| (13) Reliance MF ETF Liquid | - | 0.09 |
| (14) SBI Premier Liquid Fund - Growth | - | 878.38 |
| (15) Tata Liquid Fund - Growth | 477.47 | - |
| (16) Tata Money Market Fund - Growth | - | 850.57 |
| | **477.47** | **14,640.37** |

## NOTES
forming part of the financial statements

## 7. Investments (Contd.)

[Item No. I(f)(i) and II(b)(i), Page 210]

(i) Carrying value and market value of quoted and unquoted investments are as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Investments in quoted instruments:** | | |
| Aggregate carrying value | 448.61 | 497.21 |
| Aggregate market value | 448.61 | 497.21 |
| | | |
| **(b) Investments in unquoted instruments:** | | |
| Aggregate carrying value | 34,520.35 | 20,113.48 |

(ii) Cumulative gain on de-recognition of investments during the year which were carried at fair value through other comprehensive income amounted to ₹**1.49** crore (2017-18: ₹3,427.46 crore). Fair value of such investments as on the date of de-recognition was ₹**1.97** crore (2017-18: ₹3,782.76 crore).

# Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

## NOTES
forming part of the financial statements

## 7. Investments (Contd.)
[Item No. I(f)(i) and II(b)(i), Page 210]

(iii) Details of other unquoted investments carried at fair value through other comprehensive income is as below:

| | | No. of shares as at March 31, 2019 (face value of ₹10 each fully paid -up unless otherwise specified) | As at March 31, 2019 (₹) | As at March 31, 2018 (₹) |
|---|---|---|---|---|
| (a) | Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of ₹25 each) | 200 | 5,000.00 | 5,000.00 |
| (b) | Bokaro and Ramgarh Ltd. | 100 | 16,225.00 | 16,225.00 |
| (c) | Eastern Synpacks Limited (Face value of ₹25 each) | 1,50,000 | 1.00 | 1.00 |
| (d) | Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each) | 100 | 2,500.00 | 2,500.00 |
| (e) | Investech Advisory Services (India) Limited(Face value of ₹100 each) | 1,680 | 1.00 | 1.00 |
| (f) | Jamshedpur Co-operative House Building Society Ltd. (Face value of ₹100 each) | 10 | 1,000.00 | 1,000.00 |
| (g) | Jamshedpur Co-operative Stores Ltd. (Face value of ₹5 each) | 50 | 250.00 | 250.00 |
| (h) | Jamshedpur Educational and Culture Co-operative Society Ltd. (Face value of ₹100 each) | 50 | 5,000.00 | 5,000.00 |
| (i) | Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each) | 100 | 2,500.00 | 2,500.00 |
| (j) | Kumardhubi Fireclay and Silica Works Ltd. | 1,50,001 | 1.00 | 1.00 |
| (k) | Kumardhubi Metal Casting and Engineering Ltd. | 10,70,000 | 1.00 | 1.00 |
| (l) | Namtech Electronic Devices Limited | 48,026 | 1.00 | 1.00 |
| (m) | Reliance Firebrick and Pottery Company Ltd. (Partly paid-up) | 16,800 | 1.00 | 1.00 |
| (n) | Reliance Firebrick and Pottery Company Ltd. | 2,400 | 1.00 | 1.00 |
| (o) | Sanderson Industries Ltd. | 3,33,876 | 2.00 | 2.00 |
| (p) | Standard Chrome Ltd. | 11,16,000 | 2.00 | 2.00 |
| (q) | Sijua (Jherriah) Electric Supply Co. Ltd. | 4,144 | 40,260.00 | 40,260.00 |
| (r) | Tata Construction and Projects Ltd. | 11,97,699 | 1.00 | 1.00 |
| (s) | TBW Publishing and Media Pvt. Limited | 100 | 1.00 | 1.00 |
| (t) | Wellman Incandescent India Ltd. | 15,21,234 | 2.00 | 2.00 |
| (u) | Woodland Multispeciality Hospital Ltd. | 1,25,000 | 1.00 | 1.00 |
| (v) | Unit Trust of India - Mastershares | 2,229 | 47,477.00 | 47,477.00 |
| | | | **1,20,228.00** | **1,20,228.00** |

## NOTES
forming part of the financial statements

## 8. Loans

[Item No. I(f)(ii) and II(b)(v), Page 210]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Security deposits** | | |
| Considered good - Unsecured | 200.13 | 193.84 |
| Credit impaired | 2.02 | 2.12 |
| Less: Allowance for credit losses | 2.02 | 2.12 |
| | **200.13** | **193.84** |
| **(b) Loans to related parties** | | |
| Considered good - Unsecured | 13.00 | - |
| Credit impaired | 558.95 | 558.95 |
| Less: Allowance for credit losses | 558.95 | 558.95 |
| | **13.00** | **-** |
| **(c) Other loans** | | |
| Considered good - Unsecured | 18.03 | 19.66 |
| Credit impaired | 0.53 | 0.87 |
| Less: Allowance for credit losses | 0.53 | 0.87 |
| | **18.03** | **19.66** |
| | **231.16** | **213.50** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Loans to related parties** | | |
| Considered good - Unsecured | 52.01 | 69.26 |
| Credit impaired | 68.72 | 68.25 |
| Less: Allowance for credit losses | 68.72 | 68.25 |
| | **52.01** | **69.26** |
| **(b) Other loans** | | |
| Considered good - Unsecured | 3.91 | 4.87 |
| Credit impaired | 2.00 | 2.00 |
| Less: Allowance for credit losses | 2.00 | 2.00 |
| | **3.91** | **4.87** |
| | **55.92** | **74.13** |

(i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with a subsidiary ₹**14.00** crore (March 31, 2018: ₹14.00 crore) and deposit with Tata Sons Private Limited ₹**1.25** crore (March 31, 2018: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to subsidiaries ₹**571.95** crore (March 31, 2018: ₹558.95 crore), out of which ₹**558.95** crore (March 31, 2018: ₹558.95 crore) is impaired.

(iii) Current loans to related parties represent loans/advances given to subsidiaries ₹**92.06** crore (March 31, 2018: ₹90.69 crore) and joint ventures ₹**28.67** crore (March 31, 2018: ₹46.82 crore) out of which ₹**67.65** crore (2017-18: ₹67.65 crore) and ₹**1.07** crore (2017-18: ₹0.60 crore) respectively is impaired.

(iv) Other loans primarily represent loans given to employees.

## NOTES
forming part of the financial statements

## 8. Loans (Contd.)

[Item No. I(f)(ii) and II(b)(v), Page 210]

(v) Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013.

(a) Loans/advances in the nature of loan outstanding from subsidiaries, associates and joint ventures for the year ended March 31, 2019:

(₹ crore)

| Name of the Company | Debts outstanding as at March 31, 2019 | Maximum balance outstanding during the year |
|---|---|---|
| **Subsidiaries** | | |
| (1) Bamnipal Steel Limited | - | **18,631.65** |
| (interest rate 10.00 %) | - | - |
| (2) Jamshedpur Football and Sporting Private Limited | - | **15.00** |
| (interest rate 12.25%) | *15.00* | *15.00* |
| (3) Jamshedpur Utilities & Services Company Limited | - | **7.50** |
| (interest rate 10.50 % to 12.50%) | *7.50* | *11.50* |
| (4) Subarnarekha Port Private Limited | **20.00** | **20.00** |
| (interest rate 10.50%) | - | - |
| (5) Tata Steel (KZN) (Pty) Ltd.[(ii)] | **558.95** | **558.95** |
| | *558.95* | *558.95* |
| (6) Tata Steel Special Economic Zone Limited | **13.00** | **13.00** |
| (interest rate 10.00 % to 11.00 %) | - | *80.00* |
| (7) Tayo Rolls Limited[(ii)] | **67.00** | **67.00** |
| (interest rate 7.00 % to 13.07 %) | *67.00* | *67.00* |
| **Associate** | | |
| (1) TRF Limited. | - | **242.00** |
| (interest rate 10.00 % to 10.51 %) | - | - |
| **Joint ventures** | | |
| (1) Industrial Energy Limited | **27.60** | **46.22** |
| (interest rate 10.00 %) | *46.22* | *46.22* |
| (2) S & T Mining Company Private Limited[(ii)] | **1.07** | **1.07** |
| (interest rate 12.00 % to 14.00 %) | *0.60* | *0.60* |
| (3) T M Mining Company Limited | - | **0.05** |
| (interest rate 12.40%) | - | - |

Figures in italics represents comparative figures of previous year.

(i) The above loans have been given for business purpose.

## NOTES
forming part of the financial statements

## 8. Loans (Contd.)

[Item No. I(f)(ii) and II(b)(v), Page 210]

(ii) As at March 31, 2019, loans given to Tayo Rolls Limited, Tata Steel (KZN) (Pty) Ltd. and S & T Mining Company Private Limited were fully impaired.

(b) Details of investments made and guarantees provided are given in note 6, page 232, note 7, page 235 and note 36B, page 278.

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

## 9. Other financial assets

[Item No. I(f)(iv) and II(b)(vii), Page 210]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Interest accrued on deposits and loans** | | |
| Considered good - Unsecured | **0.50** | **0.67** |
| | | |
| **(b) Earmarked balances with banks** | **34.96** | **19.96** |
| | | |
| **(c) Others** | | |
| Considered good - Unsecured | 275.19 | 0.58 |
| Credit impaired | - | 2.00 |
| Less: Allowance for credit losses | - | 2.00 |
| | **275.19** | **0.58** |
| | **310.65** | **21.21** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Interest accrued on deposits and loans** | | |
| Considered good - Unsecured | 6.30 | 27.54 |
| Credit impaired | 14.32 | 14.32 |
| Less: Allowance for credit losses | 14.32 | 14.32 |
| | **6.30** | **27.54** |
| | | |
| **(b) Others** | | |
| Considered good - Unsecured | **934.46** | **463.97** |
| | **940.76** | **491.51** |

## NOTES
forming part of the financial statements

## 9. Other financial assets (Contd.)

[Item No. I(f)(iv) and II(b)(vii), Page 210]

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

(ii) Non-current other financial assets include advance against purchase of equity shares in subsidiaries ₹**275.19** crore (of which ₹**258.69** crore has been contributed by way of transfer of assets) (March 31, 2018: ₹2.00 crore) out of which **Nil** (March 31, 2018: ₹2.00 crore) is impaired.

(iii) Current other financial assets include amount receivable from post-employment benefit funds ₹**755.95** crore (March 31, 2018: ₹296.38 crore) on account of retirement benefit obligations paid by the Company directly.

## 10. Income tax

[Item No. IV(e), Page 210]

### A. Income tax expense/(benefit)

The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/deductions under specific sections of the Income-tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income-tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

The reconciliation of estimated income tax to income tax expense is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit before tax** | **16,227.25** | **6,638.25** |
| Expected income tax expense at statutory income tax rate of 34.944 % (2017-18: 34.608 %) | 5,670.45 | 2,297.36 |
| (a) Income exempt from tax/Items not deductible | 48.98 | 116.62 |
| (b) Additional tax benefit for capital investment including research and development expenditures | (25.37) | (26.79) |
| (c) Impact of change in tax rate(i) | - | 81.51 |
| **Tax expense as reported** | **5,694.06** | **2,468.70** |

(i) During the year ended March 31, 2018, the Company re-measured deferred tax balances expected to reverse in future periods based on changes in statutory tax rate made by the Finance Act, 2018.

## NOTES

forming part of the financial statements

## 10. Income tax (Contd.)

[Item No. IV(e), Page 210]

### B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2019 is as below:

(₹ crore)

| | Balance as at April 1, 2018 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive income during the year | Recognised in equity during the year | Other movements during the year | Balance as at March 31, 2019 |
|---|---|---|---|---|---|---|
| **Deferred tax assets:** | | | | | | |
| Investments | 3,040.80 | - | - | - | - | 3,040.80 |
| Retirement benefit obligations | 186.00 | - | - | - | - | 186.00 |
| Expenses allowable for tax purposes when paid/written off | 1,838.05 | 1,173.75 | - | - | - | 3,011.80 |
| MAT credit entitlement/(utilisation) | 2,158.92 | - | - | - | (2,158.92) | - |
| | **7,223.77** | **1,173.75** | **-** | **-** | **(2,158.92)** | **6,238.60** |
| **Deferred tax liabilities:** | | | | | | |
| Property, plant and equipment and intangible assets | 13,391.83 | 313.21 | - | (4.81) | - | 13,700.23 |
| Others | 91.03 | 257.49 | (3.15) | - | - | 345.37 |
| | **13,482.86** | **570.70** | **(3.15)** | **(4.81)** | **-** | **14,045.60** |
| **Net deferred tax assets/(liabilities)** | **(6,259.09)** | **603.05** | **3.15** | **4.81** | **(2,158.92)** | **(7,807.00)** |
| **Disclosed as:** | | | | | | |
| **Deferred tax liabilities (net)** | **(6,259.09)** | | | | | **(7,807.00)** |

## NOTES
forming part of the financial statements

## 10. Income tax (Contd.)

[Item No. IV(e), Page 210]

Components of deferred tax assets and liabilities as at March 31, 2018 is as below:

(₹ crore)

| | Balance as at April 1, 2017 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive income during the year | Recognised in equity during the year | Balance as at March 31, 2018 |
|---|---|---|---|---|---|
| **Deferred tax assets/(liabilities):** | | | | | |
| Tax-loss carry forwards | 107.43 | (107.43) | - | - | - |
| Investments | 3,011.56 | 29.24 | - | - | 3,040.80 |
| Retirement benefit obligations | 184.21 | 1.79 | - | - | 186.00 |
| Expenses allowable for tax purposes when paid/written off | 1,821.46 | 16.59 | - | - | 1,838.05 |
| MAT credit entitlement | 1,513.30 | (85.75) | 731.37 | - | 2,158.92 |
| Others | 76.52 | (123.55) | (3.47) | - | (50.50) |
| | **6,714.48** | **(269.11)** | **727.90** | **-** | **7,173.27** |
| **Deferred tax liabilities:** | | | | | |
| Property, plant and equipment and intangible assets | 12,781.58 | 616.45 | - | (6.20) | 13,391.83 |
| Others | 44.17 | (3.64) | - | - | 40.53 |
| | **12,825.75** | **612.81** | **-** | **(6.20)** | **13,432.36** |
| **Net deferred tax assets/(liabilities)** | **(6,111.27)** | **(881.92)** | **727.90** | **6.20** | **(6,259.09)** |
| **Disclosed as:** | | | | | |
| **Deferred tax liabilities (net)** | **(6,111.27)** | | | | **(6,259.09)** |

(ii) Deferred tax assets amounting to **₹8,112.23** crore as at March 31, 2019 (March 31, 2018: ₹8,112.23 crore) on fair value adjustment recognised in respect of investments held in a subsidiary on transition to Ind AS has not been recognised due to uncertainty surrounding availability of future taxable income against which such loss can be offset.

NOTES
forming part of the financial statements

## 11. Other assets

[Item No. I(h) and II(c), Page 210]

### A. Non-current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a)** | **Capital advances** | | |
| | Considered good - Unsecured | 706.50 | 299.65 |
| | Considered doubtful - Unsecured | 83.86 | 90.76 |
| | Less: Provision for doubtful advances | 83.86 | 90.76 |
| | | **706.50** | **299.65** |
| **(b)** | **Advances with public bodies** | | |
| | Considered good - Unsecured | 919.44 | 831.39 |
| | Considered doubtful - Unsecured | 12.21 | 12.68 |
| | Less: Provision for doubtful advances | 12.21 | 12.68 |
| | | **919.44** | **831.39** |
| **(c)** | **Prepaid lease payments for operating leases** | **821.25** | **917.96** |
| **(d)** | **Capital advances to related parties** | | |
| | Considered good - Unsecured | **40.89** | **91.84** |
| **(e)** | **Others** | | |
| | Considered good - Unsecured | **47.90** | **-** |
| | | **2,535.98** | **2,140.84** |

## NOTES
forming part of the financial statements

## 11. Other assets (Contd.)

[Item No. I(h) and II(c), Page 210]

### B. Current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a)** | **Advances with public bodies** | | |
| | Considered good - Unsecured | 1,575.77 | 1,440.57 |
| | Considered doubtful - Unsecured | 2.43 | 2.35 |
| | Less: Provision for doubtful advances | 2.43 | 2.35 |
| | | **1,575.77** | **1,440.57** |
| **(b)** | **Advances to related parties** | | |
| | Considered good - Unsecured | 140.03 | 171.29 |
| | | **140.03** | **171.29** |
| **(c)** | **Prepaid lease payments for operating leases** | **11.67** | **12.97** |
| **(d)** | **Others** | | |
| | Considered good - Unsecured | 482.51 | 187.22 |
| | Considered doubtful - Unsecured | 66.10 | 60.77 |
| | Less: Provision for doubtful advances | 66.10 | 60.77 |
| | | **482.51** | **187.22** |
| | | **2,209.98** | **1,812.05** |

(i) Advances with public bodies primarily relate to input credit entitlements and amounts paid under protest in respect of demands and claims from regulatory authorities.

(ii) Prepaid lease payments for operating leases relate to land leases classified as operating as the title is not expected to transfer at the end of the lease term and considering that the land has an indefinite economic life.

(iii) Others include advances against supply of goods/services and advances paid to employees.

## NOTES
forming part of the financial statements

## 12. Inventories

[Item No. II(a), Page 210]

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Raw materials | 4,496.38 | 4,953.20 |
| (b) | Work-in-progress | 14.54 | 6.77 |
| (c) | Finished and semi-finished goods | 4,129.28 | 3,602.13 |
| (d) | Stock-in-trade | 75.54 | 56.13 |
| (e) | Stores and spares | 2,539.60 | 2,405.18 |
| | | **11,255.34** | **11,023.41** |
| **Included above, goods-in-transit:** | | | |
| (i) | Raw materials | 671.23 | 1,152.80 |
| (ii) | Finished and semi-finished goods | 0.71 | - |
| (iii) | Stock-in-trade | 66.22 | 31.99 |
| (iv) | Stores and spares | 163.35 | 132.30 |
| | | **901.51** | **1,317.09** |

Value of inventories above is stated after provisions (net of reversal) ₹**93.07** crore (March 31, 2018: ₹51.51 crore) for write-downs to net realisable value and provision for slow-moving and obsolete items.

## 13. Trade receivables

[Item No. II(b)(ii), Page 210]

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Considered good - Unsecured | 1,363.04 | 1,875.63 |
| (b) | Credit impaired | 34.74 | 30.97 |
| | | **1,397.78** | **1,906.60** |
| Less: Allowance for credit losses | | 34.74 | 30.97 |
| | | **1,363.04** | **1,875.63** |

In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

(i) Movements in allowance for credit losses of receivables is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 30.97 | 18.10 |
| Charge/(release) during the year | 3.77 | 13.86 |
| Utilised during the year | - | (0.99) |
| **Balance at the end of the year** | **34.74** | **30.97** |

## NOTES
forming part of the financial statements

## 13. Trade receivables (Contd.)
[Item No. II(b)(ii), Page 210]

(ii) Ageing of trade receivables and credit risk arising therefrom is as below:

(₹ crore)

| | As at March 31, 2019 | | |
|---|---|---|---|
| | Gross credit risk | Allowance for credit losses | Net credit risk |
| Amounts not yet due | 1,243.54 | 2.34 | 1,241.20 |
| One month overdue | 65.51 | 1.66 | 63.85 |
| Two months overdue | 17.34 | 1.19 | 16.15 |
| Three months overdue | 9.65 | 2.69 | 6.96 |
| Between three to six months overdue | 16.69 | 2.63 | 14.06 |
| Greater than six months overdue | 45.05 | 24.23 | 20.82 |
| | **1,397.78** | **34.74** | **1,363.04** |

(₹ crore)

| | As at March 31, 2018 | | |
|---|---|---|---|
| | Gross credit risk | Allowance for credit losses | Net credit risk |
| Amounts not yet due | 1,785.18 | 0.65 | 1,784.53 |
| One month overdue | 44.25 | 0.40 | 43.85 |
| Two months overdue | 12.84 | 0.39 | 12.45 |
| Three months overdue | 6.60 | 0.67 | 5.93 |
| Between three to six months overdue | 18.12 | 1.81 | 16.31 |
| Greater than six months overdue | 39.61 | 27.05 | 12.56 |
| | **1,906.60** | **30.97** | **1,875.63** |

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2019 to be ₹**1,363.04** crore (March 31, 2018: ₹1,875.63 crore), which is the carrying value of trade receivables after allowance for credit losses.

The Company's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2019 and March 31, 2018.

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

## NOTES
forming part of the financial statements

## 14. Cash and cash equivalents

[Item No. II(b)(iii), Page 210]

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Cash on hand | 1.35 | 0.93 |
| (b) | Cheques, drafts on hand | 7.74 | 8.85 |
| (c) | Remittances-in-transit | 8.97 | 1.73 |
| (d) | Unrestricted balances with banks | 526.79 | 4,577.38 |
| | | **544.85** | **4,588.89** |

(i) Cash and bank balances are denominated and held in Indian Rupees.

## 15. Other balances with banks

[Item No. II(b)(iv), Page 210]

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Earmarked balances with banks | **173.26** | **107.85** |

(i) Earmarked balances with banks include balances held for: unpaid dividends ₹**64.88** crore (March 31, 2018: ₹55.00 crore), bank guarantees and margin money ₹**66.11** crore (March 31, 2018: ₹36.89 crore).

(ii) Earmarked balances with banks are denominated and held in Indian Rupees.

## NOTES
forming part of the financial statements

## 16. Equity share capital

[Item No. III(a), Page 210]

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **Authorised:** | | | |
| **1,75,00,00,000** | Ordinary Shares of ₹10 each | 1,750.00 | 1,750.00 |
| | (March 31, 2018: 1,75,00,00,000 Ordinary Shares of ₹10 each) | | |
| **35,00,00,000** | 'A' Ordinary Shares of ₹10 each* | 350.00 | 350.00 |
| | (March 31, 2018: 35,00,00,000 'A' Ordinary Shares of ₹10 each) | | |
| **2,50,00,000** | Cumulative Redeemable Preference Shares of ₹100 each* | 250.00 | 250.00 |
| | (March 31, 2018: 2,50,00,000 Shares of ₹100 each) | | |
| **60,00,00,000** | Cumulative Convertible Preference Shares of ₹100 each* | 6,000.00 | 6,000.00 |
| | (March 31, 2018: 60,00,00,000 Shares of ₹100 each) | | |
| | | **8,350.00** | **8,350.00** |
| **Issued:** | | | |
| **1,12,75,20,570** | Ordinary Shares of ₹10 each | 1,127.52 | 1,127.52 |
| | (March 31, 2018: 1,12,75,20,570 Ordinary Shares of ₹10 each) | | |
| **7,76,97,280** | Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) | 77.70 | 77.70 |
| | (March 31, 2018: 7,76,97,280 Ordinary Shares of ₹10 each, ₹2.504 each paid up) | | |
| | | **1,205.22** | **1,205.22** |
| **Subscribed and paid up:** | | | |
| **1,12,64,89,680** | Ordinary Shares of ₹10 each fully paid up | 1,126.48 | 1,126.48 |
| | (March 31, 2018: 1,12,64,84,815 Ordinary Shares of ₹10 each) | | |
| **7,76,36,705** | Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) | 19.44 | 19.44 |
| | (March 31, 2018: 7,76,34,625 Ordinary Shares of ₹10 each, ₹2.504 each paid up) | | |
| | Amount paid up on 3,89,516 Ordinary Shares of ₹10 each forfeited | 0.20 | 0.20 |
| | (March 31, 2018: 3,89,516 Shares of ₹10 each) | **1,146.12** | **1,146.12** |

* 'A' class Ordinary Shares and Preference Shares included within the authorised share capital are for disclosures purposes and have not yet been issued.

(i) Subscribed and paid up share capital includes **11,81,893** (March 31, 2018: 11,68,393) Ordinary Shares of face value ₹10 each fully paid up held by subsidiaries of the Company.

(ii) Details of movement in subscribed and paid up share capital is as below:

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | ₹ crore | No. of shares | ₹ crore |
| **Ordinary Shares of ₹10 each** | | | | |
| Balance at the beginning of the year | 1,20,41,19,440 | 1,145.92 | 97,12,15,439 | 971.21 |
| Fully paid shares allotted during the year[(a),(b),(c)] | 4,865 | 0.00* | 15,52,69,376 | 155.27 |
| Partly paid shares allotted during the year[(d)] | 2,080 | 0.00* | 7,76,34,625 | 19.44 |
| **Balance at the end of the year** | **1,20,41,26,385** | **1,145.92** | **1,20,41,19,440** | **1,145.92** |

* represents value less than ₹0.01 crore.

## NOTES
forming part of the financial statements

## 16. Equity share capital (Contd.)

[Item No. III(a), Page 210]

(a) **690** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹290 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.

(b) **11** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹590 per share in lieu of Cumulative Convertible Preference Shares of ₹100 each to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.

(c) **4,164** fully paid Ordinary Shares of face value ₹10 each were allotted at a premium of ₹500 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.

(d) **2,080** partly paid Ordinary Shares of face value ₹10 each (₹2.504 paid up) were allotted at a premium of ₹605 (₹151.496 paid up) per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.

(iii) The balance proceeds which remained unutilised as at March 31, 2018 from the Rights Issue, 2018 have been fully utilised during the year as below:

(₹ crore)

| Particulars | Utilised till March 31, 2018 | Utilised during the year ended March 31, 2019 | Total |
|---|---|---|---|
| Repayments of loan | 5,000.00 | 1,950.00 | 6,950.00 |
| Expenses towards general corporate purpose | 1,500.00 | 630.44 | 2,130.44 |
| Issue expense | - | 33.85 | 33.85 |
| **Total** | **6,500.00** | **2,614.29** | **9,114.29** |

(iv) As at March 31, 2019, **2,99,188** Ordinary Shares of face value ₹10 each (March 31, 2018: 3,00,395 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2019, **1,21,460** fully paid Ordinary Shares of face value ₹10 each (March 31, 2018: 1,25,624 fully paid Ordinary Shares) and **60,575** partly paid Ordinary Shares of face value ₹10 each, ₹2.504 paid up (March 31, 2018: 62,655 partly paid Ordinary Shares, ₹2.504 paid up) are kept in abeyance in respect of Rights Issue of 2018.

(v) Details of shareholders holding more than 5 percent shares in the Company is as below:

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of Ordinary Shares | % held | No. of Ordinary Shares | % held |
| **Name of shareholders** | | | | |
| (a) Tata Sons Private Limited | 38,09,73,085 | 31.64 | 38,09,73,085 | 31.64 |
| (b) Life Insurance Corporation of India | 10,83,88,660 | 9.00 | 10,83,88,660 | 9.00 |

## NOTES
forming part of the financial statements

## 16. Equity share capital (Contd.)

[Item No. III(a), Page 210]

(vi) **1,34,73,958** shares (March 31, 2018: 1,27,40,651 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

(vii) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

### A. Ordinary Shares of ₹10 each

(i) In respect of every Ordinary Share (whether fully paid or partly paid), voting right and dividend shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid up Ordinary Capital of the Company.

(ii) The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) In the event of liquidation, the Shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### B. 'A' Ordinary Shares of ₹10 each

(i) (a) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:

- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.

- in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

(b) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such shares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.

(ii) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

### C. Preference Shares

The Company has two classes of Preference Shares i.e. Cumulative Redeemable Preference Shares (CRPS) of ₹100 per share and Cumulative Convertible Preference Shares (CCPS) of ₹100 per share.

(i) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up or credited as paid up thereon.

(ii) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, *pari passu inter se* and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.

(iii) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.

(iv) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank *pari passu* with the then existing Ordinary Shares of the Company in all respects.

## NOTES
forming part of the financial statements

## 17. Hybrid perpetual securities

[Item No. III(b), Page 210]

The detail of movement in hybrid perpetual securities is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 2,275.00 | 2,275.00 |
| **Balance at the end of the year** | **2,275.00** | **2,275.00** |

The Company had issued hybrid perpetual securities of ₹775.00 crore and ₹1,500.00 crore in May 2011 and March 2011 respectively. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these securities are 11.50% p.a. and 11.80% p.a. respectively, with a step up provision if the securities are not called after 10 years. The distribution on the securities may be deferred at the option of the Company if in the six months preceding the relevant distribution payment date, the Company has not made payment on, or repurchased or redeemed, any securities ranking *pari passu* with, or junior to the instrument. As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as equity.

## 18. Other equity

[Item No. III(c), Page 210]

### A. Retained earnings

The details of movement in retained earnings is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 18,700.25 | 12,280.91 |
| Profit for the year | 10,533.19 | 4,169.55 |
| Remeasurement of post-employment defined benefit plans | 5.95 | 237.63 |
| Tax on remeasurement of post-employment defined benefit plans | (2.07) | (82.24) |
| Dividend | (1,145.92) | (971.22) |
| Tax on dividend | (224.86) | (188.41) |
| Distribution on hybrid perpetual securities | (266.12) | (266.13) |
| Tax on distribution on hybrid perpetual securities | 92.99 | 92.70 |
| Transfers within equity(i) | 1.49 | 3,427.46 |
| **Balance at the end of the year** | **27,694.90** | **18,700.25** |

(i) Represents profit on sale of investments carried at fair value through other comprehensive income reclassified from investment revaluation reserve.

### B. Items of other comprehensive income

#### (a) Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

## NOTES
forming part of the financial statements

## 18. Other equity (Contd.)
[Item No. III(c), Page 210]

The Company has designated certain foreign currency forward contracts and interest rate swaps as cash flow hedges in respect of foreign exchange and interest rate risks.

The details of movement in cash flow hedge reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 5.14 | (1.35) |
| Other comprehensive income recognised during the year | (6.91) | 6.49 |
| **Balance at the end of the year** | **(1.77)** | **5.14** |

(i) The details of other comprehensive income recognised during the year is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Fair value changes recognised during the year | (27.94) | 8.02 |
| Fair value changes reclassified to profit and loss/cost of hedged items | 17.32 | 1.94 |
| Tax impact on above | 3.71 | (3.47) |
| | **(6.91)** | **6.49** |

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2017-18: Nil)

(ii) The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the statement of profit and loss as below:
- within the next one year: loss ₹**2.17** crore (2017-18: gain ₹1.39 crore)
- later than one year: gain ₹**0.40** crore (2017-18: gain ₹3.75 crore)

### (b) Investment revaluation reserve

The cumulative gains and losses arising from fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

The details of movement in investment revaluation reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 103.72 | 3,754.18 |
| Other comprehensive income recognised during the year | (46.63) | (223.00) |
| Tax impact on above | (0.56) | - |
| Transfers within equity | (1.49) | (3,427.46) |
| **Balance at the end of the year** | **55.04** | **103.72** |

## NOTES
forming part of the financial statements

## 18. Other equity (Contd.)

[Item No. III(c), Page 210]

### C. Other reserves

#### (a) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

The details of movement in securities premium is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 27,779.42 | 18,873.68 |
| Received/transfer on issue of Ordinary Shares during the year | 0.26 | 8,939.59 |
| Equity issue expenses written (off)/back during the year | 0.57 | (33.85) |
| **Balance at the end of the year** | **27,780.25** | **27,779.42** |

#### (b) Debenture redemption reserve

The Companies Act, 2013 requires that a company which has issued debentures, shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The company is required to maintain a debenture redemption reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the company except to redeem debentures.

The details of movement in debenture redemption reserve during the year is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 2,046.00 | 2,046.00 |
| **Balance at the end of the year** | **2,046.00** | **2,046.00** |

#### (c) General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

The details of movement in general reserve during the year is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 11,596.35 | 11,596.35 |
| **Balance at the end of the year** | **11,596.35** | **11,596.35** |

## NOTES
forming part of the financial statements

## 18. Other equity (Contd.)

[Item No. III(c), Page 210]

### (d) Capital redemption reserve

The Companies Act, 2013 requires that when a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

The details of movement in capital redemption reserve during the year is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 20.78 | 20.78 |
| **Balance at the end of the year** | **20.78** | **20.78** |

### (e) Others

Others primarily represent amount appropriated out of the statement of profit and loss for unforeseen contingencies. Such appropriations are free in nature.

The details of movement in others during the year is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 117.04 | 117.04 |
| **Balance at the end of the year** | **117.04** | **117.04** |

### D. Share application money pending allotment

The details of movement in share application money pending allotment during the year is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 0.02 | 0.01 |
| Application money received during the year | 0.24 | 0.02 |
| Allotment of Ordinary Shares during the year | (0.26) | (0.01) |
| **Balance at the end of the year** | **-** | **0.02** |

## NOTES
forming part of the financial statements

## 19. Borrowings

[Item No. IV(a)(i) and V(a)(i), Page 210]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Secured** | | |
| (i) Loans from Joint Plant Committee - Steel Development Fund | 2,564.10 | 2,494.42 |
| **(b) Unsecured** | | |
| (i) Non-convertible debentures | 12,195.74 | 9,846.00 |
| (ii) Term loans from banks/financial institutions | 9,956.98 | 10,094.88 |
| (iii) Finance lease obligations | 1,934.37 | 2,133.65 |
| | **26,651.19** | **24,568.95** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Secured** | | |
| (i) Repayable on demand from banks/financial institutions | 8.09 | 34.44 |
| **(b) Unsecured** | | |
| (i) Loans from banks/financial institutions | - | 635.44 |
| | **8.09** | **669.88** |

(i) As at March 31, 2019, ₹**2,572.19** crore (March 31, 2018: ₹2,528.86 crore) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories and receivables.

(ii) The security details of major borrowings as at March 31, 2019 is as below:

**(a) Loans from Joint Plant Committee-Steel Development Fund**

It is secured by mortgages on, all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and movable assets of the Tube Division, Bearing Division, Ferro Alloys Division and Cold Rolling Complex (West) at Tarapur and all investments and book debts of the Company subject to the prior charges created and/or to be created in favour of bankers for securing borrowing for working capital requirement and charges created and/or to be created on specific items of machinery and equipment procured/to be procured under deferred payment schemes/bill re-discounting schemes/asset credit schemes.

The loan is repayable in 16 equal semi-annual instalments after completion of four years from the date of the tranche.

The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is subjudice.

The loan includes funded interest ₹**924.77** crore (March 31, 2018: ₹855.09 crore).

It includes ₹**1,639.33** crore (March 31, 2018: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction and is not secured by charge on movable assets of the Company.

## NOTES
forming part of the financial statements

## 19. Borrowings (Contd.)

[Item No. IV(a)(i) and V(a)(i), Page 210]

(iii) The details of major unsecured borrowings as at March 31, 2019 is as below:

**(a) Non-convertible debentures**

(i) 9.84% p.a. interest bearing 43,150 debentures of face value ₹10,00,000 each are redeemable at par in 4 equal annual instalments commencing from February 28, 2031.

(ii) 10.25% p.a. interest bearing 25,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from January 6, 2029.

(iii) 10.25% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from December 22, 2028.

(iv) 8.15% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on October 1, 2026.

(v) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at a premium of 85.03% of the face value on April 23, 2022.

(vi) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on January 24, 2021.

(vii) 11.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on May 19, 2019.

(viii) 10.40% p.a. interest bearing 6,509 debentures of face value ₹10,00,000 each are redeemable at par on May 15, 2019.

**(b) Term loans from banks/financial institutions**

(i) Rupee loan amounting ₹**2,500.00** crore (March 31, 2018: ₹4,450.00 crore) is repayable in 9 quarterly instalments commencing from March 31, 2023.

(ii) Rupee loan amounting ₹**1,047.50** crore (March 31, 2018: ₹1,485.00 crore) is repayable in 10 semi-annual instalments, the next instalment is due on November 29, 2022.

(iii) Rupee loan amounting ₹**584.58** crore (March 31, 2018: ₹823.84 crore) is repayable in 8 semi-annual instalments, the next instalment is due on June 15, 2021.

(iv) Rupee loan amounting ₹**750.00** crore (March 31, 2018: ₹750.00 crore) is repayable in 3 equal annual instalments commencing from May 21, 2021.

(v) USD **7.86** million equivalent to ₹**54.38** crore (March 31, 2018: USD 7.86 million equivalent to ₹51.24 crore) is repayable on March 1, 2021.

(vi) Rupee loan amounting ₹**1,600.00** crore (March 31, 2018: ₹2,000.00 crore) is repayable in 8 semi-annual instalments, the next instalment is due on April 30, 2020.

(vii) USD **200.00** million equivalent to ₹**1,383.55** crore (March 31, 2018: USD 200.00 million equivalent to ₹1,303.65 crore) loan is repayable in 3 equal annual instalments commencing from February 18, 2020.

(viii) Rupee loan amounting ₹**640.42** crore (March 31, 2018: ₹646.16 crore) is repayable in 16 semi-annual instalments, the next instalment is due on August 14, 2019.

(ix) Euro **16.21** million equivalent to ₹**125.96** crore (March 31, 2018: Euro 21.62 million equivalent to ₹174.68 crore) loan is repayable in 6 equal semi-annual instalments, the next instalment is due on July 8, 2019.

(x) Euro **66.87** million equivalent to ₹**519.58** crore (March 31, 2018: Euro 85.98 million equivalent to ₹694.80 crore) loan is repayable in 7 equal semi-annual instalments, the next instalment is due on April 30, 2019.

(xi) Rupee loan amounting ₹**1,485.00** crore (March 31, 2018: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on April 16, 2019.

**(c) Finance lease obligations**

The Company has taken certain plant and machinery on lease for business purpose. In addition, the Company has entered into long-term arrangements whose fulfilment is dependent on the use of dedicated assets. Some of the arrangements have been assessed as being in the nature of lease and have been classified as finance lease.

Finance lease obligations represent the present value of minimum lease payments payable over the lease term. The arrangements have been classified as secured or unsecured based on the legal form.

## NOTES
forming part of the financial statements

## 19. Borrowings (Contd.)

[Item No. IV(a)(i) and V(a)(i), Page 210]

(iii) Currency and interest exposure of borrowings including current maturities at the end of the reporting period is as below:

(₹ crore)

| | As at March 31, 2019 | | | As at March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | Fixed rate | Floating rate | Total | Fixed rate | Floating rate | Total |
| INR | 16,476.27 | 11,162.42 | 27,638.69 | 13,234.70 | 12,663.12 | 25,897.82 |
| EURO | 425.00 | 212.29 | 637.29 | 565.37 | 326.13 | 891.50 |
| USD | - | 1,425.49 | 1,425.49 | - | 1,336.48 | 1,336.48 |
| **Total** | **16,901.27** | **12,800.20** | **29,701.47** | **13,800.07** | **14,325.73** | **28,125.80** |

INR-Indian Rupees, USD-United States Dollars.

(iv) Majority of floating rate borrowings are bank borrowings bearing interest rates based on LIBOR and EURIBOR. Of the total floating rate borrowings as at March 31, 2019, ₹**1,037.66** crore (March 31, 2018: ₹977.74 crore) has been hedged using interest rate swaps and collars, with contracts covering period of more than one year.

(v) Maturity profile of borrowings including current maturities is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Not later than one year or on demand | 3,325.08 | 3,902.13 |
| Later than one year but not two years | 2,033.20 | 3,693.68 |
| Later than two years but not three years | 1,912.66 | 2,228.26 |
| Later than three years but not four years | 4,206.95 | 1,966.48 |
| Later than four years but not five years | 2,611.95 | 4,227.71 |
| More than five years | 18,625.16 | 16,510.22 |
| | **32,715.00** | **32,528.48** |
| Less: Future finance charges on finance leases | 2,560.34 | 3,746.79 |
| Less: Capitalisation of transaction costs | 453.19 | 655.89 |
| | **29,701.47** | **28,125.80** |

(vi) Some of the Company's major financing arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach.

## NOTES
forming part of the financial statements

## 20. Other financial liabilities

[Item No. IV(a)(iii) and V(a)(iv), Page 210]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Creditors for other liabilities | **125.07** | **19.78** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Current maturities of long-term borrowings | 2,846.70 | 2,767.16 |
| (b) Current maturities of finance lease obligations | 195.49 | 119.81 |
| (c) Interest accrued but not due | 569.36 | 556.01 |
| (d) Unclaimed dividends | 64.88 | 55.00 |
| (e) Creditors for other liabilities | 3,195.92 | 3,043.42 |
| | **6,872.35** | **6,541.40** |

(i) Non-current and current creditors for other liabilities include:

(a) creditors for capital supplies and services ₹**1,582.88** crore (March 31, 2018: ₹1,725.31 crore).

(b) liability for employee family benefit scheme ₹**189.87** crore (March 31, 2018: ₹184.39 crore).

## 21. Provisions

[Item No. IV(b) and V(b), Page 210]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Employee benefits | 1,556.66 | 1,663.88 |
| (b) Others | 361.52 | 297.33 |
| | **1,918.18** | **1,961.21** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Employee benefits | 300.80 | 356.27 |
| (b) Others | 477.43 | 379.01 |
| | **778.23** | **735.28** |

(i) Non-current and current provision for employee benefits include provision for leave salaries ₹**999.39** crore (March 31, 2018: ₹984.33 crore) and provision for early separation scheme ₹**843.14** crore (March 31, 2018: ₹1,019.98 crore).

## 21. Provisions (Contd.)

[Item No. IV(b) and V(b), Page 210]

(ii) As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

(iii) Non-current and current other provisions include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations ₹**791.62** crore (March 31, 2018: ₹626.01 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 33 years.

(b) provision for legal and constructive commitments provided by the Company in respect of a loss making subsidiary ₹**47.33** crore (March 31, 2018: ₹50.33 crore). The same is expected to be settled within one year from the reporting date.

(iv) The details of movement in other provisions is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 676.34 | 664.71 |
| Recognised/(released) during the year [(i)] | 190.91 | 96.88 |
| Utilised during the year | (28.30) | (85.25) |
| **Balance at the end of the year** | **838.95** | **676.34** |

(i) includes provisions capitalised during the year in respect of restoration obligations.

## 22. Retirement benefit obligations

[Item No. IV(c) and V(c), Page 210]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Retiring gratuities | 80.21 | 60.97 |
| (b) Post-retirement medical benefits | 1,182.12 | 1,119.32 |
| (c) Other defined benefits | 168.02 | 67.44 |
| | **1,430.35** | **1,247.73** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Post-retirement medical benefits | 88.89 | 85.38 |
| (b) Other defined benefits | 13.23 | 5.12 |
| | **102.12** | **90.50** |

(i) Detailed disclosure in respect post-retirement defined benefit schemes is provided in note 35, page 269.

(ii) Other defined benefits include post-retirement lumpsum benefits, long service awards, packing and transportation, farewell gifts etc.

NOTES
forming part of the financial statements

## 23. Deferred income

[Item No. IV(d), Page 210]

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Grants relating to property, plant and equipment | **747.23** | **1,365.61** |

(i) Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.

During the year, an amount of ₹**618.38** crore (2017-18: ₹519.31 crore) was released from deferred income to the statement of profit and loss on fulfilment of export obligations.

## 24. Other liabilities

[Item No. IV(f) and V(e), Page 210]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Statutory dues | 19.77 | 35.47 |
| (b) Other credit balances | 416.39 | 189.24 |
| | **436.16** | **224.71** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Advances received from customers | 484.99 | 363.82 |
| (b) Employee recoveries and employer contributions | 70.22 | 59.54 |
| (c) Statutory dues | 5,810.38 | 5,433.70 |
| | **6,365.59** | **5,857.06** |

(i) Statutory dues primarily relate to payables in respect of GST, excise duty, service tax, sales tax, VAT, tax deducted at source and royalties.

## NOTES
forming part of the financial statements

## 25. Trade payables

[Item No. V(a)(ii), Page 210]

### A. Total outstanding dues of micro and small enterprises

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Dues of micro and small enterprises | 149.49 | 25.48 |
| | **149.49** | **25.48** |

### B. Total outstanding dues of creditors other than micro and small enterprises

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Creditors for supplies and services | 8,995.84 | 9,724.05 |
| (b) | Creditors for accrued wages and salaries | 1,824.23 | 1,493.22 |
| | | **10,820.07** | **11,217.27** |

(i) Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (i) | Principal amount remaining unpaid to supplier at the end of the year | 149.49 | 25.48 |
| (ii) | Interest due thereon remaining unpaid to supplier at the end of the year | 3.55 | 1.24 |
| (iii) | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | 8.09 | 5.58 |
| (iv) | Amount of interest accrued during the year and remaining unpaid at the end of the year | 11.64 | 6.82 |

## 26. Revenue from operations

[Item No. I, Page 211]

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Sale of products | 67,213.85 | 57,614.48 |
| (b) | Sale of power and water | 1,709.51 | 1,690.60 |
| (c) | Other operating revenues [(ii)] | 1,687.56 | 1,214.29 |
| | | **70,610.92** | **60,519.37** |

## NOTES
forming part of the financial statements

## 26. Revenue from operations (Contd.)

[Item No. I, Page 211]

(i) Revenue from contracts with customers disaggregated on the basis of geographical region and major businesses is as below:

(₹ crore)

| | | Year ended March 31, 2019 | | |
|---|---|---|---|---|
| | | India | Outside India | Total |
| (a) | Steel | 58,777.12 | 4,342.26 | 63,119.38 |
| (b) | Power and water | 1,709.51 | - | 1,709.51 |
| (c) | Others | 1,801.94 | 2,292.53 | 4,094.47 |
| | | **62,288.57** | **6,634.79** | **68,923.36** |

(₹ crore)

| | | Year ended March 31, 2018 | | |
|---|---|---|---|---|
| | | India | Outside India | Total |
| (a) | Steel | 49,715.06 | 4,026.72 | 53,741.78 |
| (b) | Power and water | 1,690.60 | - | 1,690.60 |
| (c) | Others | 1,818.22 | 2,054.48 | 3,872.70 |
| | | **53,223.88** | **6,081.20** | **59,305.08** |

(ii) Other operating revenues include export incentives and deferred income released to the statement of profit and loss on fulfilment of export obligations under the EPCG scheme.

## 27. Other income

[Item No. II, Page 211]

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Dividend income | 96.25 | 88.57 |
| (b) | Interest income | 1,627.24 | 69.56 |
| (c) | Net gain/(loss) on sale/fair value changes of mutual funds | 596.79 | 679.64 |
| (d) | Gain/(loss) on sale of property, plant and equipment including intangible assets (net of loss on assets sold/scrapped/written off) | (1.42) | (40.48) |
| (e) | Gain/(loss) on cancellation of forwards, swaps and options | 36.95 | (79.33) |
| (f) | Other miscellaneous income | 49.27 | 45.70 |
| | | **2,405.08** | **763.66** |

(i) Dividend income includes income from investments carried at fair value through other comprehensive income ₹**18.25** crore (2017-18: ₹17.20 crore).

(ii) Interest income includes:

(a) income on financial assets carried at amortised cost ₹**874.36** crore (2017-18: ₹61.06 crore).

(b) income on financial assets carried at fair value through profit and loss ₹**752.88** crore (2017-18: ₹8.50 crore).

## 28. Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress

[Item No. IV(c), Page 211]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Inventories at the end of the year** | | |
| (a) Work-in-progress | 14.54 | 6.77 |
| (b) Finished and semi-finished goods | 4,129.28 | 3,602.13 |
| (c) Stock-in-trade | 75.54 | 56.13 |
| | **4,219.36** | **3,665.03** |
| **Inventories at the beginning of the year** | | |
| (a) Work-in-progress | 6.77 | 5.88 |
| (b) Finished and semi-finished goods | 3,602.13 | 4,096.56 |
| (c) Stock-in-trade | 56.13 | 107.95 |
| | **3,665.03** | **4,210.39** |
| **Increase/(decrease)** | **554.33** | **(545.36)** |

## 29. Employee benefits expense

[Item No. IV(d), Page 211]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Salaries and wages | 4,306.68 | 4,130.68 |
| (b) Contribution to provident and other funds | 473.94 | 446.75 |
| (c) Staff welfare expenses | 350.44 | 251.42 |
| | **5,131.06** | **4,828.85** |

(i) During the year ended March 31, 2019, the Company has recognised an amount of ₹**27.06** crore (2017-18: ₹19.04 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Short-term employee benefits | 22.05 | 19.03 |
| (b) Post-employment benefits | 4.88 | (0.02) |
| (c) Other long-term employee benefits | 0.13 | 0.03 |
| | **27.06** | **19.04** |

NOTES
forming part of the financial statements

## 30. Finance costs

[Item No. IV(e), Page 211]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Interest expense on: | | |
| (a) Bonds, debentures, bank borrowings and others | 2,644.94 | 2,547.68 |
| (b) Finance leases | 267.32 | 338.90 |
| | **2,912.26** | **2,886.58** |
| Less: Interest capitalised | 88.68 | 75.96 |
| | **2,823.58** | **2,810.62** |

(i) Other interest expense include interest on income tax **Nil** (2017-18: ₹5.85 crore).

## 31. Depreciation and amortisation expense

[Item No. IV(f), Page 211]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Depreciation on property, plant and equipment | 3,652.67 | 3,585.44 |
| (b) Amortisation of intangible assets | 150.29 | 142.02 |
| | **3,802.96** | **3,727.46** |

## 32. Other expenses

[Item No. IV(g), Page 211]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Consumption of stores and spares | 4,040.28 | 3,306.45 |
| (b) Repairs to buildings | 61.34 | 71.79 |
| (c) Repairs to machinery | 2,950.18 | 2,602.61 |
| (d) Relining expenses | 87.58 | 51.79 |
| (e) Fuel oil consumed | 210.87 | 154.21 |
| (f) Purchase of power | 2,822.47 | 2,770.99 |
| (g) Conversion charges | 2,722.06 | 2,838.13 |
| (h) Freight and handling charges | 4,319.64 | 4,102.23 |
| (i) Rent | 72.09 | 75.43 |
| (j) Royalty | 2,002.89 | 1,572.69 |
| (k) Rates and taxes | 1,201.05 | 966.02 |
| (l) Insurance charges | 133.10 | 111.22 |
| (m) Commission, discounts and rebates | 188.63 | 193.87 |
| (n) Allowance for credit losses/provision for advances | 1.42 | 54.48 |
| (o) Excise duty (including recovered on sales) | 0.21 | 902.55 |
| (p) Others | 3,809.00 | 2,403.56 |
| | **24,622.81** | **22,178.02** |

NOTES
forming part of the financial statements

## 32. Other expenses (Contd.)

[Item No. IV(g), Page 211]

(i) Others include: net foreign exchange loss ₹**134.41** crore (2017-18: gain ₹122.31 crore), loss on fair value changes of financial assets carried at fair value through profit and loss ₹**111.31** crore (2017-18: gain of ₹387.93 crore) and donations to electoral trusts ₹**175.00** crore (2017-18: Nil).

(ii) Details of auditors' remuneration and out-of-pocket expenses is as below:

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Auditors remuneration and out-of-pocket expenses | | |
| | (i) Statutory audit fees | 6.18 | 4.75 |
| | (ii) Tax audit fees | 0.40 | 0.40 |
| | (iii) For other services# | 0.74 | 0.60 |
| | (iv) Out-of-pocket expenses | 0.12 | 0.25 |
| (b) | Cost audit fees [including out of pocket expenses ₹6,936 (2017-18: ₹32,206)] | 0.18 | 0.18 |

# Other services includes **Nil** (2017-18: ₹0.45 crore) in respect of rights issue which has been charged to securities premium.

(iii) As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**82.40** crore (2017-18: ₹85.62 crore).

During the year ended March 31, 2019, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹**271.62** crore (₹**270.12** crore has been paid in cash and ₹**1.50** crore is yet to be paid). During the year ended March 31, 2018, similar expense incurred was ₹189.96 crore (₹188.96 crore was paid in cash and ₹1.00 crore was unpaid).

During the year ended March 31, 2019, capital expenditure incurred on construction of capital assets under CSR projects is ₹**43.32** crore (₹**30.92** crore paid in cash and ₹**12.40** crore is yet to be paid). During the year ended March 31, 2018, similar expense incurred was ₹41.66 crore (₹24.25 crore was paid in cash and ₹17.41 crore was unpaid).

(iv) During the year ended March 31, 2019, revenue expenditure charged to the statement of profit and loss in respect of research and development activities undertaken was ₹**212.97** crore (2017-18: ₹159.22 crore) including depreciation of ₹**7.80** crore (2017-18: ₹7.67 crore). Capital expenditure incurred in respect of research and development activities during the year was ₹**21.45** crore (2017-18: ₹22.42 crore).

## 33. Exceptional items

[Item No. VI, Page 211]

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. Such items included within the statement of profit and loss are detailed below:

(a) Profit/(loss) on sale of non-current investments ₹**262.28** crore (2017-18: Nil) relates to profit recognised on sale of investment in TRL Krosaki Refractories Limited, an associate of the Company.

(b) Provision for impairment of investments/doubtful advances ₹**12.53** crore (2017-18: ₹36.27 crore) relates to provision recognised for impairment of investments in subsidiaries and joint ventures. During the year ended March 31, 2018 the Company recognised provision in respect of advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc ₹26.65 crore.

(c) Provision for demands and claims ₹**328.64** crore (2017-18: ₹3,213.68 crore) relates to provision recognised in respect of certain statutory demands and claims relating to environment and mining matters.

(d) Employee separation compensation ₹**35.34** crore (2017-18: ₹89.69 crore) relates to provisions recognised in respect of employee separation scheme of employees.

## NOTES
forming part of the financial statements

## 34. Earnings per share

[Item No. XII, Page 211]

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share (EPS).

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Profit after tax | 10,533.19 | 4,169.55 |
| | Less: Distribution on hybrid perpetual securities (net of tax) | 173.13 | 173.43 |
| | Profit attributable to ordinary shareholders- for basic and diluted EPS | 10,360.06 | 3,996.12 |
| | | Nos. | Nos. |
| (b) | Weighted average number of Ordinary Shares for basic EPS | 1,14,59,26,020 | 1,03,61,99,628 |
| | Add: Adjustment for shares held in abeyance | 1,37,496 | 1,55,646 |
| | Weighted average number of Ordinary Shares and potential Ordinary Shares for diluted EPS | 1,14,60,63,516 | 1,03,63,55,274 |
| (c) | Nominal value of Ordinary Share (₹) | 10.00 | 10.00 |
| | | | |
| (d) | Basic earnings per Ordinary Share (₹) | 90.41 | 38.57 |
| (e) | Diluted earnings per Ordinary Share (₹) | 90.40 | 38.56 |

(i) As at March 31, 2019, **5,81,95,359** options (March 31, 2018: 28,69,886) in respect of partly paid shares were excluded from weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were anti-dilutive.

## 35. Employee benefits

### A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

#### (a) Provident fund and pension

The Company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company make monthly contributions at a specified percentage of the eligible employee's salary. Contributions under such schemes are made either to a provident fund set up as an irrevocable trust by the Company to manage the investments and distribute the amounts entitled to employees or to state managed funds.

Benefits provided under plans wherein contributions are made to state managed funds and the Company does not have a future obligation to make good shortfall if any, is treated as a defined contribution plan.

#### (b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary or ₹1,50,000, whichever is lower, to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The contributions recognised as an expense in the statement of profit and loss during the year on account of the above defined contribution plans amounted to **₹191.18** crore (2017-18: ₹145.40 crore).

## NOTES
forming part of the financial statements

## 35. Employee benefits (Contd.)

### B. Defined benefit plans

The defined benefit plans operated by the Company are as below:

#### (a) Provident fund and pension

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit and loss under employee benefits expense.

In accordance with an actuarial valuation of provident fund liabilities based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Key assumptions used for actuarial valuation are as below:

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Discount rate | 7.50% | 7.50% |
| Guaranteed rate of return | 8.65% | 8.55% |
| Expected rate of return on investment | 8.60% | 8.75% |

#### (b) Retiring gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an year-end actuarial valuation.

#### (c) Post-retirement medical benefits

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company under an early separation scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company accounts for the liability for post-retirement medical scheme based on an year-end actuarial valuation.

#### (d) Other defined benefits

Other benefits provided under unfunded schemes include post-retirement lumpsum benefits, pension payable to directors of the Company on their retirement, farewell gifts and reimbursement of packing and transportation charges to the employees based on their last drawn salary.

The defined benefit plans expose the Company to a number of actuarial risks as below:

(i) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

## NOTES
forming part of the financial statements

## 35. Employee benefits (Contd.)

### C. Details of defined benefit obligations and plan assets:

**(a) Retiring gratuity:**

(i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Change in defined benefit obligations:** | | |
| Obligation at the beginning of the year | 2,767.69 | 2,779.95 |
| Current service cost | 124.76 | 129.90 |
| Interest cost | 186.50 | 185.47 |
| Remeasurement (gain)/loss | (3.93) | (154.45) |
| Adjustment for arrear wage settlement | - | 87.55 |
| Benefits paid | (235.36) | (260.73) |
| **Obligation at the end of the year** | **2,839.66** | **2,767.69** |

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Change in plan assets:** | | |
| Fair value of plan assets at the beginning of the year | 2,706.72 | 2,562.92 |
| Interest income | 196.53 | 177.82 |
| Remeasurement gain/(loss) excluding amount included within employee benefits expense | 28.94 | 11.33 |
| Employers' contribution | 62.63 | 215.38 |
| Benefits paid | (235.37) | (260.73) |
| **Fair value of plan assets at the end of the year** | **2,759.45** | **2,706.72** |

**Amounts recognised in the balance sheet consist of:**

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Fair value of plan assets | 2,759.45 | 2,706.72 |
| Present value of obligations | (2,839.66) | (2,767.69) |
| | **(80.21)** | **(60.97)** |
| Recognised as: | | |
| Retirement benefit obligations - Non-current | (80.21) | (60.97) |

## NOTES
forming part of the financial statements

## 35. Employee benefits (Contd.)

**Expense/(gain) recognised in the statement of profit and loss consists of:**

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Employee benefits expense:** | | |
| Current service cost | 124.76 | 129.90 |
| Net interest expense | (10.03) | 7.65 |
| | **114.73** | **137.55** |
| | | |
| **Other comprehensive income:** | | |
| Return on plan assets excluding amount included in employee benefits expense | (28.94) | (11.33) |
| Actuarial (gain)/loss arising from changes in demographic assumption | - | (35.02) |
| Actuarial (gain)/loss arising from changes in financial assumption | - | (97.18) |
| Actuarial (gain)/loss arising from changes in experience adjustments | (3.93) | (22.25) |
| | **(32.87)** | **(165.78)** |
| | | |
| **Expense/(gain) recognised in the statement of profit and loss** | **81.86** | **(28.23)** |

(ii) Fair value of plan assets by category of investment is as below:

(%)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Assets category (%)** | | |
| Equity instruments (quoted) | 0.05 | - |
| Debt instruments (quoted) | 18.93 | 21.26 |
| Insurance products (unquoted) | 81.02 | 78.74 |
| | **100.00** | **100.00** |

The Company's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Company compares actual returns for each asset category with published benchmarks.

(iii) Key assumptions used in the measurement of retiring gratuity is as below:

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Discount rate | 7.50% | 7.50% |
| Rate of escalation in salary | 7.50% to 10.00% | 7.50% to 10.00% |

(iv) Weighted average duration of the retiring gratuity obligation is **9** years (March 31, 2018: 9 years).

(v) The Company expects to contribute ₹**80.21** crore to the plan during the financial year 2019-20.

## NOTES
forming part of the financial statements

## 35. Employee benefits (Contd.)

(vi) The table below outlines the effect on retiring gratuity obligation in the event of a decrease/increase of 1% in the assumptions used.

**As at March 31, 2019**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹178.90 crore, increase by ₹204.46 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹201.62 crore, decrease by ₹178.90 crore |

**As at March 31, 2018**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹177.13 crore, increase by ₹202.04 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹199.27 crore, decrease by ₹177.13 crore |

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

**(b) Post-retirement medical benefits and other defined benefits:**

(i) The following table sets out the amounts recognised in the financial statements in respect of post-retirement medical benefits and other defined benefit plans.

(₹ crore)

| | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| **Change in defined benefit obligation:** | | | | |
| Obligation at the beginning of the year | 1,204.70 | 72.56 | 1,221.18 | 102.58 |
| Current service cost | 17.46 | 108.99 | 21.41 | 7.06 |
| Interest cost | 87.96 | 5.16 | 83.36 | 6.94 |
| Remeasurement (gain)/loss | | | | |
| (a) Actuarial (gains)/losses arising from changes in demographic assumptions | - | - | (18.29) | (2.09) |
| (b) Actuarial (gains)/losses arising from changes in financial assumptions | - | - | (53.19) | (3.79) |
| (c) Actuarial (gains)/losses arising from changes in experience adjustments | 24.74 | 2.18 | 10.62 | (5.11) |
| Benefits paid | (63.85) | (7.64) | (60.39) | (6.95) |
| Past service cost | - | - | - | (26.08) |
| **Obligation at the end of the year** | **1,271.01** | **181.25** | **1,204.70** | **72.56** |

## NOTES
forming part of the financial statements

## 35. Employee benefits (Contd.)

**Amounts recognised in the balance sheet consist of:**

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| Present value of obligations | (1,271.01) | (181.25) | (1,204.70) | (72.56) |
| Recognised as: | | | | |
| Retirement benefit obligations - Current | (88.89) | (13.23) | (85.38) | (5.12) |
| Retirement benefit obligations - Non-current | (1,182.12) | (168.02) | (1,119.32) | (67.44) |

**Expense/(gain) recognised in the statement of profit and loss consists of:**

(₹ crore)

| | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| **Employee benefits expense:** | | | | |
| Current service cost | 17.46 | 108.99 | 21.41 | 7.06 |
| Past service cost | - | - | - | (26.08) |
| Net interest expense | 87.96 | 5.16 | 83.36 | 6.94 |
| | **105.42** | **114.15** | **104.77** | **(12.08)** |
| **Other comprehensive income:** | | | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - | (18.29) | (2.09) |
| Actuarial (gains)/losses arising from changes in financial assumption | - | - | (53.19) | (3.79) |
| Actuarial (gains)/losses arising from changes in experience adjustments | 24.74 | 2.18 | 10.62 | (5.11) |
| | **24.74** | **2.18** | **(60.86)** | **(10.99)** |
| **Expense recognised in the statement of profit and loss** | **130.16** | **116.33** | **43.91** | **(23.07)** |

(ii) Key assumptions used in the measurement of post-retirement medical benefits and other defined benefit plans is as below:

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| Discount rate | 7.50% | 7.50% | 7.50% | 7.50% |
| Rate of escalation in salary | N.A | 10.00% - 15.00% | N.A | 10.00% - 15.00% |
| Inflation rate | 8.00% | 4.00% | 8.00% | 4.00% |

(iii) Weighted average duration of post-retirement medical benefit obligation is **8** years (March 31, 2018: 8 years). Weighted average duration of other defined benefit obligation ranges from **3.6 to 12** years (March 31, 2018: 8 to 10 years)

## 35. Employee benefits (Contd.)

(iv) The table below outlines the effect on post-retirement medical benefit obligation in the event of a decrease/increase of 1% in the assumptions used:

**As at March 31, 2019**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹160.15 crore, increase by ₹203.36 crore |
| Medical cost inflation rate | Increase by 1%, decrease by 1% | Increase by ₹189.38 crore, decrease by ₹152.52 crore |

**As at March 31, 2018**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹151.79 crore, increase by ₹191.55 crore |
| Medical cost inflation rate | Increase by 1%, decrease by 1% | Increase by ₹179.50 crore, decrease by ₹144.56 crore |

(v) The table below outlines the effect on other defined benefit obligations in the event of a decrease/increase of 1 % in the assumptions used.

**As at March 31, 2019**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹10.83 crore, increase by ₹12.47 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹2.37 crore, decrease by ₹2.12 crore |
| Inflation rate | Increase by 1%, decrease by 1% | Increase by ₹5.03 crore, decrease by ₹4.49 crore |

**As at March 31, 2018**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹6.75 crore, increase by ₹8.15 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹2.05 crore, decrease by ₹1.82 crore |
| Inflation rate | Increase by 1%, decrease by 1% | Increase by ₹4.66 crore, decrease by ₹4.15 crore |

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

NOTES
forming part of the financial statements

## 36. Contingencies and commitments

### A. Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

#### Litigations

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below.

#### Income tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2019, there are matters and/or disputes pending in appeals amounting to ₹**3,160.64** crore (March 31, 2018: ₹1,443.29 crore).

The details of demands for more than ₹100 crore is as below:

(a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,791.29** crore (inclusive of interest) (March 31, 2018: ₹1,250.16 crore).

(b) Interest expenditure on "Hybrid perpetual securities" has been disallowed in assessments with tax demand raised for ₹**459.13** crore (inclusive of interest) (March 31, 2018: Nil)

In respect of above demands, the Company has deposited an amount of ₹**1,065.00** crore (March 31, 2018: ₹665.00 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

#### Customs, excise duty and service tax

As at March 31, 2019, there were pending litigations for various matters relating to customs, excise duty and service taxes involving demands of ₹**682.53** crore (March 31, 2018: ₹669.48 crore).

#### Sales tax/VAT

The total sales tax demands that are being contested by the Company amounted to ₹**717.02** crore (March 31, 2018: ₹567.85 crore).

The details of demands for more than ₹100 crore is as below:

(a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/branches located outside the state of Jharkhand across the country without payment of Central Sales Tax as per the provisions of the Act and submits F-Form in lieu of the stock-transfers made during the period of assessment. These goods are then sold to various customers outside the states from depots/branches and the value of these sales are disclosed in the periodical returns filed as per the Jharkhand Vat Act 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The amount involved for various assessment years beginning 2011-12 to 2015-16 is amounting to ₹**127.00** crore (March 31, 2018: ₹125.00 crore).

(b) The Commercial Tax Department of Jharkhand has rejected certain Input tax credit claimed by the Company on goods purchased from the suppliers within the State of Jharkhand. The Department has alleged that the goods have not been used in accordance with the provisions of Jharkhand VAT Act, 2005. The potential exposure on account of disputed tax and interest for the period beginning 2012-2013 to 2015-2016 as on March 31, 2019 is ₹**104.00** crore (March 31,2018: ₹93.00 crore).

## 36. Contingencies and commitments (Contd.)

**Other taxes, dues and claims**

Other amounts for which the Company may contingently be liable aggregate to ₹**11,639.19** crore (March 31, 2018: ₹9,925.20 crore).

The details of demands for more than ₹100 crore are as below:

(a) Claim by a party arising out of conversion arrangement ₹**195.79** crore (March 31, 2018: ₹195.79 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**141.23** crore (March 31, 2018: ₹141.23 crore) on the party. The matter is pending before the Calcutta High Court.

(b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the High Court of Orissa challenging the validity of the Act. Orissa High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of Orissa High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2019 is ₹**7,573.53** crore (March 31, 2018: ₹6,521.05 crore).

(c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and to grant refund of royalty paid in excess by the Company. Mines Tribunal has granted stay on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount. Likely demand of royalty on fines at sized ore rates as on March 31, 2019 is ₹**1,630.16** crore (March 31, 2018: ₹1,036.53 crore).

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines and Minerals (Development and Regulations) Act (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore during 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. The demand amount of ₹**132.91** crore is considered contingent.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention and Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company has challenged the demand and obtained a stay on the matter from the Revisionary

## 36. Contingencies and commitments (Contd.)

Authority, Mines Tribunal, New Delhi. The demand of ₹234.74 crore has been provided and ₹**694.02** crore is considered contingent.

- The Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand during 2017-18 for production in excess of environment clearance. The balance amount of ₹**727.41** crore is considered contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

(e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawal of water from Kundra Nalla for industrial consumption. In December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted more quantity of water than the sanctioned limit under the agreement.

While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits.

Over the years, there has also been a steep increase in the water charges against which the Company filed writ petitions before the Hon'ble High Court of Odisha. In this regard, the Company has received demands of ₹118.70 crore for the period beginning January 1996 to December 2018. The potential exposure as on March 31, 2019 is ₹**125.98** crore (March 31, 2018: ₹99.34 crore) is considered contingent.

**B. Commitments**

(a) The Company has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹**7,265.82** crore (March 31, 2018: ₹4,275.79 crore).

Other commitments as at March 31, 2019 amount to ₹**0.01** crore (March 31, 2018: ₹0.01 crore).

(b) The Company has given undertakings to:

(i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.

(ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd.

(iii) Mizuho Corporate Bank Limited and Japan Bank for International Co-operation, not to dispose of its investments in Tata NYK Shipping Pte Limited (to retain minimal stake required to be able to provide a corporate guarantee towards long-term debt)

(iv) ICICI Bank Limited to directly or indirectly continue to hold atleast 51 % shareholding in Jamshedpur Continuous Annealing & Processing Company Private Limited.

(c) The Company and BlueScope Steel Limited have given undertaking to State Bank of India not to reduce collective shareholding in Tata BlueScope Steel Private Limited (TBSPL) (formerly Tata BlueScope Steel Limited), below 51% without prior consent of the lender. Further, the Company has given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSPL below 50%.

(d) The Company, as a promoter, has pledged 4,41,55,800 (March 31, 2018: 4,41,55,800) equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

(e) The Company has agreed, if requested by Tata Steel UK Holdings Limited (TSUKH) (an indirect wholly owned subsidiary), to procure an injection of funds to reduce the outstanding net debt in TSUKH and its subsidiaries, to a mutually accepted level.

(f) The Company has given guarantees aggregating ₹**12,096.24** crore (2018: ₹11,478.00 crore) details of which are as below:

(i) in favour of Commissioner of Customs ₹**1.07** crore (March 31, 2018: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.

(ii) in favour of Mizuho Corporate Bank Ltd., Japan for ₹**9.60** crore (March 31, 2018: ₹27.33 crore) against the loan granted to a joint venture Tata NYK Shipping Pte. Limited.

(iii) in favour of The President of India for ₹**177.18** crore (March 31, 2018: ₹177.18 crore) against performance of export obligation under the various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

(iv) in favour of the note holders against due and punctual repayment of the 100% amounts outstanding as on March 31, 2019 towards issued Guaranteed Notes by a subsidiary, ABJA Investment Co. Pte Ltd. for ₹**10,376.63** crore (March 31, 2018: ₹9,777.37 crore) and ₹**1,531.61** crore (March 31, 2018: ₹1,494.90 crore). The guarantee is capped at an amount equal to 125% of the outstanding principal amount of the Notes as detailed in "Terms and Conditions" of the Offering Memorandum.

(v) In favour of President of India for ₹**0.15** crore (March 31, 2018: ₹0.15 crore) against advance license.

## NOTES
forming part of the financial statements

## 37. Other significant litigations

(a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹**5,579.00** crore (March 31, 2018: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31, 2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2019 as per the existing provisions of the Stamp Act 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

(b) Noamundi Iron Ore Mine of TSL was due for its third renewal with effect from January 1, 2012. The application for renewal was submitted by the Company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on interpretation of Goa judgement that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, the Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease up to March 31, 2030 with the following terms and conditions:

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore, in three monthly instalments. The Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Company, however, paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 2015 wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending at Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

## NOTES
forming part of the financial statements

### 38. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings and issue of non-convertible debt securities.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Equity share capital | 1,146.12 | 1,146.12 |
| Hybrid perpetual securities | 2,275.00 | 2,275.00 |
| Other equity | 69,308.59 | 60,368.72 |
| **Total equity (A)** | **72,729.71** | **63,789.84** |
| | | |
| Non-current borrowings | 26,651.19 | 24,568.95 |
| Current borrowings | 8.09 | 669.88 |
| Current maturities of long-term borrowings and finance lease obligations | 3,042.19 | 2,886.97 |
| **Gross debt (B)** | **29,701.47** | **28,125.80** |
| **Total capital (A+B)** | **1,02,431.18** | **91,915.64** |
| | | |
| Gross debt as above | 29,701.47 | 28,125.80 |
| Less: Current investments | 477.47 | 14,640.37 |
| Less: Cash and cash equivalents | 544.85 | 4,588.89 |
| Less: Other balances with banks (including non-current earmarked balances) | 208.22 | 127.81 |
| **Net debt (C)** | **28,470.93** | **8,768.73** |
| | | |
| **Net debt to equity ratio[(i)]** | **0.42** | **0.15** |

(i) Net debt to equity ratio as at March 31, 2019 and March 31, 2018 has been computed based on average of opening and closing equity.

## NOTES
forming part of the financial statements

## 39. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(n), page 221 to the financial statements.

### (a) Financial assets and liabilities

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

**As at March 31, 2019**

(₹ crore)

| | Amortised cost | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Fair value through profit and loss | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| Cash and bank balances | 753.07 | - | - | - | - | 753.07 | 753.07 |
| Trade receivables | 1,363.04 | - | - | - | - | 1,363.04 | 1,363.04 |
| Investments | - | 751.95 | - | - | 34,217.01 | 34,968.96 | 34,968.96 |
| Derivatives | - | - | 1.27 | 22.74 | - | 24.01 | 24.01 |
| Loans | 287.08 | - | - | - | - | 287.08 | 287.08 |
| Other financial assets | 1,216.45 | - | - | - | - | 1,216.45 | 1,216.45 |
| | **3,619.64** | **751.95** | **1.27** | **22.74** | **34,217.01** | **38,612.61** | **38,612.61** |
| | | | | | | | |
| **Financial liabilities:** | | | | | | | |
| Trade payables | 10,969.56 | - | - | - | - | 10,969.56 | 10,969.56 |
| Borrowings | 29,701.47 | - | - | - | - | 29,701.47 | 29,543.97 |
| Derivatives | - | - | 3.83 | 195.56 | - | 199.39 | 199.39 |
| Other financial liabilities | 3,955.23 | - | - | - | - | 3,955.23 | 3,955.23 |
| | **44,626.26** | **-** | **3.83** | **195.56** | **-** | **44,825.65** | **44,668.15** |

## NOTES
forming part of the financial statements

## 39. Disclosures on financial instruments (Contd.)

**As at March 31, 2018**

(₹ crore)

| | Amortised cost | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Fair value through profit and loss | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| Cash and bank balances | 4,716.70 | - | - | - | - | 4,716.70 | 4,716.70 |
| Trade receivables | 1,875.63 | - | - | - | - | 1,875.63 | 1,875.63 |
| Investments | - | 807.55 | - | - | 19,803.14 | 20,610.69 | 20,610.69 |
| Derivatives | - | - | 7.90 | 34.30 | - | 42.20 | 42.20 |
| Loans | 287.63 | - | - | - | - | 287.63 | 287.63 |
| Other financial assets | 492.76 | - | - | - | - | 492.76 | 492.76 |
| | **7,372.72** | **807.55** | **7.90** | **34.30** | **19,803.14** | **28,025.61** | **28,025.61** |
| **Financial liabilities:** | | | | | | | |
| Trade payables | 11,242.75 | - | - | - | - | 11,242.75 | 11,242.75 |
| Borrowings | 28,125.80 | - | - | - | - | 28,125.80 | 28,258.84 |
| Derivatives | - | - | - | 86.49 | - | 86.49 | 86.49 |
| Other financial liabilities | 3,674.21 | - | - | - | - | 3,674.21 | 3,674.21 |
| | **43,042.76** | **-** | **-** | **86.49** | **-** | **43,129.25** | **43,262.29** |

(i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

### (b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Company's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level includes investment in unquoted equity shares and preference shares.

## NOTES
forming part of the financial statements

## 39. Disclosures on financial instruments (Contd.)

(₹ crore)

| | As at March 31, 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Investment in mutual funds | 477.47 | - | - | 477.47 |
| Investment in equity shares | 448.61 | - | 303.34 | 751.95 |
| Investment in debentures | - | 49.74 | - | 49.74 |
| Investment in preference shares | - | - | 33,689.80 | 33,689.80 |
| Derivative financial assets | - | 24.01 | - | 24.01 |
| | **926.08** | **73.75** | **33,993.14** | **34,992.97** |
| | | | | |
| **Financial liabilities:** | | | | |
| Derivative financial liabilities | - | 199.39 | - | 199.39 |
| | **-** | **199.39** | **-** | **199.39** |

(₹ crore)

| | As at March 31, 2018 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Investment in mutual funds | 14,640.37 | - | - | 14,640.37 |
| Investment in equity shares | 497.21 | - | 310.34 | 807.55 |
| Investment in debentures | - | 49.74 | - | 49.74 |
| Investment in preference shares | - | - | 5,113.03 | 5,113.03 |
| Derivative financial assets | - | 42.20 | - | 42.20 |
| | **15,137.58** | **91.94** | **5,423.37** | **20,652.89** |
| | | | | |
| **Financial liabilities:** | | | | |
| Derivative financial liabilities | - | 86.49 | - | 86.49 |
| | **-** | **86.49** | **-** | **86.49** |

(i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Investments included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Fair value of investment in preference shares is estimated by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.

## NOTES
forming part of the financial statements

## 39. Disclosures on financial instruments (Contd.)

(vii) Reconciliation of Level 3 fair value measurement is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 5,423.37 | 486.16 |
| Additions during the year | 28,698.08 | 4,725.10 |
| Sales/redemptions during the year | - | (100.00) |
| Reclassification within investments* | (17.00) | - |
| Fair value changes during the year | (111.31) | 312.11 |
| **Balance at the end of the year** | **33,993.14** | **5,423.37** |

* represents investment held in Subarnarekha Port Private Limited which became a subsidiary during the year.

**(c) Derivative financial instruments**

Derivative instruments used by the Company include forward exchange contracts, interest rate swaps, currency swaps, options and interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period:

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| (i) Foreign currency forwards, swaps and options | 19.93 | 199.32 | 34.44 | 86.49 |
| (ii) Interest rate swaps and collars | 4.08 | 0.07 | 7.76 | - |
| | **24.01** | **199.39** | **42.20** | **86.49** |
| **Classified as:** | | | | |
| Non-current | 9.05 | 59.82 | 12.13 | 70.08 |
| Current | 14.96 | 139.57 | 30.07 | 16.41 |

As at the end of the reporting period total notional amount of outstanding foreign currency contracts, interest rate swaps and collars that the Company has committed to is as below:

(US$ million)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (i) Foreign currency forwards, swaps and options | 1,148.92 | 1,322.86 |
| (ii) Interest rate swaps and collars | 150.00 | 150.00 |
| | **1,298.92** | **1,472.86** |

## NOTES
forming part of the financial statements

## 39. Disclosures on financial instruments (Contd.)

### (d) Transfer of financial assets

The Company transfers certain trade receivables under discounting arrangements with banks/ financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying value of asset transferred | Carrying value of associated liabilities | Carrying value of asset transferred | Carrying value of associated liabilities |
| Trade receivables | - | - | **547.56** | **547.56** |

### (e) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

### (i) Market risk:

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

### (a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. Such movements may also impact the fair value of preference shares investments held by the Company in its foreign subsidiaries.

A 10% appreciation/depreciation of foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit/equity before considering tax impacts by approximately **₹1,352.48** crore for the year ended March 31, 2019 (March 31, 2018: ₹514.89 crore) and an increase/decrease in carrying value of property, plant and equipment (before considering depreciation impact) by approximately **₹31.87** crore as at March 31, 2019 (2017-18: ₹148.81 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities as at March 31, 2019 and March 31, 2018 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments (except investment in preference shares) not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average debt outstanding during the period.

## NOTES
forming part of the financial statements

## 39. Disclosures on financial instruments (Contd.)

**(b) Market risk - Interest rate risk:**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2019 and March 31, 2018 a 100 basis points increase in interest rates would increase the Company's finance costs (before considering interest eligible for capitalisation) and thereby consequently reduce net profit/equity before considering tax impacts by approximately ₹**128.33** crore for the year ended March 31, 2019 (2017-18: ₹143.71 crore).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**(c) Market risk - Equity price risk:**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2019 and March 31, 2018 was ₹**448.61** crore and ₹497.21 crore, respectively.

A 10% change in equity prices of such securities held as at March 31, 2019 and March 31, 2018, would result in an impact of ₹**44.86** crore and ₹49.72 crore respectively on equity before considering tax impact.

**(ii) Credit risk:**

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

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with banks, bank deposits, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk except preference shares investments, the Company made in its subsidiary companies.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹**37,584.12** crore and ₹27,217.13 crore, as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities, mutual funds, loans, derivative assets and other financial assets.

The risk relating to trade receivables is presented in note 13, page 248.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at March 31, 2019 and March 31, 2018.

In respect of financial guarantees provided by the Company to banks/financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

**(iii) Liquidity risk:**

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

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

## NOTES
forming part of the financial statements

## 39. Disclosures on financial instruments (Contd.)

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

(₹ crore)

| | As at March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Contractual cash flows | less than one year | between one to five years | More than five years |
| **Non-derivative financial liabilities:** | | | | | |
| Borrowings including interest obligations | 30,270.83 | 48,006.81 | 5,388.10 | 18,284.95 | 24,333.76 |
| Trade payables | 10,969.56 | 10,969.56 | 10,969.56 | - | - |
| Other financial liabilities | 3,385.87 | 3,385.88 | 3,260.81 | 15.47 | 109.60 |
| | **44,626.26** | **62,362.25** | **19,618.47** | **18,300.42** | **24,443.36** |
| | | | | | |
| **Derivative financial liabilities** | **199.39** | **199.39** | **139.57** | **59.82** | **-** |

(₹ crore)

| | As at March 31, 2018 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Contractual cash flows | less than one year | between one to five years | More than five years |
| **Non-derivative financial liabilities:** | | | | | |
| Borrowings including interest obligations | 28,681.81 | 42,886.90 | 5,574.30 | 17,766.50 | 19,546.10 |
| Trade payables | 11,242.75 | 11,242.75 | 11,242.75 | - | - |
| Other financial liabilities | 3,118.20 | 3,118.21 | 3,098.43 | 5.00 | 14.78 |
| | **43,042.76** | **57,247.86** | **19,915.48** | **17,771.50** | **19,560.88** |
| | | | | | |
| **Derivative financial liabilities** | **86.49** | **86.49** | **16.41** | **70.08** | **-** |

## 40. Segment reporting

The Company is primarily engaged in the business of manufacture and distribution of steel products and is operated out of India. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of its consolidated financial statements which forms part of this report.

## NOTES
forming part of the financial statements

## 41. Related party transactions

The Company's related parties primarily consist of its subsidiaries, associates, joint ventures and Tata Sons Private Limited including its subsidiaries and joint ventures. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended as at March 31, 2019 and March 31, 2018:

(₹ crore)

| | Subsidiaries | Associates | Joint ventures | Tata Sons Private Limited, its subsidiaries and joint ventures | Total |
|---|---|---|---|---|---|
| **Purchase of goods** | **11,805.15** | **268.35** | **133.63** | **153.37** | **12,360.50** |
| | *10,961.18* | *291.74* | *109.55* | *187.08* | *11,549.55* |
| **Sale of goods** | **8,958.58** | **13.71** | **2,500.24** | **138.36** | **11,610.89** |
| | *6,793.81* | *22.32* | *1,978.07* | *175.33* | *8,969.53* |
| **Services received** | **1,867.90** | **39.66** | **909.62** | **237.69** | **3,054.87** |
| | *1,531.07* | *9.80* | *1,251.58* | *55.61* | *2,848.06* |
| **Services rendered** | **478.74** | **5.82** | **135.94** | **1.13** | **621.63** |
| | *372.60* | *5.87* | *95.85* | *1.31* | *475.63* |
| **Interest income recognised** | **1,576.03** | **7.81** | **4.13** | **-** | **1,587.97** |
| | *23.63* | *-* | *4.62* | *-* | *28.25* |
| **Interest expenses recognised** | **-** | **-** | **-** | **19.23** | **19.23** |
| | *-* | *-* | *-* | *19.23* | *19.23* |
| **Dividend paid** | **1.18** | **-** | **-** | **361.45** | **362.63** |
| | *1.17* | *-* | *-* | *295.61* | *296.78* |
| **Dividend received** | **39.38** | **3.67** | **34.95** | **10.88** | **88.88** |
| | *30.31* | *3.51* | *37.55* | *10.46* | *81.83* |
| **Provision/(reversal) recognised for receivables during the year** | **15.33** | **(0.01)** | **(1.03)** | **0.02** | **14.31** |
| | *31.36* | *-* | *5.35* | *-* | *36.71* |
| **Management contracts** | **53.34** | **16.61** | **2.50** | **100.00** | **172.45** |
| | *10.55* | *3.08* | *3.57* | *100.00* | *117.20* |
| **Sale of investments** | **-** | **-** | **-** | **1.97** | **1.97** |
| | *-* | *-* | *-* | *3,782.76* | *3,782.76* |

## NOTES
forming part of the financial statements

## 41. Related party transactions (Contd.)

(₹ crore)

| | Subsidiaries | Associates | Joint ventures | Tata Sons Private Limited, its subsidiaries and joint ventures | Total |
|---|---|---|---|---|---|
| **Finance provided during the year (net of repayments)** | **29,349.55** | **250.00** | **134.91** | **-** | **29,734.46** |
| | *4,772.42* | *-* | *46.82* | *-* | *4,819.24* |
| **Outstanding loans and receivables** | **1,489.08** | **10.06** | **57.09** | **9.22** | **1,565.45** |
| | *1,210.66* | *32.36* | *202.61* | *13.60* | *1,459.23* |
| **Provision for outstanding loans and receivables** | **651.00** | **0.03** | **7.46** | **0.02** | **658.51** |
| | *668.78* | *0.03* | *5.49* | *-* | *674.30* |
| **Outstanding payables** | **4,764.18** | **16.54** | **213.13** | **132.86** | **5,126.71** |
| | *5,787.08* | *27.74* | *233.95* | *119.22* | *6,167.99* |
| **Guarantees provided outstanding** | **11,908.24** | **-** | **186.78** | **-** | **12,095.02** |
| | *11,272.27* | *-* | *204.51* | *-* | *11,476.78* |
| **Subscription to rights issue** | **-** | **-** | **-** | **-** | **-** |
| | *-* | *-* | *-* | *3,420.56* | *3,420.56* |

Figures in italics represent comparative figures of previous year.

(i) The details of remuneration paid to key managerial personnel is provided in note 29, page 266.

During the year ended March 31, 2019, value of shares subscribed by key managerial personnel and their relatives under rights issue is **Nil** (2017-18: ₹2,87,476.00)

The Company has paid dividend of ₹**32,345.87** (2017-18: ₹27,420.00) to key managerial personnel and ₹**3,895.10** (2017-18: ₹3,310.00) to relatives of key managerial personnel during the year ended March 31, 2019.

(ii) During the year ended March 31, 2019, the Company has contributed ₹**281.57** crore (2017-18: ₹431.35 crore) to post-employment benefit plans.

As at March 31, 2019, amount receivable from post-employment benefit fund is ₹**755.95** crore (March 31, 2018: ₹296.38 crore) on account of retirement benefit obligations paid by the Company directly.

(iii) Details of investments made by the Company in preference shares of its subsidiaries, associates and joint ventures is disclosed in note 7, page 235.

(iv) Commitment with respect to subsidiaries, associates and joint ventures is disclosed in note 36B, page 278.

(v) Transaction with joint ventures have been disclosed at full value and not at their proportionate share.

## NOTES
forming part of the financial statements

**42.** The Company is in the process of evaluating the impact of the recent Supreme Court Judgement in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. CI/ 1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal opinion, the aforesaid matter is not likely to have a significant impact and accordingly no provision has been considered in the financial statements.

**43.** The Board of Directors of the Company have considered and approved a merger of Bamnipal Steel Limited and Tata Steel BSL Limited (formerly Bhushan Steel Limited) into the Company by way of a composite scheme of amalgamation and have recommended a merger ratio of 1 equity share of ₹10/-each fully paid up of the Company for every 15 equity shares of ₹2/- each fully paid up held by the public shareholders of Tata Steel BSL Limited. As part of the scheme, the equity shares held by Bamnipal Steel Limited and the preference shares held by the Company in Tata Steel BSL Limited shall stand cancelled. The equity shares held by the Company in Bamnipal Steel Limited shall also stand cancelled. The merger is subject to shareholders and other regulatory approvals.

## 44. Details of significant investments in subsidiaries, associates and joint ventures

(% direct holding)

| | Country of incorporation | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a) Subsidiary companies** | | | |
| (1) Tata Metaliks Ltd. | India | 55.06 | 50.09 |
| (2) Tata Sponge Iron Limited | India | 54.50 | 54.50 |
| (3) Tayo Rolls Limited | India | 54.91 | 54.91 |
| (4) The Tinplate Company of India Ltd | India | 74.96 | 74.96 |
| (5) ABJA Investment Co. Pte Ltd. | Singapore | 100.00 | 100.00 |
| (6) Adityapur Toll Bridge Company Limited | India | 88.50 | 88.50 |
| (7) Bamnipal Steel Limited | India | 100.00 | 100.00 |
| (8) Bhubaneshwar Power Private Limited | India | 93.58 | 93.58 |
| (9) Bistupur Steel Limited | India | 100.00 | 100.00 |
| (10) Creative Port Development Private Limited | India | 51.00 | - |
| (11) Dimna Steel Limited | India | 100.00 | 100.00 |
| (12) The Indian Steel & Wire Products Ltd | India | 95.01 | 95.01 |
| (13) Jamadoba Steel Limited | India | 100.00 | 100.00 |
| (14) Jamshedpur Football and Sporting Private Limited | India | 100.00 | 100.00 |
| (15) Jamshedpur Utilities & Services Company Limited | India | 100.00 | 100.00 |
| (16) Jugsalai Steel Limited | India | 100.00 | 100.00 |
| (17) Mohar Exports Services Pvt Ltd | India | 33.23 | 33.23 |
| (18) NatSteel Asia Pte. Ltd. | Singapore | 100.00 | 100.00 |
| (19) Noamundi Steel Limited | India | 100.00 | 100.00 |
| (20) Rujuvalika Investments Limited | India | 100.00 | 100.00 |
| (21) Sakchi Steel Limited | India | 100.00 | 100.00 |
| (22) Straight Mile Steel Limited | India | 100.00 | 100.00 |
| (23) Subarnarekha Port Private Limited | India | 7.07 | - |

## NOTES
forming part of the financial statements

## 44. Details of significant investments in subsidiaries, associates and joint ventures (Contd.)

(% direct holding)

| | Country of incorporation | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (24) Tata Korf Engineering Services Ltd | India | 100.00 | 100.00 |
| (25) The Tata Pigments Limited | India | 100.00 | 100.00 |
| (26) Tata Steel Foundation | India | 100.00 | 100.00 |
| (27) T Steel Holdings Pte. Ltd. | Singapore | 100.00 | 100.00 |
| (28) Tata Steel (KZN) (Pty) Ltd. | South Africa | 90.00 | 90.00 |
| (29) Tata Steel Odisha Limited | India | 100.00 | 100.00 |
| (30) Tata Steel Processing and Distribution Limited | India | 100.00 | 100.00 |
| (31) Tata Steel Special Economic Zone Limited | India | 100.00 | 100.00 |
| (32) T S Alloys Limited | India | 100.00 | 100.00 |
| | | | |
| **(b) Associate companies** | | | |
| (1) TRF Limited. | India | 34.11 | 34.11 |
| (2) Kalinga Aquatic Ltd | India | 30.00 | 30.00 |
| (3) Malusha Travels Pvt Ltd | India | 33.23 | 33.23 |
| (4) Nicco Jubilee Park Limited | India | 20.99 | 20.99 |
| (5) Strategic Energy Technology Systems Private Limited | India | 25.00 | 25.00 |
| (6) TRL Krosaki Refractories Limited | India | - | 26.62 |
| | | | |
| **(c) Joint ventures** | | | |
| (1) Himalaya Steel Mill Services Private Limited | India | 26.00 | 26.00 |
| (2) Industrial Energy Limited | India | 26.00 | 26.00 |
| (3) Jamipol Limited | India | 32.67 | 32.67 |
| (4) Jamshedpur Continuous Annealing & Processing Company Private Limited | India | 51.00 | 51.00 |
| (5) Medica TS Hospital Private Limited | India | 26.00 | 26.00 |
| (6) mjunction services limited | India | 50.00 | 50.00 |
| (7) S & T Mining Company Private Limited | India | 50.00 | 50.00 |
| (8) Tata BlueScope Steel Private Limited (formerly Tata BlueScope Steel Limited) | India | 50.00 | 50.00 |
| (9) Tata NYK Shipping Pte Ltd. | Singapore | 50.00 | 50.00 |
| (10) TM International Logistics Limited | India | 51.00 | 51.00 |
| (11) T M Mining Company Limited | India | 74.00 | 74.00 |

## NOTES
forming part of the financial statements

## 45. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On April 25, 2019, the Board of Directors of the Company have proposed a dividend of ₹**13.00** per Ordinary Share of ₹10 each and ₹**3.25** per partly paid Ordinary Share of ₹10 each (paid up ₹2.504 per share) in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹**1,795.87** crore inclusive of dividend distribution tax of ₹**306.21** crore.

**46.** Previous year figures have been recasted/restated wherever necessary.

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

| | | | | | |
|---|---|---|---|---|---|
| sd/-<br>**N. Chandrasekaran**<br>Chairman<br>DIN: 00121863 | sd/-<br>**Mallika Srinivasan**<br>Director<br>DIN: 00037022 | sd/-<br>**O. P. Bhatt**<br>Director<br>DIN: 00548091 | sd/-<br>**Peter Blauwhoff**<br>Director<br>DIN: 07728872 | sd/-<br>**Deepak Kapoor**<br>Director<br>DIN: 00162957 | sd/-<br>**Aman Mehta**<br>Director<br>DIN: 00009364 |
| sd/-<br>**V. K. Sharma**<br>Director<br>DIN: 02449088 | sd/-<br>**Saurabh Agrawal**<br>Director<br>DIN: 02144558 | sd/-<br>**T. V. Narendran**<br>Managing Director &<br>Chief Executive Officer<br>DIN: 03083605 | sd/-<br>**Koushik Chatterjee**<br>Executive Director &<br>Chief Financial Officer<br>DIN: 00004989 | sd/-<br>**Parvatheesam K.**<br>Company Secretary &<br>Chief Legal Officer<br>(Corporate & Compliance)<br>ACS: 15921 | |

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF TATA STEEL LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of Tata Steel Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities (refer Note 1 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2019, its consolidated total comprehensive income (comprising of profit and other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 20 of the Other Matters paragraph below, other than the unaudited financial statements/financial information as certified by the management and referred to in sub-paragraph 21 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw your attention to the following paragraph included in the audit report on the consolidated special purpose financial information of Tata Steel BSL Limited (formerly Bhushan Steel Limited), a subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide its report dated April 18, 2019:

   "We draw attention to Note 3 to the Consolidated Special Purpose Financial Information which describes the implementation of Resolution Plan pursuant to its approval by National Company Law Tribunal and the resultant impact of the same, as recorded in the Consolidated Special Purpose Financial Information as at 17 May 2018. Our opinion is not modified in respect of this matter."

   Note 3 as described above corresponds to Note 41(A) to the Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

## Key Audit Matters

5. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Assessment of Holding Company's litigations and related disclosure of contingent liabilities**<br><br>[Refer to Note 2 (c) to the Consolidated Financial Statements – "Use of estimates and critical accounting judgements – Provisions and contingent liabilities", Note 39 (A) to the Consolidated Financial Statements – "Contingencies" and Note 40 to the Consolidated Financial Statements – "Other significant litigations"]<br><br>As at March 31, 2019, the Holding Company has exposures towards litigations relating to various matters as included in the aforesaid Notes.<br><br>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.<br><br>As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter. | Our procedures included the following:<br><br>• We understood, assessed and tested the design and operating effectiveness of the Holding Company's key controls surrounding assessment of litigations relating to the relevant laws and regulations;<br><br>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the Holding Company's audit committee;<br><br>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations made in relation to the Holding Company's Standalone Financial Statements;<br><br>• We used auditor's experts to gain an understanding and to evaluate the disputed tax matters;<br><br>• We considered external legal opinions, where relevant, obtained by management;<br><br>• We met with the Holding Company's external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation;<br><br>• We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements;<br><br>• We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and<br><br>• We assessed the adequacy of the disclosures.<br><br>Based on the above work performed, management's assessment in respect of Holding Company's litigations and related disclosures relating to contingent liabilities/other significant litigations in the Consolidated Financial Statements are considered to be reasonable. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Business combination- Purchase Price Allocation for acquisition of Tata Steel BSL Limited (formerly Bhushan Steel Limited)**<br>[Refer to Note 2(e) to the Consolidated Financial Statements – "Business Combinations" and Note 41(A) to the Consolidated Financial Statements]<br>On May 18, 2018, the Group completed the acquisition of business of Tata Steel BSL Limited (formerly Bhushan Steel Limited) ("TSBSL"), pursuant to the approved resolution plan under the Insolvency and Bankruptcy Code, 2016.<br>The Group determined the acquisition to be business combination in accordance with Ind AS 103. Ind AS 103 requires the identified assets and liabilities be recognised at fair value at the date of acquisition with the excess of identified fair value of recognised assets and liabilities over the acquisition cost as capital reserve.<br>The Group engaged with the auditors of TSBSL ("other auditor") to perform an audit of the financial information of TSBSL as at the acquisition date who have provided an unmodified opinion vide their audit report dated April 18, 2019.<br>The Management determined that the fair values of the net identifiable assets acquired was ₹1,918.88 crore. The valuation was performed as part of the Purchase Price Allocation (PPA).<br>The Group appointed independent professional valuers to perform valuation of certain assets for the purpose of PPA. The purchase price allocation exercise was completed resulting in the Group recognising capital reserve of ₹1,236.34 crore directly in "Other Equity".<br>Significant assumptions and estimates were used in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction and thus we consider this area to be a Key Audit Matter. | Our procedures included the following:<br>• We assessed and tested the design and operating effectiveness of the Holding Company's key controls over the accounting of business combination.<br>• We have evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence.<br>• We have traced the value of the consideration transferred with reference to the resolution plan.<br>• We have obtained the audited financial information of TSBSL as at the acquisition date as audited by the other auditor. We engaged with the other auditor to ensure completeness, accuracy and valuation of the PPA adjustments including engagement of an independent valuation expert by the other auditor and to agree the accounting done as per the resolution plan.<br>• We have further involved our valuation expert ("auditor's expert") to review the PPA reports including the work done by management experts and by the other auditor to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date.<br>• We have evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the auditor's expert.<br>• We have also assessed the Group's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations.<br>• We have also verified the management's computation of capital reserve.<br>Based on the above work performed, we noted that the PPA adjustments have been performed in accordance with Ind AS 103. We have also assessed and corroborated the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements and found it reasonable. |

6. The following Key Audit Matter was included in the audit report dated April 18, 2019, containing an unmodified audit opinion on the consolidated special purpose financial information of Tata Steel BSL Limited (formerly Bhushan Steel Limited), a subsidiary of the Holding Company issued by an independent firm of chartered accountants reproduced by us as under:

| Key Audit Matter | How our audit addressed the Key Audit Matter |
| --- | --- |
| **Accounting treatment for the effects of the Resolution Plan**<br><br>Refer Note 4 to the Consolidated Special Purpose Financial Information.<br><br>Prior to the approval of the Resolution Plan on 15 May 2018, the Holding Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.<br><br>The Holding Company had also made certain payments to the relevant authorities in respect of those litigations which are presented as recoverable under "Other non-financial assets-non-current" in the Consolidated Special Purpose Financial Information.<br><br>The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.<br><br>The application of significant judgement in the aforementioned matter required substantial involvement of senior personnel on the audit engagement including individuals with expertise in accounting of financial instruments. | We have performed the following procedures to test the recoverability of payments made by the Holding Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:<br><br>• Verified the underlying documents related to litigations and other correspondences with the statutory authorities.<br><br>• Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgements applied by management in developing the accounting estimates.<br><br>• Assessed management's estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether:<br><br>- The method of measurement used is appropriate in the circumstances; and<br><br>- The assumptions used by management are reasonable in light of the measurement principles of Ind AS.<br><br>• Determined whether the methods for making estimates have been applied consistently.<br><br>• Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in Consolidated Special Purpose Financial Information in accordance with the principles of Ind AS." |

7. The following key audit matters and related audit procedures (as reproduced) were communicated to us by the auditors of Tata Steel Europe Limited, a subsidiary of the Holding Company:

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Accounting for Tata Steel Europe's Pension Plan**<br>Tata Steel UK Ltd ('TSUK') sponsors a defined benefit pension plan with net post-retirement assets as at March 31, 2019 of £10.6bn (Equivalent ₹96,807.02 crore) and net post-retirement liabilities as at March 31, 2019 of £8.4bn (Equivalent ₹77,973.85 crore), which are significant in the context of the overall consolidated balance sheet of the Tata Steel UK Limited and Tata Steel Limited. The scheme is now closed to all participants and there is no future accrual.<br>The valuation of the pension liabilities requires some judgement and technical expertise in choosing appropriate assumptions. A number of the key assumptions (including inflation, discount rates and mortality) have a material impact on the calculation of the liability.<br>The pension assets include significant investments and the fair value measurement of which includes judgement. The recognition of post-retirement plan net assets for accounting purposes is dependent on the rights of the employers to recover the surplus at the end of the life of the scheme. | Our procedures included the following:<br>• Evaluating the Directors' assessment of the assumptions made in relation to the valuations of the liabilities and assets in the pension plans by comparing them to national and industry averages.<br>• Focussing on the valuation of pension plan liabilities and the pension assets by considering the experience and qualifications of management's actuaries in applying their methodology to the pension liability and asset valuation.<br>• Agreeing the discount, inflation rates and mortality assumptions used in the valuation of the pension liability to our internally developed benchmarks.<br>• Obtaining independent third party confirmations on ownership and valuation of pension assets.<br>• Testing a sample of pension assets to independent market data where the asset was readily tradeable and engaging our specialist valuations team to audit those assets that were not freely transferrable on the open market, such as property assets.<br>• Validating a sample of the census data held by the Trustee with that used by the actuary for the purpose of the pension liability valuation.<br>• Testing the basis of recognition of the UK pension surplus through the reading of scheme rules.<br>We did not identify any material exceptions from our audit work. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Accounting for proposed JV with Thyssenkrupp**<br>On June 30, 2018, Tata Steel Limited (TSL) signed a deed of undertaking and contribution agreement with Thyssenkrupp AG (tk) to form a joint venture between the European steel operations of both companies called thyssenkrupp Tata Steel BV (tkTS).<br><br>TSL have agreed to contribute the entire issued share capital of Tata Steel Netherlands Holdings BV (TSNH) for a 50% share in the enlarged tkTS.<br><br>The joint venture remains subject to review and approval by the European Commission. Their findings and the announcement of any potential remedial actions are expected in June 2019. TSL's shareholders will also be required to provide their consent via a shareholder vote prior to the contribution by TSL of share capital of TSNH.<br><br>The directors are not presenting the TSNH group as an asset held for sale on the basis that the proposed transaction as at March 31, 2019 was not highly probable in its current form, primarily because it still required the consent of TSL shareholders, approval of European Commission and the structure of the disposal group has not been clarified.<br><br>In our view, this matter was of particular importance for our audit due to the significant judgement involved in assessing the criteria for held for sale and the potential material effects on the Group's assets, liabilities, financial position and financial performance. | Our procedures included the following:<br><br>• Reviewing the Deed of Undertaking, Contribution Agreement and Shareholders Agreement regarding the proposed joint venture.<br><br>• Reviewing the board minutes and other documents of relevance prepared by Tata Steel Europe and its subsidiaries in relation to the proposed joint venture.<br><br>• Reviewing communications made by key stakeholders in relation to the joint venture, including statements from the European Commission.<br><br>• Considering the proposed accounting by the directors by assessing the requirements of 'Non-current Assets Held for Sale and Discontinued Operations'.<br><br>We did not identify any material exceptions from our audit work. |

8. The following key audit matter and related audit procedures (as reproduced) were communicated to us by the auditors of Tata Steel Minerals Canada Limited, a subsidiary of the Holding Company:

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Impairment of Long lived assets**<br><br>Property plant and equipment (PP&E) in annexure 100 the financial information as of March 31, 2019 amount to $979 million (Equivalent ₹6,577.49 crore). The Company continues to wrap-up the processing plant and expects to enter commercial production in the coming months. In accordance with IAS 36, Management has performed an impairment indicator assessment and concluded that there was an impairment indicator due to the change of the production plan. Where an indication of impairment exists, the carrying amount of the project is assessed and an impairment provision is recognised, if required, immediately to its recoverable amount. Management prepared a discounted cash flow using the value in use (VIU) model to estimate the recoverable amount as at March 31, 2019. The accounting for mining project in development phase is a key audit matter as the determination of VIU for impairment assessment involves significant management judgement. The impairment assessment has been done by the management in accordance with IAS 36.<br><br>The key inputs and judgements involved in the impairment/fair valuation assessment include:<br><br>• Forecasted cash flows including assumptions on growth rates and production cost<br>• Timing and ramp-up – The model was adjusted for the completion of the Wet plant (in FY20) and extension of the life of mine as a result of reduction of the quantity, which will be processed by the plant.<br>• CFR China Fe 65% Sinter –the premium for 65% Fe over the 62% Fe<br>• Total ore reserve<br>• Discount rates<br>• Exchange rate between US and Canadian dollar<br><br>Economic and entity specific factors are incorporated in the valuation used in the impairment assessment. | Our audit procedures included the following:<br><br>• We updated our understanding and evaluating the controls around this risk.<br>• We tested the status of ownership of mineral titles.<br>• We evaluated the Company's assessment whether objective evidence of impairment exists for the project.<br>• We evaluated the Company's process regarding impairment assessment using value in use calculations by involving our valuation experts to assist in assessing the appropriateness of the impairment model including key inputs into the model.<br>• We assessed the VIU calculations performed by the Company were within a predefined tolerable differences range.<br>• We assessed the historical accuracy of the Company's forecasts by comparing the forecasts used in the prior year model with the actual performance in the current year.<br>• We checked the mathematical accuracy of the impairment model and agreed relevant data back to the latest actual past results and other supporting documents.<br>• We performed sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in the VIU.<br><br>The impairment assessment remains sensitive to a range of assumptions, in particular to changes in the pre-tax discount rate and the achievement of the forecasted growth rates.<br><br>Based on the above procedures performed, we noted the results of management's impairment assessment to be reasonable and consistent with the outcome of our procedures." |

**Other Information**

9. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information in the Integrated Report, Board's Report alongwith its Annexures and Financial Highlights included in the Holding Company's Annual Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2018-19'), but does not include the financial statements and our auditor's report thereon.

10. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

11. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 20 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

12. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

13. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

14. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

15. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Statements.

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

    - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

17. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements 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.

18. 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.

19. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

20. We did not audit the financial statements/financial information of seventeen subsidiaries whose financial statements/financial information reflect total assets of ₹132,537.70 crore and net assets of ₹1,058.37 crore as at March 31, 2019, total revenue of ₹88,748.77 crore, total comprehensive income [comprising of profit/(loss) and other comprehensive income] of ₹(2,690.43) crore and net cash flows amounting to ₹38.83 crore for the year ended on that date, as considered in the Consolidated Financial Statements, which also include their step down jointly controlled entities and associates constituting ₹37.18 crore of the Group's share of total comprehensive income for the year ended on that date. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the other auditors/Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, their step down jointly controlled entities and associates and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and their step down jointly controlled entities and associates, is based solely on the reports of the other auditors.

21. We did not audit the financial statements/financial information of twelve subsidiaries whose financial statements/financial information reflect total assets of ₹8,280.96 crore and net assets of ₹3,692.07 crore as at March 31, 2019, total revenue of ₹881.94 crore, total comprehensive income [comprising of profit/(loss) and other comprehensive income] of ₹391.33 crore and net cash

flows amounting to ₹(64.54) crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total comprehensive income [comprising of profit/(loss) and other comprehensive income] of ₹15.83 crore and ₹37.30 crore for the year ended March 31, 2019 as considered in the Consolidated Financial Statements, in respect of four associates and six jointly controlled entities respectively, whose financial statements/financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associate companies, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

22. In the case of one subsidiary, one jointly controlled entity and two associates, the financial information for the year ended March 31, 2019 is not available. The investments in these companies are carried at Re. 1 as at March 31, 2019. In absence of the aforementioned financial information, the financial information in respect of the aforesaid subsidiary and the Group's share of total comprehensive income of these jointly controlled entities and associate companies for the year ended March 31, 2019 have not been included in the Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

23. We draw attention to the following paragraph included in the audit report on the consolidated special purpose financial information of Tata Steel BSL Limited (formerly Bhushan Steel Limited), a subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide its report dated April 18, 2019 reproduced by us as under:

"As required by section 197(16) of the Act, based on our audit, we report that the Holding Company paid remuneration to its directors during the period 18 May 2018 to 31 March 2019 in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. On the consideration of the reports of the other auditors, referred to in paragraph 12, on separate financial statements of certain subsidiaries, we report that three subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the period 18 May 2018 to 31 March 2019. Further, as stated in paragraph 13, financial statements of two associate companies covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such companies have not paid or provided for any managerial remuneration during the period 18 May 2018 to 31 March 2019."

24. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

    (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The Consolidated Financial Statements disclose the impact of pending litigations as on March 31, 2019 on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Notes 39 (A) and 40 to the Consolidated Financial Statements.

ii. The Group, its associates and jointly controlled entities had long-term contracts including derivative contracts as on March 31, 2019 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year ended March 31, 2019 except for amounts aggregating to ₹5.25 crore, which according to the information and explanations provided by the management is held in abeyance due to dispute/pending legal cases.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

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

**Russell I Parera**
Partner
Membership Number 042190

Place: Mumbai
Date: April 25, 2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 24(f) of the Independent Auditor's Report of even date to the members of Tata Steel Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2019**

### Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the Consolidated Financial Statements of the Tata Steel Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two jointly controlled companies incorporated in India namely S & T Mining Company Private Limited and Tata NYK Shipping (India) Private Limited, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to ten subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

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

**Russell I Parera**
Partner
Membership Number 042190

Place: Mumbai
Date: April 25, 2019

## CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(₹ crore)

| | | | Note | Page | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **I** | **Non-current assets** | | | | | |
| | (a) | Property, plant and equipment | 3 | 327 | 1,18,450.97 | 90,322.78 |
| | (b) | Capital work-in-progress | | | 17,956.51 | 16,159.80 |
| | (c) | Goodwill on consolidation | 5 | 332 | 3,996.62 | 4,099.45 |
| | (d) | Other intangible assets | 6 | 333 | 1,994.32 | 1,682.66 |
| | (e) | Intangible assets under development | | | 684.70 | 454.61 |
| | (f) | Equity accounted investments | 7 | 335 | 1,922.95 | 1,781.22 |
| | (g) | Financial assets | | | | |
| | | (i) Investments | 8 | 337 | 1,290.36 | 1,209.28 |
| | | (ii) Loans | 9 | 338 | 613.34 | 717.34 |
| | | (iii) Derivative assets | | | 108.74 | 29.16 |
| | | (iv) Other financial assets | 10 | 340 | 570.06 | 87.91 |
| | (h) | Retirement benefit assets | 11 | 341 | 19,964.19 | 20,570.87 |
| | (i) | Non-current tax assets | | | 1,574.78 | 1,152.76 |
| | (j) | Deferred tax assets | 12 | 342 | 808.95 | 1,035.80 |
| | (k) | Other assets | 13 | 346 | 4,654.92 | 2,577.14 |
| | **Total non-current assets** | | | | **1,74,591.41** | **1,41,880.78** |
| **II** | **Current assets** | | | | | |
| | (a) | Inventories | 14 | 348 | 31,656.10 | 28,331.04 |
| | (b) | Financial assets | | | | |
| | | (i) Investments | 8 | 337 | 2,524.86 | 14,908.97 |
| | | (ii) Trade receivables | 15 | 348 | 11,811.00 | 12,415.52 |
| | | (iii) Cash and cash equivalents | 16 | 350 | 2,975.53 | 7,783.50 |
| | | (iv) Other balances with banks | 17 | 350 | 365.84 | 154.35 |
| | | (v) Loans | 9 | 338 | 239.70 | 256.48 |
| | | (vi) Derivative assets | | | 359.11 | 150.95 |
| | | (vii) Other financial assets | 10 | 340 | 1,248.56 | 610.60 |
| | (c) | Retirement benefit assets | 11 | 341 | 4.38 | 2.91 |
| | (d) | Current tax assets | | | 133.94 | 62.28 |
| | (e) | Other assets | 13 | 346 | 3,529.70 | 3,098.09 |
| | **Total current assets** | | | | **54,848.72** | **67,774.69** |
| **III** | **Assets held for sale** | | 18 | 351 | **4,142.26** | **102.47** |
| **Total assets** | | | | | **2,33,582.39** | **2,09,757.94** |

# CONSOLIDATED BALANCE SHEET (CONTD.)

as at March 31, 2019

(₹ crore)

| | Note | Page | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **Equity and liabilities** | | | | |
| **IV Equity** | | | | |
| (a) Equity share capital | 19 | 353 | 1,144.94 | 1,144.95 |
| (b) Hybrid perpetual securities | 20 | 356 | 2,275.00 | 2,275.00 |
| (c) Other equity | 21 | 357 | 65,505.14 | 57,450.67 |
| **Equity attributable to owners of the Company** | | | **68,925.08** | **60,870.62** |
| Non-controlling interests | | | 2,364.46 | 936.52 |
| **Total equity** | | | **71,289.54** | **61,807.14** |
| **V Non-current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 23 | 363 | 80,342.73 | 72,789.10 |
| (ii) Derivative liabilities | | | 59.82 | 85.04 |
| (iii) Other financial liabilities | 24 | 368 | 270.58 | 105.83 |
| (b) Provisions | 25 | 369 | 4,046.21 | 4,338.24 |
| (c) Retirement benefit obligations | 11 | 341 | 2,653.46 | 2,516.56 |
| (d) Deferred income | 26 | 370 | 906.80 | 1,526.58 |
| (e) Deferred tax liabilities | 12 | 342 | 12,459.89 | 10,569.88 |
| (f) Other liabilities | 27 | 371 | 519.23 | 358.16 |
| **Total non-current liabilities** | | | **1,01,258.72** | **92,289.39** |
| **VI Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 23 | 363 | 10,802.08 | 15,884.98 |
| (ii) Trade payables | 28 | 372 | | |
| (a) Total outstanding dues of micro and small enterprises | | | 169.74 | 32.21 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | | 21,547.22 | 20,381.60 |
| (iii) Derivative liabilities | | | 416.59 | 468.79 |
| (iv) Other financial liabilities | 24 | 368 | 16,737.83 | 9,791.78 |
| (b) Provisions | 25 | 369 | 1,248.72 | 1,269.64 |
| (c) Retirement benefit obligations | 11 | 341 | 120.69 | 110.36 |
| (d) Deferred income | 26 | 370 | 16.51 | 6.21 |
| (e) Current tax liabilities | | | 636.42 | 783.47 |
| (f) Other liabilities | 27 | 371 | 7,912.21 | 6,932.26 |
| **Total current liabilities** | | | **59,608.01** | **55,661.30** |
| **VII Liabilities held for sale** | 18 | 351 | **1,426.12** | **0.11** |
| **Total equity and liabilities** | | | **2,33,582.39** | **2,09,757.94** |
| **Notes forming part of the consolidated financial statements** | 1-53 | | | |

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

sd/- **N. Chandrasekaran** Chairman DIN: 00121863

sd/- **Mallika Srinivasan** Director DIN: 00037022

sd/- **O. P. Bhatt** Director DIN: 00548091

sd/- **Peter Blauwhoff** Director DIN: 07728872

sd/- **Deepak Kapoor** Director DIN: 00162957

sd/- **Aman Mehta** Director DIN: 00009364

sd/- **V. K. Sharma** Director DIN: 02449088

sd/- **Saurabh Agrawal** Director DIN: 02144558

sd/- **T. V. Narendran** Managing Director & Chief Executive Officer DIN: 03083605

sd/- **Koushik Chatterjee** Executive Director & Chief Financial Officer DIN: 00004989

sd/- **Parvatheesam K.** Company Secretary & Chief Legal Officer (Corporate & Compliance) ACS: 15921

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(₹ crore)

| | | Note | Page | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|---|
| I | Revenue from operations | 29 | 372 | 1,57,668.99 | 1,24,109.69 |
| II | Other income | 30 | 373 | 1,420.58 | 881.10 |
| **III** | **Total income** | | | **1,59,089.57** | **1,24,990.79** |
| **IV** | **Expenses:** | | | | |
| | (a) Cost of materials consumed | | | 54,309.07 | 40,762.41 |
| | (b) Purchases of stock-in-trade | | | 6,567.98 | 5,374.60 |
| | (c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress | | | (96.71) | 99.31 |
| | (d) Employee benefits expense | 31 | 373 | 18,758.87 | 16,969.91 |
| | (e) Finance costs | 32 | 374 | 7,660.10 | 5,454.74 |
| | (f) Depreciation and amortisation expense | 33 | 374 | 7,341.83 | 5,741.70 |
| | (g) Other expenses | 34 | 374 | 50,410.72 | 40,471.13 |
| | | | | **1,44,951.86** | **1,14,873.80** |
| | (h) Less: Expenditure (other than interest) transferred to capital and other accounts | | | 1,664.28 | 1,000.86 |
| | **Total expenses** | | | **1,43,287.58** | **1,13,872.94** |
| **V** | Share of profit/(loss) of joint ventures and associates | | | 224.70 | 239.12 |
| **VI** | **Profit/(loss) before exceptional items and tax (III-IV+V)** | | | **16,026.69** | **11,356.97** |
| **VII** | **Exceptional items:** | 35 | 375 | | |
| | (a) Profit on sale of subsidiaries and non-current investments | | | 180.13 | - |
| | (b) Provision for impairment of investments/doubtful advances | | | (172.12) | (27.25) |
| | (c) Provision for impairment of non-current assets | | | (9.57) | (903.01) |
| | (d) Provision for demands and claims | | | (328.64) | (3,213.68) |
| | (e) Employee separation compensation | | | (35.33) | (107.60) |
| | (f) Restructuring and other provisions | | | 244.56 | 13,850.66 |
| | **Total exceptional items** | | | **(120.97)** | **9,599.12** |
| **VIII** | **Profit/(loss) before tax (VI+VII)** | | | **15,905.72** | **20,956.09** |
| **IX** | **Tax expense:** | | | | |
| | (a) Current tax | | | 6,728.14 | 1,980.24 |
| | (b) Deferred tax | | | (9.71) | 1,412.09 |
| | **Total tax expense** | | | **6,718.43** | **3,392.33** |
| **X** | **Profit/(loss) after tax from continuing operations** | | | **9,187.29** | **17,563.76** |
| | | | | | |
| **XI** | **Profit/(loss) after tax from discontinued operations** | 36 | 375 | | |
| | (a) Profit/(loss) after tax from discontinued operations | | | (88.96) | 193.90 |
| | (b) Profit/(loss) on disposal of discontinued operations | | | - | 5.15 |
| | **Profit/(loss) after tax from discontinued operations** | | | **(88.96)** | **199.05** |
| **XII** | **Profit/(loss) for the year (X+XI)** | | | **9,098.33** | **17,762.81** |

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.)
for the year ended March 31, 2019

(₹ crore)

| | | Note | Page | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|---|
| **XIII** | **Other comprehensive income/(loss)** | | | | |
| | **A. (i) Items that will not be reclassified subsequently to profit and loss:** | | | | |
| | (a) Remeasurement gain/(loss) on post-employment defined benefit plans | | | (683.60) | (1,489.18) |
| | (b) Fair value changes of investments in equity shares | | | (36.65) | (204.55) |
| | (c) Share of equity accounted investees | | | (0.14) | (0.24) |
| | **(ii) Income tax on items that will not be reclassified subsequently to profit and loss** | | | 94.83 | 212.98 |
| | **B. (i) Items that will be reclassified subsequently to profit and loss:** | | | | |
| | (a) Foreign currency translation differences | | | 508.47 | (1,544.04) |
| | (b) Fair value changes of cash flow hedges | | | 161.80 | (97.76) |
| | (c) Share of equity accounted investees | | | 4.53 | 16.20 |
| | **(ii) Income tax on items that will be reclassified subsequently to profit and loss** | | | (41.45) | 28.58 |
| | **Total other comprehensive income/(loss) for the year** | | | **7.79** | **(3,078.01)** |
| **XIV** | **Total comprehensive income/(loss) for the year (XII+XIII)** | | | **9,106.12** | **14,684.80** |
| **XV** | **Profit/(loss) from continuing operations for the year attributable to:** | | | | |
| | Owners of the Company | | | 10,283.45 | 13,255.26 |
| | Non-controlling interests | | | (1,096.16) | 4,308.50 |
| | | | | **9,187.29** | **17,563.76** |
| **XVI** | **Profit/(loss) from discontinued operations for the year attributable to:** | | | | |
| | Owners of the Company | | | (65.12) | 179.07 |
| | Non-controlling interests | | | (23.84) | 19.98 |
| | | | | **(88.96)** | **199.05** |
| **XVII** | **Total comprehensive income for the year attributable to:** | | | | |
| | Owners of the Company | | | 10,362.88 | 8,802.54 |
| | Non-controlling interests | | | (1,256.76) | 5,882.26 |
| | | | | **9,106.12** | **14,684.80** |
| **XVIII** | **Earnings per share (for continuing operations)** | 37 | 377 | | |
| | Basic (₹) | | | 88.32 | 126.39 |
| | Diluted (₹) | | | 88.31 | 126.37 |
| **XIX** | **Earnings per share (for discontinued operations)** | | | | |
| | Basic (₹) | 37 | 377 | (0.57) | 1.73 |
| | Diluted (₹) | | | (0.57) | 1.73 |
| **XX** | **Earnings per share (for continuing and discontinued operations)** | | | | |
| | Basic (₹) | 37 | 377 | 87.75 | 128.12 |
| | Diluted (₹) | | | 87.74 | 128.10 |
| **XXI** | **Notes forming part of the consolidated financial statements** | 1-53 | | | |

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Managing Director & Chief Executive Officer
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

## A. Equity share capital

(₹ crore)

| Balance as at April 1, 2018 | Changes during the year | Balance as at March 31, 2019 |
|---|---|---|
| **1,144.95** | (0.01) | **1,144.94** |

(₹ crore)

| Balance as at April 1, 2017 | Changes during the year | Balance as at March 31, 2018 |
|---|---|---|
| **970.24** | 174.71 | **1,144.95** |

## B. Hybrid perpetual securities

(₹ crore)

| Balance as at April 1, 2018 | Changes during the year | Balance as at March 31, 2019 |
|---|---|---|
| **2,275.00** | - | **2,275.00** |

(₹ crore)

| Balance as at April 1, 2017 | Changes during the year | Balance as at March 31, 2018 |
|---|---|---|
| **2,275.00** | - | **2,275.00** |

## C. Other equity

(₹ crore)

| | Retained earnings [refer note 21A, page 357] | Items of other comprehensive income [refer note 21B, page 357] | Other consolidated reserves [refer note 21C, page 359] | Share application money pending allotment [refer note 21D, page 361] | Other equity attributable to the owners of the Company | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2018** | **7,801.99** | **7,149.50** | **42,499.16** | **0.02** | **57,450.67** | **936.52** | **58,387.19** |
| Profit/(loss) for the year | 10,218.33 | - | - | - | 10,218.33 | (1,120.00) | 9,098.33 |
| Other comprehensive income for the year | (425.92) | 570.47 | - | - | 144.55 | (136.76) | 7.79 |
| **Total comprehensive income for the year** | **9,792.41** | **570.47** | **-** | **-** | **10,362.88** | **(1,256.76)** | **9,106.12** |
| Issue of Ordinary Shares | - | - | 0.26 | (0.26) | - | - | - |
| Equity issue expenses written (off)/back | - | - | 0.43 | - | 0.43 | - | 0.43 |
| Dividend[(i)] | (1,144.76) | - | - | - | (1,144.76) | (41.44) | (1,186.20) |
| Tax on dividend | (224.61) | - | - | - | (224.61) | - | (224.61) |
| Distribution on hybrid perpetual securities | (266.12) | - | - | - | (266.12) | - | (266.12) |
| Tax on distribution on hybrid perpetual securities | 92.99 | - | - | - | 92.99 | - | 92.99 |
| Transfers within equity | 29.95 | (31.06) | 1.11 | - | - | - | - |
| Addition relating to acquisitions | - | - | 1,336.41 | - | 1,336.41 | 729.33 | 2,065.74 |
| Disposal of group undertakings | - | - | - | - | - | (67.10) | (67.10) |
| Adjustment for changes in ownership interests | (2,025.42) | - | - | - | (2,025.42) | 2,025.42 | - |
| Application money received | - | - | - | 0.24 | 0.24 | - | 0.24 |
| Adjustment for cross holdings | - | - | (0.81) | - | (0.81) | - | (0.81) |
| Other movements | - | (76.76) | - | - | (76.76) | 38.49 | (38.27) |
| **Balance as at March 31, 2019** | **14,056.43** | **7,612.15** | **43,836.56** | **-** | **65,505.14** | **2,364.46** | **67,869.60** |

TATA

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2019

## C. Other equity (Contd.)

(₹ crore)

| | Retained earnings [refer note 21A, page 357] | Items of other comprehensive income [refer note 21B, page 357] | Other consolidated reserves [refer note 21C, page 359] | Share application money pending allotment [refer note 21D, page361] | Other equity attributable to the owners of the Company | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2017** | **(11,447.01)** | **12,428.86** | **33,592.22** | **0.01** | **34,574.08** | **1,601.70** | **36,175.78** |
| Profit/(loss) for the year | 13,434.33 | - | - | - | 13,434.33 | 4,328.48 | 17,762.81 |
| Other comprehensive income for the year | (2,780.05) | (1,851.74) | - | - | (4,631.79) | 1,553.78 | (3,078.01) |
| **Total comprehensive income for the year** | **10,654.28** | **(1,851.74)** | **-** | **-** | **8,802.54** | **5,882.26** | **14,684.80** |
| Issue of Ordinary Shares[(ii)] | - | - | 8,939.59 | (0.01) | 8,939.58 | - | 8,939.58 |
| Equity issue expenses written off[(ii)] | - | - | (33.85) | - | (33.85) | - | (33.85) |
| Dividend[(i)] | (970.05) | - | - | - | (970.05) | (15.07) | (985.12) |
| Tax on dividend | (188.17) | - | - | - | (188.17) | - | (188.17) |
| Distribution on hybrid perpetual securities | (266.13) | - | - | - | (266.13) | - | (266.13) |
| Tax on distribution on hybrid perpetual securities | 92.70 | - | - | - | 92.70 | - | 92.70 |
| Transfers within equity | 3,426.26 | (3,427.62) | 1.20 | - | (0.16) | 0.16 | - |
| Adjustment for changes in ownership interests | 6,500.11 | - | - | - | 6,500.11 | (6,500.11) | - |
| Application money received | - | - | - | 0.02 | 0.02 | - | 0.02 |
| Other movements | - | - | - | - | - | (32.42) | (32.42) |
| **Balance as at March 31, 2018** | **7,801.99** | **7,149.50** | **42,499.16** | **0.02** | **57,450.67** | **936.52** | **58,387.19** |

(i) Dividend paid during the year ended March 31, 2019 is ₹10.00 per Ordinary Share (face value ₹10 each, fully paid up) and ₹2.504 per Ordinary Share (face value ₹10, partly paid up ₹2.504 per share) (March 31, 2018: ₹10.00 per Ordinary Share of face value ₹10 each, fully paid up).

(ii) Represents premium received and issue expenses on right issue of shares during the year ended March 31, 2018.

## D. Notes forming part of the consolidated financial statements — Note 1-53

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Managing Director & Chief Executive Officer
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

(₹ crore)

| | | Year ended March 31, 2019 | | Year ended March 31, 2018 |
|---|---|---|---|---|
| **A. Cash flows from operating activities:** | | | | |
| **Profit before taxes** | | **15,807.12** | | **21,168.20** |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 7,579.32 | | 5,961.66 | |
| Dividend income | (26.19) | | (68.25) | |
| (Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets sold/scrapped/written off) | (266.40) | | 49.29 | |
| Exceptional (income)/expenses | 136.26 | | (9,599.12) | |
| (Gain)/loss on cancellation of forwards, swaps and options | (36.95) | | 79.33 | |
| Interest income and income from current investments | (1,037.89) | | (929.15) | |
| Finance costs | 7,741.88 | | 5,501.79 | |
| Exchange (gain)/loss on revaluation of foreign currency loans and swaps | (1,150.77) | | (1,376.77) | |
| Share of profit or loss of joint ventures and associates | (222.27) | | (174.10) | |
| (Profit)/loss on disposal of discontinued operation | - | | (5.15) | |
| Other non-cash items | (684.45) | | (420.59) | |
| | | **12,032.54** | | **(981.06)** |
| **Operating profit before changes in non-current/current assets and liabilities** | | **27,839.66** | | **20,187.14** |
| Adjustments for: | | | | |
| Non-current/current financial and other assets | (114.54) | | (208.94) | |
| Inventories | (1,068.71) | | (1,595.43) | |
| Non-current/current financial and other liabilities/provisions | 3,773.76 | | (7,471.16) | |
| | | **2,590.51** | | **(9,275.53)** |
| **Cash generated from operations** | | **30,430.17** | | **10,911.61** |
| Income taxes paid | | (5,094.22) | | (2,888.22) |
| **Net cash from/(used in) operating activities** | | **25,335.95** | | **8,023.39** |
| | | | | |
| **B. Cash flows from investing activities:** | | | | |
| Purchase of capital assets | (9,091.00) | | (7,478.50) | |
| Sale of capital assets | 466.69 | | 179.05 | |
| Purchase of non-current investments | (489.96) | | (85.67) | |
| Sale of non-current investments | 462.50 | | 3,898.74 | |
| (Purchase)/sale of current investments (net) | 13,093.07 | | (8,555.08) | |
| Loans given | (242.47) | | (46.22) | |
| Repayment of loans given | 260.86 | | 2.56 | |
| Fixed/restricted deposits with banks (placed)/realised | 418.32 | | (85.33) | |
| Interest received | 175.43 | | 254.50 | |
| Dividend received from associates and joint ventures | 114.15 | | 69.17 | |
| Dividend received from others | 34.19 | | 41.93 | |
| Acquisition of subsidiaries/undertakings | (35,282.46) | | (255.00) | |
| Sale of subsidiaries/undertakings[i] | 178.86 | | 34.22 | |
| **Net cash from/(used in) investing activities** | | **(29,901.82)** | | **(12,025.63)** |

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2019

(₹ crore)

| | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| **C. Cash flows from financing activities:** | | | | |
| Proceeds from issue of equity shares (net of issue expenses[ii]) | (6.03) | | 9,087.23 | |
| Proceeds from borrowings | 42,763.90 | | 24,161.36 | |
| Repayment of borrowings | (34,246.39) | | (19,724.98) | |
| Repayment of finance lease obligations | (276.33) | | (211.15) | |
| Amount received/(paid) on utilisation/cancellation of derivatives | (66.64) | | (79.86) | |
| Distribution on hybrid perpetual securities | (265.39) | | (267.10) | |
| Interest paid | (7,151.93) | | (5,145.57) | |
| Dividend paid | (1,186.20) | | (982.35) | |
| Tax on dividend paid | (237.69) | | (197.64) | |
| **Net cash from/(used in) financing activities** | | **(672.70)** | | **6,639.94** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(5,238.57)** | | **2,637.70** |
| **Opening cash and cash equivalents (refer note16, page 350) [iii]** | | **8,179.62** | | **4,850.48** |
| Effect of exchange rate on translation of foreign currency cash and cash equivalents | | 34.48 | | 295.32 |
| **Closing cash and cash equivalents (refer note16, page 350)** | | **2,975.53** | | **7,783.50** |

(i) Includes ₹**91.62** crore (2017-18: Nil) received in respect of deferred consideration on disposal of a subsidiary during the year ended March 31, 2018.

(ii) During the year ended March 31, 2018, expenses incurred in connection with Rights Issue, 2018 was partly paid by the Company and was pending adjustment against actual utilisation from the issue proceeds. The same has been fully utilised during the year.

(iii) Includes ₹**713.59** crore (2017-18: ₹18.19 crore) in respect of a subsidiary acquired during the year and excludes ₹**317.47** crore (2017-18: Nil) in respect of subsidiaries disposed off/classified as held for sale.

(iv) Significant non-cash movements in borrowings during the year include:

(a) addition on account of subsidiaries acquired during the year ₹**986.65** crore (2017-18: ₹719.37 crore) and reduction on account of subsidiaries disposed off/classified as held for sale ₹**758.50** crore (2017-18: Nil).

(b) exchange gain (including translation) ₹**344.86** crore (2017-18: loss ₹3,571.86 crore).

(c) amortisation/effective interest rate adjustments of upfront fees ₹**626.30** crore (2017-18: ₹456.16 crore)

(d) adjustment to finance lease obligations, decrease ₹**26.35** crore (2017-18: increase ₹167.65 crore).

## D. Notes forming part of the consolidated financial statements — Note 1-53

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Managing Director & Chief Executive Officer
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

## 1. Company information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Mumbai, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company and its subsidiaries (collectively referred to as 'the Group') have presence across the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing finished products. The Group offers a broad range of steel products including a portfolio of high value- added downstream products such as hot rolled, cold rolled & coated steel, rebars, wire rods, tubes and wires.

The consolidated financial statements as at March 31, 2019 present the financial position of the Group as well as its interests in associate companies and joint arrangements. The list of entities consolidated is provided in note 53, page 410.

The functional and presentation currency of the Company and the presentation currency of the Group is Indian Rupee ("₹").

As on March 31, 2019, Tata Sons Private Limited owns 31.64% of the Ordinary Shares of the Company, and has the ability to influence the Group's operations.

The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 25, 2019.

## 2. Significant accounting policies

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

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

### (b) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### (c) Use of estimates and critical accounting judgements

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

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

Key source of estimation of uncertainty at the date of the consolidated financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments, retirement benefit obligations and non-current assets classified as held for sale as discussed below.

#### Impairment

The Group estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Group's impairment review and key assumptions are set out in note 3, page 327, note 5, page 332 and note 6, page 333.

#### Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(n), page 318.

## NOTES
forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

### Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in note 2 (y), page 324 and its further information are set out in note 12, page 342.

### Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details are set out in note 25, page 369 and note 39(A), page 389.

### Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 44, page 398.

### Retirement benefit obligations

The Group's retirement benefit obligations are subject to a number of judgements including discount rates, inflation and salary growth. Significant judgements are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Group's balance sheet and the consolidated statement of profit and loss. The Group sets these judgements based on previous experience and third party actuarial advice. Further details on the Group's retirement benefit obligations, including key judgements are set out in note 38, page 378.

### Non-current assets held for sale

The recognition of non-current assets (or disposal groups) as held for sale is dependent upon whether its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Significant judgement is required to assess whether the sale of the assets (or disposal group) is highly probable.

### (d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

### (e) Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree.

## 2. Significant accounting policies (Contd.)

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional interest acquired is adjusted in equity.

Business combinations arising from transfer of interests in entities that are under common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholders' equity.

### (f) Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

### (g) Investment in associates

Associates are those enterprises over which the Group has significant influence, but does not have control or joint control.

Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to conform to the Group's accounting policies.

### (h) Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements as joint operations, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in joint operations are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of joint operations, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

## NOTES
forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

When the Group's share of losses exceeds the carrying value of the joint venture, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to confirm to the Group's accounting policies.

### (i) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

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

### (j) Exploration for and evaluation of mineral resources

Expenditures associated with search for specific mineral resources are recognised as exploration and evaluation assets. The following expenditure comprises the cost of exploration and evaluation assets:

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition
- researching and analysing existing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and feasibility studies
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Administration and other overhead costs are charged to the cost of exploration and evaluation assets only if directly related to an exploration and evaluation project.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the consolidated statement of profit and loss.

The Group measures its exploration and evaluation assets at cost and classifies as property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

As the asset is not available for use, it is not depreciated. All exploration and evaluation assets are monitored for indications of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and the development of the deposit is sanctioned by the management. The carrying value of such exploration and evaluation asset is reclassified to mining assets.

### (k) Development expenditure for mineral reserves

Development is the establishment of access to mineral reserves and other preparations for commercial production. Development activities often continue during production and include:

- sinking shafts and underground drifts (often called mine development)
- making permanent excavations
- developing passageways and rooms or galleries
- building roads and tunnels and
- advance removal of overburden and waste rock.

NOTES
forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

Development (or construction) also includes the installation of infrastructure (e.g., roads, utilities and housing), machinery, equipment and facilities.

Development expenditure is capitalised and presented as part of mining assets. No depreciation is charged on the development expenditure before the start of commercial production.

### (l) Provision for restoration and environmental costs

The Group has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its mining sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material. Future restoration and environmental costs, discounted to net present value, are capitalised and the corresponding restoration liability is raised as soon as the obligation to incur such costs arises. Future restoration and environmental costs are capitalised in property, plant and equipment or mining assets as appropriate and are depreciated over the life of the related asset. The effect of time value of money on the restoration and environmental costs liability is recognised in the consolidated statement of profit and loss.

### (m) Intangible assets

Patents, trademarks and software costs are included in the consolidated balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Group. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the consolidated statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when all of the following conditions are met:

(i) completion of the development is technically feasible.

(ii) it is the intention to complete the intangible asset and use or sell it.

(iii) ability to use or sell the intangible asset.

(iv) it is clear that the intangible asset will generate probable future economic benefits.

(v) adequate technical, semi-financial and other resources to complete the development and to use or sell the intangible asset are available.

(vi) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with definite useful lives acquired in a business combination are reported at cost or deemed cost applied on transition to Ind AS, less accumulated amortisation and accumulated impairment losses.

### (n) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost/deemed cost of property, plant and equipment and intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

| | Estimated useful life (years) |
|---|---|
| Freehold and long leasehold buildings | upto 60 years* |
| Roads | 5 years |
| Plant and machinery | upto 40 years* |
| Furniture, fixture and office equipments | 3 to 25 years |
| Vehicles and aircraft | 4 to 20 years |
| Railway sidings | upto 35 years* |

## NOTES
forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

| | Estimated useful life (years) |
|---|---|
| Assets covered under the Electricity Act (life as prescribed under the Electricity Act) | 3 to 34 years |
| Patents and trademarks | 4 years |
| Product and process development costs | 5 years |
| Computer software | upto 8 years |
| Other assets | 1 to 15 years |

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

Major furnace relining expenses are depreciated over a period of 10 years (average expected life).

Freehold land is not depreciated.

* For these class of assets, based on internal assessment and independent technical evaluation carried out by chartered engineers, the Company and some of its subsidiaries believe that the useful lives as given above best represent the period over which such Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

### (o) Impairment

At each balance sheet date, the Group reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the consolidated statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit and loss immediately.

### (p) Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as a finance or an operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessee

(i) **Operating lease** – Rentals payable under operating leases are charged to the consolidated statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the assets or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss over the period of the lease.

#### The Group as lessor

(i) **Operating lease** – Rental income from operating leases is recognised in the consolidated statement of profit and loss on a straight-line basis over the term of the relevant lease unless

## 2. Significant accounting policies (Contd.)

another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) **Finance lease** – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

### (q) Stripping costs

The Group separates two different types of stripping costs that are incurred in surface mining activity:

- developmental stripping costs and
- production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

A mine can operate several open pits that are regarded as separate operations for the purpose of mine planning and production. In this case, stripping costs are accounted for separately, by reference to the ore extracted from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning and production, stripping costs are aggregated too.

The determination of whether multiple pit mines are considered separate or integrated operations depends on each mines specific circumstances. The following factors normally point towards the stripping costs for the individual pits being accounted for separately:

- mining of the second and subsequent pits is conducted consecutively with that of the first pit, rather than concurrently
- separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset
- the pits are operated as separate units in terms of mine planning and the sequencing of overburden and ore mining, rather than as an integrated unit
- expenditure for additional infrastructure to support the second and subsequent pits are relatively large
- the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

The relative importance of each factor is considered by the management to determine whether, the stripping costs should be attributed to the individual pit or to the combined output from the several pits.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

The Group recognises a stripping activity asset in the production phase if, and only if, all of the following are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Group
- the Group can identify the component of the ore body for which access has been improved and
- the costs relating to the improved access to that component can be measured reliably.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost/deemed cost applied on transition to Ind AS, less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

### (r) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair

## 2. Significant accounting policies (Contd.)

value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

### (I) Financial assets

#### Cash and bank balances

Cash and bank balances consist of:

(i) **Cash and cash equivalents** - which include cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than one year. These balances with banks are unrestricted for withdrawal and usage.

(ii) **Other bank balances** - which include balances and deposits with banks that are restricted for withdrawal and usage.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of certain equity investments (other than in associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Group has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the consolidated statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

#### Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

#### Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

#### Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Group recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets (apart from trade receivables that do not constitute a financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial asset has significantly increased since initial recognition.

#### De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues

## 2. Significant accounting policies (Contd.)

to recognise the financial asset and also recognises a borrowing for the proceeds received.

### (II) Financial liabilities and equity instruments

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated statement of profit and loss.

**De-recognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

**Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange, base metal prices and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, forward rate agreements, cross currency swaps, interest rate swaps and collar. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months, except for certain currency swaps and interest rate derivatives.

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

The Group adopts hedge accounting for forward, interest rate and commodity contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, *inter alia*, items such as identification of the hedged item transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the consolidated statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the consolidated statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the consolidated statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the consolidated statement of profit and loss in the same period in which the hedged item affects the consolidated statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the consolidated statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative

## 2. Significant accounting policies (Contd.)

gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated statement of profit and loss for the period.

### (s) Employee benefits

**Defined contribution plans**

Contributions under defined contribution plans are recognised as an expense for the period in which the employee has rendered the service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

**Defined benefit plans**

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

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

The retirement benefit obligations recognised in the consolidated balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

**Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligations as on the reporting date.

### (t) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions.

### (u) Provisions

Provisions are recognised in the consolidated balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and

(ii) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

### (v) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### (w) Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Government grants related to expenditure on property, plant and equipment are credited to the consolidated statement of profit and loss over the useful lives of qualifying assets or other

## 2. Significant accounting policies (Contd.)

systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the consolidated statement of profit and loss at the reporting date are included in the consolidated balance sheet as deferred income.

**(x) Non-current assets held for sale and discontinued operations**

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the consolidated statement of profit and loss, with all prior periods being presented on this basis.

**(y) Income taxes**

Tax expense for the year comprises of current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity, or a Group of taxable entities where the tax losses of one entity are used to offset the taxable profits of another and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## 2. Significant accounting policies (Contd.)

### (z) Revenue

The Group manufactures and sells a range of steel and other products.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the retrospective effect method. The adoption of the new standard did not have a material impact on the Group.

#### Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risk of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### Sale of power

Revenue from sale of power is recognised when the services are provided to the customer based on approved tariff rates established by the respective regulatory authorities. The Group doesn't recognise revenue and an asset for cost incurred in the past that will be recovered.

### (aa) Foreign currency transactions and translation

The consolidated financial statements of the Group are presented in ('₹'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the consolidated financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Group has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind As 101-"First-time adoption of Indian Accounting Standards" are recognised directly in equity or added/deducted to/from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the consolidated statement of profit and loss on a systematic basis.

Exchange differences arising on the re-translation or settlement of other monetary items are included in the consolidated statement of profit and loss for the period.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign subsidiaries, associates and joint ventures are expressed in ₹ using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Company are reclassified to the consolidated statement of profit and loss.

NOTES
forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### (ab) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the consolidated statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

### (ac) Earnings per share

Basic earnings per share is computed by dividing the consolidated profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

### (ad) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2019.

#### Ind AS 116 – "Leases"

Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as right of use of the leased assets or together with property, plant and equipment. If lease payments are made over time a financial liability representing the future obligation would be recognised.

#### Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

This Appendix clarifies how the recognition and measurement requirements of Ind AS 12 'Income Taxes', are applied while performing the determination of taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates.

The Group is in the process of evaluating the impact of adoption of above pronouncements on its consolidated financial statements.

## NOTES
forming part of the consolidated financial statements

## 3. Property, plant and equipment
[Item No. I(a), Page 306]

(₹ crore)

| | Land including roads | Buildings | Plant and machinery | Furniture, fixtures and office equipments (FFOE) | Vehicles | Leased FFOE and vehicles | Railway sidings | Total |
|---|---|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2018 | 16,955.23 | 12,147.82 | 1,04,889.43 | 667.95 | 342.70 | 0.78 | 1,397.23 | 1,36,401.14 |
| Addition relating to acquisitions | 411.09 | 9,350.84 | 19,608.03 | 35.70 | 8.84 | - | 97.44 | 29,511.94 |
| Additions | 156.89 | 882.99 | 6,839.39 | 153.45 | 93.50 | 3.47 | 63.62 | 8,193.31 |
| Disposals | (54.42) | (115.15) | (760.65) | (22.34) | (21.89) | - | (20.06) | (994.51) |
| Disposal of group undertakings | - | - | (124.17) | (3.58) | (4.35) | - | - | (132.10) |
| Classified as held for sale | (261.75) | (329.39) | (1,322.04) | (137.61) | (17.18) | (3.72) | - | (2,071.69) |
| Other re-classifications | (9.78) | (29.50) | (446.10) | 31.51 | (3.52) | 0.44 | - | (456.95) |
| Exchange differences on consolidation | (70.91) | (155.01) | (1,248.77) | 14.38 | 0.28 | 0.05 | 10.74 | (1,449.24) |
| **Cost/deemed cost as at March 31, 2019** | **17,126.35** | **21,752.60** | **1,27,435.12** | **739.46** | **398.38** | **1.02** | **1,548.97** | **1,69,001.90** |
| Accumulated impairment as at April 1, 2018 | 322.29 | 283.11 | 2,302.85 | 4.81 | 0.48 | - | 17.58 | 2,931.12 |
| Charge for the year | - | 0.55 | 126.84 | 19.97 | - | - | - | 147.36 |
| Disposals | (7.56) | (33.58) | (20.92) | (1.14) | 0.93 | - | - | (62.27) |
| Classified as held for sale | - | - | 153.84 | (2.99) | (1.23) | - | - | 149.62 |
| Other re-classifications | (9.64) | (17.81) | (291.28) | (0.17) | (0.07) | - | - | (318.97) |
| Exchange differences on consolidation | (9.12) | (10.43) | (40.08) | 0.12 | (0.04) | - | (0.33) | (59.88) |
| **Accumulated impairment as at March 31, 2019** | **295.97** | **221.84** | **2,231.25** | **20.60** | **0.07** | **-** | **17.25** | **2,786.98** |
| Accumulated depreciation as at April 1, 2018 | 505.09 | 4,607.35 | 37,222.31 | 419.27 | 181.42 | 0.36 | 211.44 | 43,147.24 |
| Charge for the year | 118.49 | 735.67 | 6,205.14 | 114.50 | 37.35 | 0.02 | 68.91 | 7,280.08 |
| Disposals | - | (53.86) | (641.19) | (22.46) | (20.04) | - | - | (737.55) |
| Disposal of group undertakings | - | - | (28.06) | (2.31) | (2.25) | - | - | (32.62) |
| Classified as held for sale | (14.95) | (139.88) | (575.92) | (97.54) | (10.74) | (0.11) | - | (839.14) |
| Other re-classifications | (1.73) | (7.55) | (177.61) | 31.61 | (0.36) | 0.44 | - | (155.20) |
| Exchange differences on consolidation | 3.41 | (101.53) | (814.38) | 12.88 | 0.20 | 0.01 | 0.55 | (898.86) |
| **Accumulated depreciation as at March 31, 2019** | **610.31** | **5,040.20** | **41,190.29** | **455.95** | **185.58** | **0.72** | **280.90** | **47,763.95** |
| **Total accumulated depreciation and impairment as at March 31, 2019** | **906.28** | **5,262.04** | **43,421.54** | **476.55** | **185.65** | **0.72** | **298.15** | **50,550.93** |
| Net carrying value as at April 1, 2018 | 16,127.85 | 7,257.36 | 65,364.27 | 243.87 | 160.80 | 0.42 | 1,168.21 | 90,322.78 |
| **Net carrying value as at March 31, 2019** | **16,220.07** | **16,490.56** | **84,013.58** | **262.91** | **212.73** | **0.30** | **1,250.82** | **1,18,450.97** |

## NOTES
forming part of the consolidated financial statements

## 3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 306]

(₹ crore)

| | Land including roads | Buildings | Plant and machinery | Furniture, fixtures and office equipments (FFOE) | Vehicles | Leased FFOE and vehicles | Railway sidings | Total |
|---|---|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2017 | 16,545.43 | 11,141.07 | 93,461.77 | 543.43 | 351.68 | 0.69 | 1,349.53 | 1,23,393.60 |
| Addition relating to acquisitions | 7.90 | 15.53 | 882.70 | 0.91 | 0.41 | - | - | 907.45 |
| Additions | 65.67 | 334.24 | 5,917.97 | 110.46 | 28.07 | - | 32.94 | 6,489.35 |
| Disposals | (33.48) | (60.58) | (555.88) | (10.52) | (39.35) | - | - | (699.81) |
| Classified as held for sale | - | - | (0.67) | - | - | - | - | (0.67) |
| Other re-classifications | - | - | 44.16 | - | - | - | - | 44.16 |
| Exchange differences on consolidation | 369.71 | 717.56 | 5,139.38 | 23.67 | 1.89 | 0.09 | 14.76 | 6,267.06 |
| **Cost/deemed cost as at March 31, 2018** | **16,955.23** | **12,147.82** | **1,04,889.43** | **667.95** | **342.70** | **0.78** | **1,397.23** | **1,36,401.14** |
| Accumulated impairment as at April 1, 2017 | 273.45 | 249.73 | 1,980.46 | 3.67 | 0.26 | - | 15.43 | 2,523.00 |
| Charge for the year | 7.06 | 23.99 | 91.36 | 0.57 | 0.12 | - | - | 123.10 |
| Disposals | - | (30.10) | (66.53) | (0.03) | - | - | - | (96.66) |
| Other re-classifications | - | - | 27.34 | - | - | - | - | 27.34 |
| Exchange differences on consolidation | 41.78 | 39.49 | 270.22 | 0.60 | 0.10 | - | 2.15 | 354.34 |
| **Accumulated impairment as at March 31, 2018** | **322.29** | **283.11** | **2,302.85** | **4.81** | **0.48** | **-** | **17.58** | **2,931.12** |
| Accumulated depreciation as at April 1, 2017 | 397.54 | 3,698.14 | 29,245.93 | 332.58 | 170.85 | 0.29 | 144.68 | 33,990.01 |
| Charge for the year | 106.13 | 444.28 | 4,983.82 | 88.70 | 32.35 | 0.02 | 57.60 | 5,712.90 |
| Disposals | (0.02) | (12.84) | (392.05) | (10.30) | (23.38) | - | - | (438.59) |
| Classified as held for sale | - | - | (0.10) | - | - | - | - | (0.10) |
| Other re-classifications | - | 2.86 | (2.95) | 0.09 | 0.82 | - | - | 0.82 |
| Exchange differences on consolidation | 1.44 | 474.91 | 3,387.66 | 8.20 | 0.78 | 0.05 | 9.16 | 3,882.20 |
| **Accumulated depreciation as at March 31, 2018** | **505.09** | **4,607.35** | **37,222.31** | **419.27** | **181.42** | **0.36** | **211.44** | **43,147.24** |
| **Total accumulated depreciation and impairment as at March 31, 2018** | **827.38** | **4,890.46** | **39,525.16** | **424.08** | **181.90** | **0.36** | **229.02** | **46,078.36** |
| Net carrying value as at April 1, 2017 | 15,874.44 | 7,193.20 | 62,235.38 | 207.18 | 180.57 | 0.40 | 1,189.42 | 86,880.59 |
| **Net carrying value as at March 31, 2018** | **16,127.85** | **7,257.36** | **65,364.27** | **243.87** | **160.80** | **0.42** | **1,168.21** | **90,322.78** |

(i) Net carrying value of land including roads comprises of:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Leasehold land** | | |
| Cost/deemed cost | 25.16 | 30.78 |
| Accumulated depreciation and impairment | 0.53 | 1.39 |
| | **24.63** | **29.39** |
| **Freehold land including roads** | 16,195.44 | 16,098.46 |
| | **16,220.07** | **16,127.85** |

## NOTES
forming part of the consolidated financial statements

## 3. Property, plant and equipment (Contd.)
[Item No. I(a), Page 306]

(ii) Net carrying value of buildings comprises of:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Leasehold buildings** | | |
| Cost/deemed cost | 558.88 | 457.70 |
| Accumulated depreciation and impairment | 198.58 | 223.65 |
| | **360.30** | **234.05** |
| | | |
| **Freehold buildings** | 16,130.26 | 7,023.31 |
| | | |
| | **16,490.56** | **7,257.36** |

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

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Assets held under finance leases** | | |
| Cost/deemed cost | 5,416.13 | 4,565.81 |
| Accumulated depreciation and impairment | 2,505.72 | 2,300.73 |
| | **2,910.41** | **2,265.08** |
| | | |
| **Owned assets** | 81,103.17 | 63,099.19 |
| | | |
| | **84,013.58** | **65,364.27** |

(iv) Net carrying value of furniture, fixtures and office equipments comprises of:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Furniture and fixtures** | | |
| Cost/deemed cost | 216.87 | 173.14 |
| Accumulated depreciation and impairment | 147.65 | 118.17 |
| | **69.22** | **54.97** |
| **Office equipments** | | |
| Cost/deemed cost | 522.62 | 494.81 |
| Accumulated depreciation and impairment | 328.93 | 305.91 |
| | **193.69** | **188.90** |
| | **262.91** | **243.87** |

(v) **₹206.01** crore (2017-18: ₹115.35 crore) of borrowing costs has been capitalised during the year on qualifying assets under construction. The capitalisation rate ranges between **7.00% to 9.80%** (2017-18: 0.20% to 9.00%).

## 3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 306]

(vi) Rupee liability has increased by ₹**108.32** crore (2017-18: ₹44.16 crore) arising out of retranslation of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment, generally plant and machinery. This increase is adjusted against the carrying cost of assets and depreciated over their remaining useful life. The depreciation for the current year is higher by ₹**3.57** crore (2017-18: ₹1.40 crore) on account of this adjustment.

(vii) During the year, the Group recognised a net impairment charge of ₹**118.08** crore (2017-18: ₹1,161.93 crore) for property, plant and equipment including capital work-in-progress. The impairment charge was primarily contained in the Indian and European Operations.

Within the Indian operations, the Group has recognised an impairment charge of ₹**8.54** crore (2017-18: ₹33.99 crore) in respect of expenditure incurred at one of its mining sites. The impairment recognised is included within other expenses in the consolidated statement of profit and loss.

Within the European business, consistent with annual test for impairment of goodwill as at March 31, 2019, property, plant and equipment (including capital work-in-progress) were also tested for impairment as at that date where indicators of impairment existed. The outcome of the test indicated that the value in use of certain downstream and distribution businesses against which the property, plant and equipment (including capital work-in-progress) is included, using a discount rate of **8.20%** p.a. (2017-18: 8.20% p.a.) was lower than its carrying value due to losses generated during the year in those CGU's and/or forecasting losses in the annual plan. Accordingly, an impairment charge of ₹**106.68** crore (2017-18: ₹223.25 crore) was recognised. The impairment recognised is included within other expenses in the consolidated statement of profit and loss.

During the year ended March 31, 2018, within the overseas mining businesses, volatility in commodity prices triggered an impairment assessment for mining operations carried out by the Group in Canada. This resulted in an impairment charge of ₹903.01 crore being recognised during the year ended March 31, 2018. The recoverable value was based on value in use using cash flow projections for 16 years and a discount rate of 8.00% p.a. The impairment recognised is included within exceptional items in the consolidated statement of profit and loss.

The balance impairment charge recognised during the year ended March 31, 2019 amounting to ₹**2.86** crore (2017-18: ₹1.68 crore) relates to other businesses within the Group.

The Group has conducted sensitivity analysis on the impairment tests of the carrying value in respect of Group's CGUs and property, plant and equipment. The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculations would cause the carrying value of property, plant and equipment in any CGU to materially exceed its value in use, other than in respect of the remaining property, plant and equipment at the Strip Products UK business which had a carrying value as at March 31, 2019 of ₹**3,358.46** crore (2017-18: ₹2,343.69 crore) and at the overseas Canadian mining business which had a carrying value as at March 31, 2019 of ₹**6,175.14** crore (2017-18: ₹5,282.61 crore). At the Strips product UK business site, the value in use is dependent on sustaining the improvement to UK Steel market margins and the implementation of a business transformation plan. For the Canadian mining operations, the value in use is dependent on improvement in commodity prices and realisation of cost savings in operation. A reasonably possible change in any of these key assumptions would increase the likelihood of impairment losses in the future.

(viii) The details of property, plant and equipment pledged against borrowings is presented in note 23, page 363.

## 4. Leases

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

### A. Operating leases:

Significant leasing arrangements include lease of land for periods ranging between 12 to 99 years renewable on mutual consent, lease of office spaces, assets dedicated for use under long-term arrangements and time charter hire vessels with lease period varying from 2 to 7 years. Payments under long-term arrangements involving use of dedicated assets are allocated between those relating to the

## NOTES
forming part of the consolidated financial statements

## 4. Leases (Contd.)

right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification. Payments linked to changes in inflation index under lease arrangements have been considered as contingent rent and recognised in the consolidated statement of profit and loss as and when incurred.

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

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Not later than one year | 930.01 | 737.29 |
| Later than one year but not later than five years | 1,858.83 | 1,504.98 |
| Later than five years | 1,521.88 | 1,508.37 |
| | **4,310.72** | **3,750.64** |

During the year ended March 31, 2019, total operating lease rental expense recognised in the consolidated statement of profit and loss was ₹**1,713.86** crore (2017-18: ₹790.41 crore) including contingent rent of ₹**49.27** crore (2017-18 ₹31.20 crore).

### B. Finance leases:

Significant leasing arrangements include assets dedicated for use under long-term arrangements. The arrangements cover a substantial part of the economic life of the underlying asset and generally contain a renewal option on expiry. Payments under long-term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

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

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Minimum lease payments | Minimum lease payments less future finance charges | Minimum lease payments | Minimum lease payments less future finance charges |
| Not later than one year | 856.43 | 394.46 | 652.42 | 252.31 |
| Later than one year but not later than five years | 2,730.94 | 1,436.64 | 2,076.10 | 832.86 |
| Later than five years | 3,654.66 | 2,022.20 | 4,481.29 | 2,035.94 |
| **Total future minimum lease commitments** | **7,242.03** | **3,853.30** | **7,209.81** | **3,121.11** |
| Less: Future finance charges | 3,388.73 | | 4,088.70 | |
| **Present value of minimum lease commitments** | **3,853.30** | | **3,121.11** | |
| Disclosed as: | | | | |
| Borrowings-non-current (refer note 23, page 363) | 3,458.84 | | 2,868.80 | |
| Other financial liabilities - Current (refer note 24, page 368) | 394.46 | | 252.31 | |
| | **3,853.30** | | **3,121.11** | |

## NOTES
forming part of the consolidated financial statements

## 5. Goodwill on consolidation

[Item No. I(c), Page 306]

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Cost as at beginning of the year | 5,517.55 | 4,740.30 |
| Addition relating to acquisitions | - | 142.43 |
| Disposal of group undertakings | (28.47) | - |
| Exchange differences on consolidation | (100.95) | 634.82 |
| **Cost as at end of the year** | **5,388.13** | **5,517.55** |
| Impairment as at beginning of the year | 1,418.10 | 1,245.57 |
| Exchange differences on consolidation | (26.59) | 172.53 |
| **Impairment as at end of the year** | **1,391.51** | **1,418.10** |
| **Net book value as at beginning of the year** | **4,099.45** | **3,494.73** |
| **Net book value as at end of the year** | **3,996.62** | **4,099.45** |

(i) Disposal of group undertakings relates to Black Ginger 461 (Proprietary) Ltd, a subsidiary of the Group disposed off during the year ended March 31, 2019. Detailed disclosure in respect of the disposal is provided in note 42, page 395.

Addition to goodwill during the year ended March 31, 2018 relates to the acquisition of the remaining 74% equity stake by the Group in one of its joint venture "Bhubaneshwar Power Private Limited ". The goodwill relates to synergies from combining the acquiree activities with those of the Group to meet the growing demand for power.

(ii) The carrying value of goodwill predominantly relates to the goodwill that arose on the acquisition of erstwhile Corus Group Plc. and has been tested against the recoverable amount of Strip Products Mainland Europe cash generating unit (CGU) by the Group. This goodwill relates to expected synergies from combining Corus' activities with those of the Group and to assets, which could not be recognised as separately identifiable intangible assets. The goodwill is tested annually and for impairment more frequently if there are any indications that the goodwill may be impaired. The recoverable amount of Strip Products Mainland Europe CGU has been determined from a value in use calculation. The calculation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out to 15 years. Key assumptions for the value in use calculation are those regarding expected changes to selling prices and raw material costs, steel demand in European Union, exchange rates and a discount rate of **8.20**% p.a. (March 31, 2018: 8.20% p.a.). Changes in selling prices, raw material costs, exchange rates and EU steel demand are based on expectations of future changes in the steel market based on external market sources. A **Nil** (March 31, 2018: Nil) growth rate is used to extrapolate the cash flow projections beyond the three-year period of the financial budgets to 15 years. The pre-tax discount rate is derived from the Tata Steel Europe (TSE) weighted average cost of capital (WACC) and the WACCs of its main European steel competitors. The outcome of the Group's goodwill impairment test as at March 31, 2019 for the Strip Products Mainland Europe CGU resulted in no impairment of goodwill (March 31, 2018: Nil).

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

.

## NOTES
forming part of the consolidated financial statements

## 6. Other intangible assets
[Item No. I(d), Page 306]

(₹ crore)

| | Patents and trademarks | Development costs | Software costs | Mining assets | Other intangible assets | Total |
|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2018 | 13.99 | 278.81 | 530.68 | 2,517.52 | 184.17 | 3,525.17 |
| Addition relating to acquisitions | - | - | 0.10 | - | 512.80 | 512.90 |
| Additions | 16.00 | - | 90.16 | 185.47 | 0.84 | 292.47 |
| Disposals | (1.19) | - | (24.23) | - | - | (25.42) |
| Disposal of group undertakings | - | - | (0.45) | (236.09) | - | (236.54) |
| Classified as held for sale | - | - | (24.86) | - | - | (24.86) |
| Other re-classifications | - | - | 3.03 | - | - | 3.03 |
| Exchange differences on consolidation | (0.36) | (10.53) | (4.88) | 7.07 | - | (8.70) |
| **Cost/deemed cost as at March 31, 2019** | **28.44** | **268.28** | **569.55** | **2,473.97** | **697.81** | **4,038.05** |
| Accumulated impairment as at April 1, 2018 | - | - | 0.47 | 125.61 | 30.65 | 156.73 |
| Charge for the year | 11.36 | - | 21.70 | 3.06 | - | 36.12 |
| Exchange differences on consolidation | (0.13) | - | (0.46) | 6.77 | - | 6.18 |
| **Accumulated impairment as at March 31, 2019** | **11.23** | **-** | **21.71** | **135.44** | **30.65** | **199.03** |
| Accumulated amortisation as at April 1, 2018 | 9.34 | 224.34 | 310.79 | 1,103.91 | 37.40 | 1,685.78 |
| Charge for the year | 0.53 | 29.44 | 92.51 | 148.98 | 40.90 | 312.36 |
| Disposals | (0.63) | - | (24.23) | - | - | (24.86) |
| Disposal of group undertakings | - | - | (0.31) | (93.08) | - | (93.39) |
| Classified as held for sale | - | - | (18.75) | - | - | (18.75) |
| Other re-classifications | - | - | (1.00) | - | - | (1.00) |
| Exchange differences on consolidation | (0.07) | (9.60) | (0.56) | (5.21) | - | (15.44) |
| **Accumulated amortisation as at March 31, 2019** | **9.17** | **244.18** | **358.45** | **1,154.60** | **78.30** | **1,844.70** |
| **Total accumulated amortisation and impairment as at March 31, 2019** | **20.40** | **244.18** | **380.16** | **1,290.04** | **108.95** | **2,043.73** |
| Net carrying value as at April 1, 2018 | 4.65 | 54.47 | 219.42 | 1,288.00 | 116.12 | 1,682.66 |
| **Net carrying value as at March 31, 2019** | **8.04** | **24.10** | **189.39** | **1,183.93** | **588.86** | **1,994.32** |

## NOTES
forming part of the consolidated financial statements

## 6. Other intangible assets (Contd.)

[Item No. I(d), Page 306]

(₹ crore)

| | Patents and trademarks | Development costs | Software costs | Mining assets | Other intangible assets | Total |
|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2017 | 10.16 | 239.22 | 425.29 | 2,399.45 | 93.94 | 3,168.06 |
| Addition relating to acquisitions | - | - | 0.02 | - | 90.20 | 90.22 |
| Additions | 2.31 | - | 83.99 | 82.61 | 0.03 | 168.94 |
| Disposals | - | - | (5.61) | - | - | (5.61) |
| Exchange differences on consolidation | 1.52 | 39.59 | 26.99 | 35.46 | - | 103.56 |
| **Cost/deemed cost as at March 31, 2018** | **13.99** | **278.81** | **530.68** | **2,517.52** | **184.17** | **3,525.17** |
| Accumulated impairment as at April 1, 2017 | - | - | 0.42 | 122.57 | 30.65 | 153.64 |
| Exchange differences on consolidation | - | - | 0.05 | 3.04 | - | 3.09 |
| **Accumulated impairment as at March 31, 2018** | **-** | **-** | **0.47** | **125.61** | **30.65** | **156.73** |
| Accumulated amortisation as at April 1, 2017 | 7.71 | 159.29 | 241.36 | 948.12 | 26.71 | 1,383.19 |
| Charge for the year | 0.64 | 36.14 | 66.39 | 147.80 | 10.69 | 261.66 |
| Disposals | - | - | (5.54) | - | - | (5.54) |
| Exchange differences on consolidation | 0.99 | 28.91 | 8.58 | 7.99 | - | 46.47 |
| **Accumulated amortisation as at March 31, 2018** | **9.34** | **224.34** | **310.79** | **1,103.91** | **37.40** | **1,685.78** |
| **Total accumulated amortisation and impairment as at March 31, 2018** | **9.34** | **224.34** | **311.26** | **1,229.52** | **68.05** | **1,842.51** |
| Net carrying value as at April 1, 2017 | 2.45 | 79.93 | 183.51 | 1,328.76 | 36.58 | 1,631.23 |
| **Net carrying value as at March 31, 2018** | **4.65** | **54.47** | **219.42** | **1,288.00** | **116.12** | **1,682.66** |

(i) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.

(ii) During the year ended March 31, 2019, the Group recognised an impairment charge of ₹**68.39** crore (2017-18: Nil) in respect of intangible assets including intangible assets under development. The impairment is split as: Indian operations ₹**5.24** crore (2017-18: Nil) and European operations ₹**63.15** crore (2017-18: Nil). The impairment recognised is included within other expenses in consolidated statement of profit and loss.

# NOTES

forming part of the consolidated financial statements

## 7. Equity accounted investments

[Item No. I(f), Page 306]

### (a) Investment in associates:

(i) The Group has no material associates as at March 31, 2019. The aggregate summarised financial information in respect of the Group's immaterial associates accounted for using the equity method is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying value of the Group's interest in associates*** | **155.86** | **301.23** |

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Group's share in profit/(loss) for the year of associates* | 19.40 | 62.43 |
| Group's share in other comprehensive income for the year of associates | 1.63 | (0.31) |
| **Group's share in total comprehensive income for the year of associates** | **21.03** | **62.12** |

(ii) Fair value of investments in equity accounted associates for which published price quotation is available, which is a Level 1 input as at March 31, 2019 is ₹**62.07** crore (March 31, 2018: ₹102.76 crore). The carrying value of such investments is **Nil** (March 31, 2018: Nil) as the Group's share of losses in such associates exceeds the cost of investments made.

(iii) Share of unrecognised loss in respect of equity accounted associates amounted to ₹**9.41** crore for the year ended March 31, 2019 (2017-18: ₹40.85 crore). Cumulative share of unrecognised losses in respect of equity accounted associates as at March 31, 2019 amounted to ₹**77.95** crore. (March 31, 2018: ₹68.54 crore)

(iv) The Group did not recognise any impairment in respect of its equity accounted associates during the year (2017-18: Nil).

### (b) Investment in joint ventures:

(i) The Group holds 51% of the equity share capital in T M International Logistics Limited, Jamshedpur Continuous Annealing & Processing Company Private Limited and T M Mining Company Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require an unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.

NOTES
forming part of the consolidated financial statements

## 7. Equity accounted investments (Contd.)

[Item No. I(f), Page 306]

(ii) The Group has no material joint ventures as at March 31, 2019. The aggregate summarised financial information in respect of the Group's immaterial joint ventures accounted for using the equity method is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying value of Group's interest in joint ventures*** | **1,767.09** | **1,479.99** |

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Group's share in profit/(loss) for the year of joint ventures* | 205.30 | 176.69 |
| Group's share in other comprehensive income for the year of joint ventures | 2.76 | 16.27 |
| **Group's share in total comprehensive income for the year of joint ventures** | **208.06** | **192.96** |

(iii) Share of unrecognised losses in respect of equity accounted joint ventures amounted to ₹**57.24** crore for the year ended March 31, 2019 (2017-18: ₹35.78 crore). Cumulative share of unrecognised losses in respect of equity accounted joint ventures as at March 31, 2019 amounted to ₹**1,293.30** crore. (March 31, 2018: ₹1,187.58 crore).

(iv) During the year ended March 31, 2019, the Group has recognised an impairment of ₹**0.06** crore (2017-18: Nil) in respect of its equity accounted joint ventures.

### (c) Summary of carrying value of Group's interest in equity accounted investees:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Carrying value of immaterial associates | 155.86 | 301.23 |
| Carrying value of immaterial joint ventures | 1,767.09 | 1,479.99 |
| | **1,922.95** | **1,781.22** |

### (d) Summary of Group's share in profit/(loss) for the year of equity accounted investees:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 20018 |
|---|---|---|
| Share of profit/(loss) in immaterial associates | 19.40 | 62.43 |
| Share of profit/(loss) in immaterial joint ventures | 205.30 | 176.69 |
| | **224.70** | **239.12** |

## NOTES
forming part of the consolidated financial statements

## 7. Equity accounted investments (Contd.)

[Item No. I(f), Page 306]

**(e) Summary of Group's share in other comprehensive income for the year of equity accounted investees:**

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Share of other comprehensive income of immaterial associates | 1.63 | (0.31) |
| Share of other comprehensive income of immaterial joint ventures | 2.76 | 16.27 |
| | **4.39** | **15.96** |

*Group's share in net assets and profit/(loss) of equity accounted investees has been determined after giving effect for subsequent amortisation/depreciation and other adjustments arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investees as at the date of acquisition and other adjustment e.g. unrealised profits on inventories etc., arising under the equity method of accounting.

## 8. Investments

[Item No. I(g)(i) and II(b)(i), Page 306]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Investments carried at amortised cost:** | | |
| Investment in government or trust securities | 0.02 | 0.02 |
| Investment in bonds and debentures | 0.20 | 0.20 |
| Investment in preference shares | 64.99 | - |
| | **65.21** | **0.22** |
| **(b) Investments carried at fair value through other comprehensive income:** | | |
| Investment in equity shares# | 756.39 | 876.65 |
| | **756.39** | **876.65** |
| **(c) Investments carried at fair value through profit and loss:** | | |
| Investment in bonds and debentures | 49.74 | 141.04 |
| Investment in preference shares | 250.00 | - |
| Investment in equity shares | 60.75 | 120.45 |
| Investment in mutual funds | 108.27 | 70.92 |
| | **468.76** | **332.41** |
| | **1,290.36** | **1,209.28** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Investments carried at fair value through profit and loss:** | | |
| Investment in mutual funds | 2,524.86 | 14,908.97 |
| | **2,524.86** | **14,908.97** |

## NOTES
forming part of the consolidated financial statements

## 8. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 306]

(i) Carrying value and market value of quoted and unquoted investments is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Investments in quoted instruments:** | | |
| Aggregate carrying value | 454.53 | 699.46 |
| Aggregate market value | 454.53 | 699.46 |
| | | |
| **(b) Investments in unquoted instruments:** | | |
| Aggregate carrying value | 3,360.69 | 15,418.79 |

(ii) Cumulative gain on de-recognition of investments during the year which were carried at fair value through other comprehensive income amounted to ₹**31.06** crore (2017-18: ₹3,427.46 crore). Fair value of such investments as on the date of de-recognition was ₹**40.78** crore (2017-18: ₹3,782.76 crore).

# includes unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

## 9. Loans

[Item No. I(g)(ii) and II(b)(v), Page 306]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Security deposits** | | |
| Considered good- Unsecured | 254.98 | 197.71 |
| Credit impaired | 2.07 | 2.18 |
| Less: Allowance for credit losses | 2.07 | 2.18 |
| | **254.98** | **197.71** |
| **(b) Loans to related parties** | | |
| Considered good- Unsecured | 7.37 | 7.52 |
| Credit impaired | 188.67 | 192.31 |
| Less: Allowance for credit losses | 188.67 | 192.31 |
| | **7.37** | **7.52** |
| **(c) Other loans** | | |
| Considered good- Unsecured | 350.99 | 512.11 |
| Credit impaired | 1,382.53 | 1,313.60 |
| Less: Allowance for credit losses | 1,382.53 | 1,313.60 |
| | **350.99** | **512.11** |
| | **613.34** | **717.34** |

## NOTES
forming part of the consolidated financial statements

## 9. Loans (Contd.)

[Item No. I(g)(ii) and II(b)(v), Page 306]

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Security deposits** | | |
| Considered good- Unsecured | 91.16 | 43.69 |
| Credit impaired | 151.75 | 0.23 |
| Less: Allowance for credit losses | 151.75 | 0.23 |
| | **91.16** | **43.69** |
| **(b) Loans to related parties** | | |
| Considered good- Unsecured | 27.60 | 46.22 |
| Credit impaired | 831.55 | 783.36 |
| Less: Allowance for credit losses | 831.55 | 783.36 |
| | **27.60** | **46.22** |
| **(c) Other loans** | | |
| Considered good- Unsecured | 120.94 | 166.57 |
| Credit impaired | 2.08 | 2.08 |
| Less: Allowance for credit losses | 2.08 | 2.08 |
| | **120.94** | **166.57** |
| | **239.70** | **256.48** |

(i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with Tata Sons Private Limited ₹**1.25** crore (March 31, 2018: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to joint ventures ₹**185.37** crore (March 31, 2018: ₹188.95 crore) and associates ₹**10.67** crore (March 31, 2018: ₹10.88 crore) out of which ₹**185.37** crore (March 31, 2018: ₹188.95 crore) and ₹**3.30** crore (March 31, 2018: ₹3.36 crore) respectively is impaired.

(iii) Current loans/advances to related parties represent loans given to joint ventures ₹**859.15** crore (March 31, 2018: ₹829.58 crore) out of which ₹**831.55** crore (March 31, 2018: ₹783.36 crore) is impaired.

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

## NOTES

forming part of the consolidated financial statements

## 10. Other financial assets

[Item No. I(g)(iv) and II(b)(vii), Page 306]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Interest accrued on deposits, loans and advances** | | |
| Considered good- Unsecured | 84.41 | 2.25 |
| Credit impaired | 0.27 | 0.27 |
| Less: Allowance for credit losses | 0.27 | 0.27 |
| | **84.41** | **2.25** |
| **(b) Earmarked balances with banks** | **70.80** | **21.25** |
| **(c) Other balances with banks** | **0.19** | **63.77** |
| **(d) Others** | | |
| Considered good- Unsecured | 414.66 | 0.64 |
| Credit impaired | 148.34 | - |
| Less: Allowance for credit losses | 148.34 | - |
| | **414.66** | **0.64** |
| | **570.06** | **87.91** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **(a) Interest accrued on deposits and loans** | | |
| Considered good- Unsecured | 42.10 | 43.28 |
| Credit impaired | 216.08 | 149.54 |
| Less: Allowance for credit losses | 216.08 | 149.54 |
| | **42.10** | **43.28** |
| **(b) Others** | | |
| Considered good- Unsecured | 1,206.46 | 567.32 |
| Credit impaired | 5.17 | - |
| Less: Allowance for credit losses | 5.17 | - |
| | **1,206.46** | **567.32** |
| | **1,248.56** | **610.60** |

(i) Non-current earmarked balances with banks represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies, margin money against issue of bank guarantees and deposits made against contract performance.

(ii) Other non-current balances with banks represent bank deposits not due for realisation within 12 months from the balance sheet date.

(iii) Current other financial assets include amount receivable from post-employment benefit funds ₹**769.20** crore (March 31, 2018: ₹302.14 crore) on account of retirement benefit obligations paid by the Group directly.

## NOTES
forming part of the consolidated financial statements

## 11. Retirement benefit assets and obligations

[Item No. I(h), II(c), V(c) and VI(c) Pages 306 and 307]

### (I) Retirement benefit assets

### A. Non-current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Pension | 19,963.75 | 20,570.52 |
| (b) | Retiring gratuities | 0.44 | 0.35 |
| | | **19,964.19** | **20,570.87** |

### B. Current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Retiring gratuities | **4.38** | **2.91** |

### (II) Retirement benefit obligations

### A. Non-current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Pension | 1,072.64 | 1,096.53 |
| (b) | Retiring gratuities | 120.36 | 67.70 |
| (c) | Post-retirement medical benefits | 1,214.83 | 1,150.39 |
| (d) | Other defined benefits | 245.63 | 201.94 |
| | | **2,653.46** | **2,516.56** |

### B. Current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Pension | 7.37 | 9.23 |
| (b) | Retiring gratuities | 4.51 | 3.69 |
| (c) | Post-retirement medical benefits | 92.66 | 89.53 |
| (d) | Other defined benefits | 16.15 | 7.91 |
| | | **120.69** | **110.36** |

(i) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 38, page 378.

(ii) Other defined benefits include post-retirement lumpsum benefits, long service awards, packing and transportation, farewell gifts etc.

## NOTES
forming part of the consolidated financial statements

## 12. Income taxes

[Item No. I(j) and V(e), Pages 306 and 307]

### A. Income tax expenses/(benefit)

Indian companies are subject to income tax in India on the basis of their standalone financial statements. Indian companies can claim tax exemptions/deductions under specific sections of the Income-tax Act, 1961 subject to fulfilment of prescribed conditions as may be applicable. As per the Income-tax Act, 1961, companies are liable to pay income tax based on the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Indian companies can carry forward business loss for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Apart from India, major tax jurisdictions for the Group include Singapore, United Kingdom and Netherlands. The number of years that are subject to tax assessments varies depending on the tax jurisdiction.

The reconciliation of estimated income tax to income tax expense is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit/(loss) before tax** | **15,905.72** | **20,956.09** |
| | | |
| **Income tax expense at tax rates applicable to individual entities** | **5,576.07** | **4,960.95** |
| (a) Tax on income at different rates | (24.22) | (0.04) |
| (b) Additional tax benefit for capital investment including research and development expenditures | (25.37) | (26.79) |
| (c) Income exempt from tax/items not deductible | 646.06 | 247.61 |
| (d) Deferred tax assets not recognised because realisation is not probable | 3,197.18 | 780.11 |
| (e) Adjustments to taxes in respect of prior periods | (287.69) | 16.67 |
| (f) Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits | (2,406.93) | (2,713.62) |
| (g) Impact of changes in tax rates[(i)] | 43.33 | 127.44 |
| **Tax expense as reported** | **6,718.43** | **3,392.33** |

(i) Impact of changes in tax rates during the year ended March 31, 2019 represents re-measurement of deferred tax assets following a reduction in corporate income tax rate within European operations.

During the year ended March 31, 2018, the Company and its Indian subsidiaries re-measured deferred tax balances expected to reverse in future periods based on changes in statutory tax rate made by the Finance Act, 2018.

## NOTES
forming part of the consolidated financial statements

## 12. Income taxes (Contd.)
[Item No. I(j) and V(e), Pages 306 and 307]

### B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2019 is as below:

(₹ crore)

| | Balance as at April 1, 2018 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive income during the year | Recognised in equity during the year | Addition relating to acquisitions during the year | Disposal of group undertakings during the year | Reclassified as held for sale during the year | Other movements during the year | Exchange differences on consolidation during the year | Balance as at March 31, 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Deferred tax assets:** | | | | | | | | | | |
| Tax-loss carry forwards | 2,991.55 | 1,573.56 | - | - | 2,208.20 | - | (9.52) | 15.83 | (60.48) | 6,719.14 |
| Expenses allowable for tax purposes when paid/written off | 1,984.22 | (791.63) | - | - | 2,009.01 | (9.85) | (16.81) | (2.26) | (3.55) | 3,169.13 |
| MAT credit entitlement/ (utilisation) | 2,160.66 | - | - | - | - | - | - | (2,160.66) | - | - |
| Others | 321.64 | 62.48 | (44.10) | - | 424.08 | - | 13.09 | 8.50 | (5.01) | 780.68 |
| | **7,458.07** | **844.41** | **(44.10)** | **-** | **4,641.29** | **(9.85)** | **(13.24)** | **(2,138.59)** | **(69.04)** | **10,668.95** |
| **Deferred tax liabilities:** | | | | | | | | | | |
| Property, plant and equipment and Intangible assets | 13,454.92 | 247.64 | - | (4.81) | 4,834.29 | (58.18) | (57.09) | 23.93 | 0.82 | 18,441.52 |
| Retirement benefit assets/obligations | 2,668.18 | 250.65 | (100.47) | - | - | - | 8.28 | - | (56.69) | 2,769.95 |
| Others | 869.05 | 314.58 | - | - | (59.61) | 0.71 | 0.16 | (0.24) | (16.23) | 1,108.42 |
| | **16,992.15** | **812.87** | **(100.47)** | **(4.81)** | **4,774.68** | **(57.47)** | **(48.65)** | **23.69** | **(72.10)** | **22,319.89** |
| **Net deferred tax assets/(liabilities):** | **(9,534.08)** | **31.54** | **56.37** | **4.81** | **(133.39)** | **47.62** | **35.41** | **(2,162.28)** | **3.06** | **(11,650.94)** |
| **Disclosed as:** | | | | | | | | | | |
| **Deferred tax assets** | **1,035.80** | | | | | | | | | **808.95** |
| **Deferred tax liabilities** | **10,569.88** | | | | | | | | | **12,459.89** |
| | **(9,534.08)** | | | | | | | | | **(11,650.94)** |

## NOTES

forming part of the consolidated financial statements

## 12. Income taxes (Contd.)

[Item No. I(j) and V(e), Pages 306 and 307]

Components of deferred tax assets and liabilities as at March 31, 2018 is as below:

(₹ crore)

| | Balance as at April 1, 2017 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive Income during the year | Recognised in equity during the year | Addition relating to acquisitions during the year | Other movements during the year | Exchange differences on consolidation during the year | Balance as at April 1, 2018 |
|---|---|---|---|---|---|---|---|---|
| **Deferred tax assets:** | | | | | | | | |
| Tax-loss carry forwards | 1,009.20 | 1,716.86 | - | - | - | (21.76) | 287.25 | 2,991.55 |
| Expenses allowable for tax purposes when paid/written off | 2,151.80 | (177.93) | - | - | - | (22.00) | 32.35 | 1,984.22 |
| MAT credit entitlement/ (utilisation) | 1,513.30 | (84.02) | 731.38 | - | - | - | - | 2,160.66 |
| Others | 104.10 | 164.79 | 33.58 | - | - | 0.15 | 19.02 | 321.64 |
| | **4,778.40** | **1,619.70** | **764.96** | **-** | **-** | **(43.61)** | **338.62** | **7,458.07** |
| **Deferred tax liabilities:** | | | | | | | | |
| Property, plant and equipment and Intangible assets | 13,248.51 | 172.12 | - | (6.21) | 36.09 | 0.23 | 4.18 | 13,454.92 |
| Retirement benefit assets/obligations | 90.40 | 2,655.29 | (296.47) | - | - | - | 218.96 | 2,668.18 |
| Others | 583.70 | 194.91 | - | - | - | - | 90.44 | 869.05 |
| | **13,922.61** | **3,022.32** | **(296.47)** | **(6.21)** | **36.09** | **0.23** | **313.58** | **16,992.15** |
| **Net deferred tax assets/(liabilities):** | **(9,144.21)** | **(1,402.62)** | **1,061.43** | **6.21** | **(36.09)** | **(43.84)** | **25.04** | **(9,534.08)** |
| **Disclosed as:** | | | | | | | | |
| **Deferred tax assets** | **885.87** | | | | | | | **1,035.80** |
| **Deferred tax liabilities** | **10,030.08** | | | | | | | **10,569.88** |
| | **(9,144.21)** | | | | | | | **(9,534.08)** |

(ii) Deferred tax assets, have been recognised based on an evaluation of whether it is probable that taxable profits will be earned in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of the respective entities.

(iii) Deferred tax assets have not been recognised in respect of tax losses of ₹**45,310.97** crore (March 31, 2018: ₹39,499.52 crore) as its recovery is not considered probable in the foreseeable future. Such losses primarily relate to the Group's European operations.

## NOTES
forming part of the consolidated financial statements

## 12. Income taxes (Contd.)

[Item No. I(j) and V(e), Pages 306 and 307]

(iv) Unrecognised tax losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

(₹ crore)

| | As at March 31, 2019 |
|---|---|
| Within five years | 3,081.35 |
| Later than five years but less than ten years | 7,245.63 |
| Later than ten years but less than twenty years | 253.92 |
| No expiry | 34,730.07 |
| | **45,310.97** |

(v) Unused tax credits and other deductible temporary differences in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

(₹ crore)

| | As at March 31, 2019 |
|---|---|
| Within five years | 2,019.28 |
| No expiry | 1,005.88 |
| | **3,025.16** |

(vi) At the end of the reporting period, aggregate amount of temporary difference associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹**6,642.93** crore (March 31, 2018: ₹6,210.92 crore). No liability has been recognised in respect of such difference because the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

## NOTES
forming part of the consolidated financial statements

## 13. Other assets

[Item No. I(k) and II(e), Page 306]

### A. Non-current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a)** | **Capital advances** | | |
| | Considered good - Unsecured | 1,068.83 | 502.36 |
| | Considered doubtful - Unsecured | 93.05 | 93.22 |
| | Less: Provision for doubtful advances | 93.05 | 93.22 |
| | | **1,068.83** | **502.36** |
| **(b)** | **Advances with public bodies** | | |
| | Considered good - Unsecured | 1,473.31 | 880.48 |
| | Considered doubtful - Unsecured | 345.42 | 24.01 |
| | Less: Provision for doubtful advances | 345.42 | 24.01 |
| | | **1,473.31** | **880.48** |
| **(c)** | **Prepaid lease payments for operating leases** | **1,888.22** | **947.54** |
| **(d)** | **Capital advances to related parties** | | |
| | Considered good - Unsecured | **5.38** | **32.02** |
| **(e)** | **Others** | | |
| | Considered good - Unsecured | 219.18 | 214.74 |
| | Considered doubtful - Unsecured | - | 10.09 |
| | Less: Provision for doubtful advances | - | 10.09 |
| | | **219.18** | **214.74** |
| | | **4,654.92** | **2,577.14** |

## NOTES
forming part of the consolidated financial statements

## 13. Other assets (Contd.)

[Item No. I(k) and II(e), Page 306]

### B. Current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a)** | **Advances with public bodies** | | |
| | Considered good - Unsecured | 2,095.99 | 2,120.06 |
| | Considered doubtful - Unsecured | 2.71 | 2.83 |
| | Less: Provision for doubtful advances | 2.71 | 2.83 |
| | | **2,095.99** | **2,120.06** |
| **(b)** | **Prepaid lease payments for operating leases** | **15.18** | **13.66** |
| **(c)** | **Advances to related parties** | | |
| | Considered good- Unsecured | **21.88** | **82.55** |
| **(d)** | **Others** | | |
| | Considered good - Unsecured | 1,396.65 | 881.82 |
| | Considered doubtful - Unsecured | 46.58 | 102.87 |
| | Less: Provision for doubtful advances | 46.58 | 102.87 |
| | | **1,396.65** | **881.82** |
| | | **3,529.70** | **3,098.09** |

(i) Advances with public bodies primarily relate to input credit entitlements and amounts paid under protest in respect of demands and claims from regulatory authorities.

(ii) Prepaid lease payments for operating leases relate to land leases classified as operating since land has an indefinite economic life and title is not expected to transfer at the end of the lease term.

(iii) Others include advances against supply of goods/services and advances paid to employees.

## NOTES

forming part of the consolidated financial statements

## 14. Inventories

[Item No. II(a), Page 306]

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Raw materials | 11,424.47 | 9,551.29 |
| (b) | Work-in-progress | 4,591.81 | 5,145.30 |
| (c) | Finished and semi-finished goods | 11,055.76 | 9,787.47 |
| (d) | Stock-in-trade | 96.65 | 66.94 |
| (e) | Stores and spares | 4,487.41 | 3,780.04 |
| | | **31,656.10** | **28,331.04** |
| **Included above, goods-in-transit:** | | | |
| (i) | Raw materials | 1,942.16 | 1,939.01 |
| (ii) | Finished and semi-finished goods | 314.93 | 123.02 |
| (iii) | Stock-in-trade | 66.22 | 31.99 |
| (iv) | Stores and spares | 190.74 | 155.60 |
| | | **2,514.05** | **2,249.62** |

Value of inventories above is stated after provisions (net of reversal) of ₹**482.25** crore (March 31, 2018: ₹526.77 crore) for write-down to net realisable value and provision for slow-moving and obsolete items.

## 15. Trade receivables

[Item No. II(b)(ii), Page 306]

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Considered good- Unsecured | 11,811.00 | 12,415.52 |
| Credit impaired | 392.92 | 250.26 |
| | **12,203.92** | **12,665.78** |
| Less: Allowance for credit losses | 392.92 | 250.26 |
| | **11,811.00** | **12,415.52** |

In determining allowance for credit losses of trade receivables, the Group has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables that are due and rates used in the provision matrix.

## NOTES
forming part of the consolidated financial statements

## 15. Trade receivables (Contd.)
[Item No. II(b)(ii), Page 306]

(i) Movement in allowance for credit losses of receivables is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 250.26 | 226.86 |
| Charge during the year | 33.16 | 55.67 |
| Utilised during the year | (19.94) | (24.36) |
| Addition relating to acquisitions | 172.36 | - |
| Disposal of group undertakings | (9.75) | (28.18) |
| Classified as held for sale | (32.15) | - |
| Exchange differences on consolidation | (1.02) | 20.27 |
| **Balance at the end of the year** | **392.92** | **250.26** |

(ii) Ageing of trade receivables and credit risk arising therefrom is as below:

(₹ crore)

| | As at March 31, 2019 | | | |
|---|---|---|---|---|
| | Gross credit risk | Subject to credit insurance cover | Allowance for credit losses | Net credit risk |
| Amounts not yet due | 10,469.72 | 7,687.00 | 41.14 | 2,741.58 |
| One month overdue | 715.71 | 423.61 | 9.65 | 282.45 |
| Two months overdue | 191.42 | 59.70 | 8.39 | 123.33 |
| Three months overdue | 76.60 | 29.41 | 4.71 | 42.48 |
| Between three to six months overdue | 157.49 | 50.18 | 10.87 | 96.44 |
| Greater than six months overdue | 592.98 | 78.19 | 318.16 | 196.63 |
| | **12,203.92** | **8,328.09** | **392.92** | **3,482.91** |

(₹ crore)

| | As at March 31, 2018 | | | |
|---|---|---|---|---|
| | Gross credit risk | Subject to credit insurance cover | Allowance for credit losses | Net credit risk |
| Amounts not yet due | 11,124.82 | 7,102.01 | 8.12 | 4,014.69 |
| One month overdue | 621.91 | 298.09 | 0.78 | 323.04 |
| Two months overdue | 161.60 | 115.51 | 3.27 | 42.82 |
| Three months overdue | 219.77 | 142.03 | 0.98 | 76.76 |
| Between three to six months overdue | 146.18 | 72.38 | 16.05 | 57.75 |
| Greater than six months overdue | 391.50 | 70.44 | 221.06 | 100.00 |
| | **12,665.78** | **7,800.46** | **250.26** | **4,615.06** |

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2019 to be ₹**3,482.91** crore (March 31, 2018: ₹4,615.06 crore), which is the carrying value of trade receivables after allowance for credit losses and considering insurance cover.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

(iv) There are no outstanding receivables due from directors or officers of the Company.

## NOTES
forming part of the consolidated financial statements

## 16. Cash and cash equivalents

[Item No. II(b)(iii), Page 306]

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Cash on hand | 1.67 | 1.50 |
| (b) | Cheques, drafts on hand | 9.32 | 30.46 |
| (c) | Remittances-in-transit | 9.27 | 53.20 |
| (d) | Unrestricted balances with banks | 2,955.27 | 7,698.34 |
| | | **2,975.53** | **7,783.50** |

(i) Currency profile of cash and cash equivalents is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| INR | 1,328.22 | 5,132.75 |
| GBP | 1,565.50 | 1,449.48 |
| EURO | (131.98) | 528.09 |
| USD | 30.35 | 190.76 |
| Others | 183.44 | 482.42 |
| **Total** | **2,975.53** | **7,783.50** |

INR-Indian Rupees, GBP- Great Britain Pound, USD-United States Dollars.

Others primarily include SGD-Singapore Dollars, CAD-Canadian Dollars and THB-Thai Baht.

## 17. Other balances with banks

[Item No. II(b)(iv), Page 306]

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Earmarked balances with banks | **365.84** | **154.35** |

(i) Currency profile of earmarked balances with banks is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| INR | 350.21 | 139.65 |
| USD | 15.63 | 14.70 |
| **Total** | **365.84** | **154.35** |

INR-Indian Rupees, USD-United States Dollars.

(ii) Earmarked balances with banks represent balances held for unpaid dividends, margin money/fixed deposits against issue of bank guarantees and deposits made against contract performance.

## NOTES
forming part of the consolidated financial statements

## 18. Assets and liabilities held for sale

[Item No. III and VII, Pages 306 and 307]

(i) On January 28, 2019, the Group entered into definitive agreements with HBIS Group Co. Ltd. ("HBIS") to divest its entire equity stake in NatSteel Holdings Pte. Ltd. ("NSH") and Tata Steel (Thailand) Public Company Ltd. ("TSTH"). As per the agreement, the divestment will be made to a company in which 70% equity shares will be held by an entity controlled by HBIS and 30% will be held by the Group.

In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of businesses forming part of the disposal group have been classified as held for sale.

As on March 31, 2018, the Group had classified certain assets within these businesses as held for sale.

The major classes of assets and liabilities classified as held for sale as on reporting date are set out below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 1,484.91 | 95.93 |
| Capital work-in-progress | 40.27 | - |
| Other intangible assets | 6.17 | - |
| Intangible assets under development | 0.54 | - |
| Other investments | 38.70 | - |
| Other financial assets | 1.50 | - |
| Other non-financial assets | 1.83 | - |
| Non-current tax assets | 19.29 | - |
| Deferred tax assets | 16.43 | - |
| | **1,609.64** | **95.93** |
| **Current assets** | | |
| Inventories | 1,491.32 | - |
| Trade receivables | 608.51 | - |
| Cash and bank balances | 294.77 | - |
| Other current financial assets | 78.25 | - |
| Derivative assets | 2.82 | - |
| Other current non-financial assets | 51.26 | - |
| Current tax assets | 2.88 | - |
| | **2,529.81** | **-** |
| **Total assets held for sale** | **4,139.45** | **95.93** |

## NOTES
forming part of the consolidated financial statements

## 18. Assets and liabilities held for sale (Contd.)

[Item No. III and VII, Pages 306 and 307]

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Non-current liabilities** | | |
| Borrowings | 11.14 | - |
| Other financial liabilities | 0.37 | - |
| Provisions | 0.23 | - |
| Retirement benefit obligations | 61.89 | - |
| Deferred tax liabilities | 51.68 | - |
| | **125.31** | **-** |
| **Current liabilities** | | |
| Borrowings | 670.97 | - |
| Derivative liabilities | 3.62 | - |
| Trade payables | 501.19 | - |
| Other financial liabilities | 90.92 | - |
| Retirement benefit obligations | 0.61 | - |
| Provisions | 2.76 | - |
| Other non-financial liabilities | 17.91 | - |
| Current tax liabilities | 12.75 | - |
| | **1,300.73** | **-** |
| **Total liabilities held for sale** | **1,426.04** | **-** |

(ii) As at March 31, 2019, the Group has classified certain assets and liabilities held within a disposal group with net carrying value of ₹**2.73** crores (March 31, 2018: ₹6.43 crore) in respect of one of its Indian subsidiary as held for sale. These assets and liabilities continue to be classified as held for sale as the Group expects to recover the carrying value principally through sale.

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Property, plant and equipment | 0.06 | 0.06 |
| Inventories | 1.92 | 5.08 |
| Trade receivables | 0.79 | 1.25 |
| Other non-financial assets | 0.04 | 0.15 |
| **Total assets held for sale** | **2.81** | **6.54** |
| Trade payables | 0.08 | 0.11 |
| **Total liabilities held for sale** | **0.08** | **0.11** |

## NOTES
forming part of the consolidated financial statements

## 19. Equity share capital

[Item No. IV(a), Page 307]

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **Authorised:** | | | |
| **1,75,00,00,000** | Ordinary Shares of ₹10 each | 1,750.00 | 1,750.00 |
| | (March 31, 2018: 1,75,00,00,000 Ordinary Shares of ₹10 each) | | |
| **35,00,00,000** | 'A' Ordinary Shares of ₹10 each * | 350.00 | 350.00 |
| | (March 31, 2018: 35,00,00,000 'A' Ordinary Shares of ₹10 each) | | |
| **2,50,00,000** | Cumulative Redeemable Preference Shares of ₹100 each * | 250.00 | 250.00 |
| | (March 31, 2018: 2,50,00,000 Shares of ₹100 each) | | |
| **60,00,00,000** | Cumulative Convertible Preference Shares of ₹100 each * | 6,000.00 | 6,000.00 |
| | (March 31, 2018: 60,00,00,000 Shares of ₹100 each) | | |
| | | **8,350.00** | **8,350.00** |
| **Issued:** | | | |
| **1,12,75,20,570** | Ordinary Shares of ₹10 each | | |
| | (March 31, 2018: 1,12,75,20,570 Ordinary Shares of ₹10 each) | 1,127.52 | 1,127.52 |
| **7,76,97,280** | Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) | | |
| | (March 31, 2018: 7,76,97,280 Ordinary Shares of ₹10 each, ₹2.504 each paid up) | 77.70 | 77.70 |
| | | **1,205.22** | **1,205.22** |
| | | | |
| **Subscribed and paid up:** | | | |
| **1,12,53,07,787** | Ordinary Shares of ₹10 each fully paid up | 1,125.30 | 1,125.31 |
| | (March 31, 2018: 1,12,53,16,422 Ordinary Shares of ₹10 each) | | |
| **7,76,36,705** | Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) | 19.44 | 19.44 |
| | (March 31, 2018:7,76,34,625 Ordinary Shares of ₹10 each, ₹2.504 each paid up) | | |
| | Amount paid up on 3,89,516 Ordinary Shares of ₹10 each forfeited | 0.20 | 0.20 |
| | (March 31, 2018: 3,89,516 Shares of ₹10 each) | | |
| | | **1,144.94** | **1,144.95** |

* 'A' class Ordinary Shares and Preference Shares included within authorised share capital are for disclosures purposes and have not yet been issued.

(i) Subscribed and paid up share capital excludes **11,81,893** (March 31, 2018: 11,68,393) Ordinary Shares of face value ₹10 each fully paid up held by subsidiaries of the Company.

## NOTES
forming part of the consolidated financial statements

## 19. Equity share capital (Contd.)

[Item No. IV(a), Page 307]

(ii) Details of movement in subscribed and paid up share capital is as below:

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | ₹ crore | No. of shares | ₹ crore |
| **Ordinary Shares of ₹10 each** | | | | |
| Balance at the beginning of the year | 1,20,29,51,047 | 1,144.75 | 97,00,47,046 | 970.04 |
| Fully paid shares allotted during the year[(a),(b),(c)] | 4,865 | 0.00* | 15,52,69,376 | 155.27 |
| Partly paid shares allotted during the year[(d)] | 2,080 | 0.00* | 7,76,34,625 | 19.44 |
| Adjustment for cross holdings | (13,500) | (0.01) | - | - |
| **Balance at the end of the year** | **1,20,29,44,492** | **1,144.74** | **1,20,29,51,047** | **1,144.75** |

* represents value less than ₹0.01 crore.

(a) **690** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹290 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.

(b) **11** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹590 per share in lieu of Cumulative Convertible Preference Shares of ₹100 each to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.

(c) **4,164** fully paid Ordinary Shares of face value ₹10 each were allotted at a premium of ₹500 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.

(d) **2,080** partly paid Ordinary Shares of face value ₹10 each (₹2.504 paid up) were allotted at a premium of ₹605 (₹151.496 paid up) per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.

(iii) The balance proceeds which remained unutilised as at March 31, 2018 from the Rights Issue, 2018 have been fully utilised during the year as below:

(₹ crore)

| Particulars | Utilised till March 31, 2018 | Utilised during the year ended March 31, 2019 | Total |
|---|---|---|---|
| Repayments of loan | 5,000.00 | 1,950.00 | 6,950.00 |
| Expenses towards general corporate purpose | 1,500.00 | 630.44 | 2,130.44 |
| Issue expense | - | 33.85 | 33.85 |
| **Total** | **6,500.00** | **2,614.29** | **9,114.29** |

(iv) As at March 31, 2019, **2,99,188** Ordinary Shares of face value ₹10 each (March 31, 2018: 3,00,395 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2019, **1,21,460** fully paid Ordinary Shares of face value ₹10 each (March 31, 2018: 1,25,624 fully paid Ordinary Shares) and **60,575** partly paid Ordinary Shares of face value ₹10 each, ₹2.504 paid up (March 31, 2018: 62,655 partly paid Ordinary Shares, ₹2.504 paid up) are kept in abeyance in respect of Rights Issue of 2018.

## NOTES
forming part of the consolidated financial statements

## 19. Equity share capital (Contd.)

[Item No. IV(a), Page 307]

(v) Details of shareholders holding more than 5 percent shares in the Company is as below:

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of Ordinary Shares | % held | No. of Ordinary Shares | % held |
| **Name of shareholders** | | | | |
| (a) Tata Sons Private Limited | 38,09,73,085 | 31.64 | 38,09,73,085 | 31.64 |
| (b) Life Insurance Corporation of India | 10,83,88,660 | 9.00 | 10,83,88,660 | 9.00 |

(vi) **1,34,73,958** shares (March 31, 2018: 1,27,40,651 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

(vii) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

### A. Ordinary Shares of ₹10 each

(i) In respect of every Ordinary Share (whether fully paid or partly paid), voting right and dividend shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid up Ordinary Capital of the Company.

(ii) The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) In the event of liquidation, the Shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### B. 'A' Ordinary Shares of ₹10 each

(i) (a) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:

- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
- in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

(b) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such shares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.

(ii) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

### C. Preference Shares

The Company has two classes of Preference Shares i.e. Cumulative Redeemable Preference Shares (CRPS) of ₹100 per share and Cumulative Convertible Preference Shares (CCPS) of ₹100 per share.

(i) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up or credited as paid up thereon.

(ii) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up)

## NOTES

forming part of the consolidated financial statements

## 19. Equity share capital (Contd.)

[Item No. IV(a), Page 307]

and for repayment of capital in a winding up, *pari passu inter se* and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.

(iii) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.

(iv) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank *pari passu* with the then existing Ordinary Shares of the Company in all respects.

## 20. Hybrid perpetual securities

[Item No. IV(b), Page 307]

The details of movement in hybrid perpetual securities is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 2,275.00 | 2,275.00 |
| **Balance at the end of the year** | **2,275.00** | **2,275.00** |

The Company had issued hybrid perpetual securities of ₹775.00 crore and ₹1,500.00 crore in May 2011 and March 2011 respectively. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these securities are 11.50% p.a. and 11.80% p.a. respectively, with a step up provision if the securities are not called after 10 years. The distribution on the securities may be deferred at the option of the Company if in the six months preceding the relevant distribution payment date, the Company has not made payment on, or repurchased or redeemed, any securities ranking *pari passu* with, or junior to the instrument. As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as equity.

## NOTES
forming part of the consolidated financial statements

## 21. Other equity

[Item No. IV(c), Page 307]

### A. Retained earnings

The details of movement in retained earnings is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 7,801.99 | (11,447.01) |
| Profit/(loss) for the year | 10,218.33 | 13,434.33 |
| Remeasurement of post-employment defined benefit plans | (523.40) | (2,993.66) |
| Tax on remeasurement of post-employment defined benefit plans | 97.48 | 213.61 |
| Dividend | (1,144.76) | (970.05) |
| Tax on dividend | (224.61) | (188.17) |
| Distribution on hybrid perpetual securities | (266.12) | (266.13) |
| Tax on distribution on hybrid perpetual securities | 92.99 | 92.70 |
| Transfers within equity[(i)] | 29.95 | 3,426.26 |
| Adjustment for change in ownership interests | (2,025.42) | 6,500.11 |
| **Balance at the end of the year** | **14,056.43** | **7,801.99** |

(i) Primarily relates to cumulative gain on sale of investments carried at fair value through other comprehensive income transfered from investment revaluation reserve.

### B. Items of other comprehensive income

#### (a) Cash flow hedge reserve

The cumulative effective portion of gain or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the consolidated statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

The Group has designated certain foreign currency forward contracts, commodity contracts, interest rate swaps and collar as cash flow hedges in respect of foreign exchange, commodity price and interest rate risks.

The details of movement in cash flow hedge reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 9.99 | 105.99 |
| Other comprehensive income recognised during the year | 109.64 | (96.00) |
| **Balance at the end of the year** | **119.63** | **9.99** |

## 21. Other equity (Contd.)

[Item No. IV(c), Page 307]

(i) The details of other comprehensive income recognised during the year is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Fair value changes recognised during the year | 349.67 | (579.05) |
| Fair value changes reclassified to the consolidated statement of profit and loss/cost of hedged items | (198.58) | 454.47 |
| Tax impact on above | (41.45) | 28.58 |
| | **109.64** | **(96.00)** |

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to **Nil** (2017-18: Nil).

(ii) The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the consolidated statement of profit and loss as below:

- within the next one year: gain of ₹**120.03** crore (2017-18: gain of ₹6.24 crore)
- later than one year: loss of ₹**0.40** crore (2017-18: gain of ₹3.75 crore)

### (b) Investment revaluation reserve

The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

The details of movement in investment revaluation reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 155.23 | 3,788.40 |
| Other comprehensive income recognised during the year | (44.30) | (204.92) |
| Tax impact on above | (2.65) | (0.63) |
| Transfers within equity | (31.06) | (3,427.62) |
| Other movements | 3.06 | - |
| **Balance at the end of the year** | **80.28** | **155.23** |

### (c) Foreign currency translation reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries, associates and joint ventures are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries, associates and joint ventures.

NOTES

forming part of the consolidated financial statements

## 21. Other equity (Contd.)

[Item No. IV(c), Page 307]

The details of movement in foreign currency translation reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 6,984.28 | 8,534.47 |
| Other comprehensive income recognised during the year | 507.78 | (1,550.19) |
| Other movements | (79.82) | - |
| **Balance at the end of the year** | **7,412.24** | **6,984.28** |

### C. Other reserves

#### (a) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

The details of movement in securities premium is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 27,777.40 | 18,871.66 |
| Received/transfer on issue of Ordinary Shares during the year | 0.26 | 8,939.59 |
| Equity issue expenses written (off)/back during the year | 0.43 | (33.85) |
| **Balance at the end of the year** | **27,778.09** | **27,777.40** |

#### (b) Debenture redemption reserve

The Companies Act, 2013 requires that a company which has issued debentures, shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The company is required to maintain a debenture redemption reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the company except to redeem debentures.

The details of movement in debenture redemption reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 2,046.00 | 2,046.00 |
| **Balance at the end of the year** | **2,046.00** | **2,046.00** |

# NOTES
forming part of the consolidated financial statements

## 21. Other equity (Contd.)

[Item No. IV(c), Page 307]

### (c) General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

The details of movement in general reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 12,181.97 | 12,181.97 |
| Adjustment for cross holdings | (0.81) | - |
| **Balance at the end of the year** | **12,181.16** | **12,181.97** |

### (d) Capital redemption reserve

The Companies Act, 2013 requires that when a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. The Group established this reserve pursuant to the redemption of preference shares issued in earlier years.

The details of movement in capital redemption reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 133.11 | 133.11 |
| **Balance at the end of the year** | **133.11** | **133.11** |

### (e) Special reserve

Special reserve represents reserve created by certain Indian subsidiaries of the Company pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and other related applicable regulations. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

The details of movement in special reserve is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 7.58 | 6.66 |
| Transfers within equity | 0.56 | 0.92 |
| **Balance at the end of the year** | **8.14** | **7.58** |

## NOTES
forming part of the consolidated financial statements

## 21. Other equity (Contd.)
[Item No. IV(c), Page 307]

### (f) Capital reserve on consolidation

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. The reserve is not available for distribution.

The details of movement in capital reserve on consolidation is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 100.53 | 100.53 |
| Addition relating to acquisitions | 1,336.41 | - |
| **Balance at the end of the year** | **1,436.94** | **100.53** |

### (g) Others

Others primarily represent amounts appropriated out of the statement of profit and loss for unforeseen contingencies. Such appropriations are free in nature.

The details of movement in others is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 252.57 | 252.29 |
| Transfers within equity | 0.55 | 0.28 |
| **Balance at the end of the year** | **253.12** | **252.57** |

### D. Share application money pending allotment

The details of movement in share application money pending allotment is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 0.02 | 0.01 |
| Application money received during the year | 0.24 | 0.02 |
| Allotment of Ordinary Shares during the year | (0.26) | (0.01) |
| **Balance at the end of the year** | **-** | **0.02** |

## 22. Non-controlling interests

Non-controlling interests represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly owned by the Company.

The balance of non-controlling interests as at the end of the year is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Non-controlling interests | **2,364.46** | **936.52** |

In September 2017, the UK Pensions Regulator (tPR) had approved a Regulated Apportionment Arrangement (RAA) in respect of the British Steel Pension Scheme (BSPS) which separated the scheme from Tata Steel UK (TSUK), a wholly owned indirect subsidiary of the Company. This was accompanied by a one-time settlement payment and a transfer of a 33% minority stake in TSUK to the BSPS trustees. During the year ended March 31, 2019 the non-controlling interest was diluted from 33% to 0.33% due to an equity issuance made by TSUK.

The Company, through its wholly owned subsidiary, T S Global Minerals Holdings Pte. Ltd via TSMUK holds 77.68 % equity stake in Tata Steel Minerals Canada Limited.

On May 18, 2018, Bamnipal Steel Limited, a wholly owned subsidiary of the Company, completed the acquisition of 72.65% stake in Tata Steel BSL Limited (formerly "Bhushan Steel Limited") pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code 2016.

The table below provides information in respect of these subsidiaries which include material non-controlling interests as at March 31, 2019:

(₹ crore)

| Name of subsidiary | Country of incorporation and operation | % of non-controlling interests as at March 31, 2019 | % of non-controlling interests as at March 31, 2018 | Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2019 | Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2018 | Non-controlling interests as at March 31, 2019 | Non-controlling interests as at March 31, 2018 |
|---|---|---|---|---|---|---|---|
| **Tata Steel UK Limited** | United Kingdom | 0.33% | 33.33% | (1,091.61) | 4,389.78 | (14.35) | (623.46) |
| **Tata Steel Minerals Canada Limited** | Canada | 22.32% | 22.32% | (10.91) | (225.13) | 624.98 | 599.30 |
| **Tata Steel BSL Limited** | India | 27.35% | - | (240.93) | - | 286.43 | - |

The tables below provide summarised information in respect of consolidated balance sheet as at March 31, 2019, consolidated statement of profit and loss and consolidated statement of cash flows for the year ended March 31, 2019, in respect of the above mentioned entities:

**Summarised balance sheet information**

(₹ crore)

| Particulars | Tata Steel UK Limited | | Tata Steel Minerals Canada Limited | | Tata Steel BSL Limited | |
|---|---|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Non-current assets | 32,122.20 | 31,672.43 | 6,943.13 | 6,034.10 | 31,628.26 | - |
| Current assets | 7,019.72 | 7,208.45 | 82.43 | 130.95 | 7,981.01 | - |
| **Total assets (A)** | **39,141.92** | **38,880.88** | **7,025.56** | **6,165.05** | **39,609.27** | **-** |
| Non-current liabilities | 19,412.41 | 18,458.11 | 3,514.19 | 2,869.43 | 17,089.27 | - |
| Current liabilities | 24,049.55 | 22,293.33 | 711.27 | 610.57 | 4,178.26 | - |
| **Total liabilities (B)** | **43,461.96** | **40,751.44** | **4,225.46** | **3,480.00** | **21,267.53** | **-** |
| **Net assets (A-B)**[(i)] | **(4,320.04)** | **(1,870.56)** | **2,800.10** | **2,685.05** | **18,341.74** | **-** |

(i) Net assets of Tata Steel BSL Limited as at March 31, 2019, includes equity portion of preference shares of ₹17,295.82 issued by Tata Steel BSL Limited to the Company.

## NOTES
forming part of the consolidated financial statements

## 22. Non-controlling interests (Contd.)

### Summarised profit and loss information

(₹ crore)

| Particulars | Tata Steel UK Limited | | Tata Steel Minerals Canada Limited | | Tata Steel BSL Limited | |
|---|---|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 |
| Revenue | 22,049.17 | 20,632.85 | 1.67 | - | 18,493.07 | - |
| Profit/(loss) for the year | (3,274.83) | 12,064.97 | (48.88) | (1,008.64) | (881.07) | - |
| Total comprehensive income for the year | (3,749.25) | 10,607.87 | (48.88) | (1,008.64) | (872.96) | - |

### Summarised cash flow information

(₹ crore)

| Particulars | Tata Steel UK Limited | | Tata Steel Minerals Canada Limited | | Tata Steel BSL Limited | |
|---|---|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 |
| Net cash from/(used in) operating activities | (1,200.22) | (3,304.20) | (51.27) | 225.34 | 5,458.42 | - |
| Net cash from/(used in) investing activities | (1,438.44) | (957.39) | (394.77) | (597.16) | (1,315.43) | - |
| Net cash from/(used in) financing activities | 3,014.30 | 3,991.68 | 410.74 | 218.77 | (4,577.49) | - |
| Effect of exchange rate on cash and cash equivalents | (5.17) | 46.92 | 3.13 | (0.58) | - | - |
| Cash and cash equivalents at the beginning of the year | 258.76 | 481.75 | 48.12 | 201.75 | 712.15 | - |
| Cash and cash equivalents at the end of the year | 629.23 | 258.76 | 15.95 | 48.12 | 277.65 | - |

## 23. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page 307]

### A. Non-current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a)** | **Secured** | | |
| (i) | Loan from Joint Plant Committee - Steel Development Fund | 2,564.10 | 2,494.42 |
| (ii) | Term loans from banks/financial institutions | 23,458.91 | 17,825.17 |
| (iii) | Finance lease obligations | 1,324.76 | 471.29 |
| | | **27,347.77** | **20,790.88** |

## NOTES

forming part of the consolidated financial statements

## 23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 307]

(₹ crore)

| | | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **(b)** | **Unsecured** | | | |
| | (i) | Bonds and debentures | 29,509.49 | 29,456.43 |
| | (ii) | Non-convertible preference shares | 13.31 | 19.97 |
| | (iii) | Term loans from banks/financial institutions | 21,047.72 | 19,942.61 |
| | (iv) | Finance lease obligations | 2,134.08 | 2,397.51 |
| | (v) | Deferred payment liabilities | 6.40 | 6.11 |
| | (vi) | Other loans | 283.96 | 175.59 |
| | | | **52,994.96** | **51,998.22** |
| | | | **80,342.73** | **72,789.10** |

### B. Current

(₹ crore)

| | | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| **(a)** | **Secured** | | | |
| | (i) | Loans from banks/financial institutions | 5,437.52 | 5,541.48 |
| | (ii) | Repayable on demand from banks/financial institutions | 45.88 | 139.62 |
| | (iii) | Other Loans | - | 37.69 |
| | | | **5,483.40** | **5,718.79** |
| **(b)** | **Unsecured** | | | |
| | (i) | Preference shares | 1.00 | - |
| | (ii) | Loans from banks/financial institutions | 5,129.65 | 9,893.26 |
| | (iii) | Commercial papers | 171.97 | 73.65 |
| | (iv) | Other loans | 16.06 | 199.28 |
| | | | **5,318.68** | **10,166.19** |
| | | | **10,802.08** | **15,884.98** |

(i) As at March 31, 2019, ₹**35,931.48** crore (March 31, 2018: ₹26,819.90 crore) of the total outstanding borrowings (including current maturities) were secured by a charge on property, plant and equipment, inventories and receivables.

(ii) The security details of major borrowings as at March 31, 2019 is as below:

**(a) Loans from Joint Plant Committee-Steel Development Fund**

It is secured by mortgages on, all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and movable assets of the Tube Division, Bearing Division, Ferro Alloys Division and Cold Rolling Complex (West) at Tarapur and all investments and book debts of the Company subject to the prior charges created and/or to be created in favour of the bankers for securing borrowing for the working capital requirement and charges created and/or to be created on specific items of machinery and equipment procured/to be procured under deferred payment schemes/bill re-discounting schemes/asset credit schemes.

# NOTES
forming part of the consolidated financial statements

## 23. Borrowings (Contd.)
[Item No. V(a)(i) and VI(a)(i), Page 307]

The loan is repayable in 16 equal semi-annual instalments after completion of four years from the date of the tranche.

The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is subjudice.

The loan includes funded interest ₹**924.77** crore (March 31, 2018: ₹855.09 crore).

It includes ₹**1,639.33** crore (March 31, 2018: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction and is not secured by charge on movable assets of the Company.

**(b) Loans from banks/financial institutions**

Majority of the secured borrowings from banks/financial institutions relate to subsidiaries of the Company namely Tata Steel BSL Limited (formerly Bhushan Steel Limited) and Tata Steel Europe.

The borrowings in Tata Steel BSL Limited are secured by a charge on all its immovable and movable properties both present and future including movable plant and machinery, spares, tools and accessories, ranking *pari passu* inter-se. The loan is payable in 18 semi-annual instalments starting from March 2022.

The borrowings in Tata Steel Europe relate to the senior facility arrangement and are secured by guarantees and debentures granted by material subsidiaries of Tata Steel Europe (other than Tata Steel Nederland B.V. and its subsidiaries) and by a pledge over the shares in Tata Steel Nederland B.V.

(iii) The details of major unsecured borrowings as at March 31, 2019 is as below:

**(a) Commercial papers**

Commercial papers raised by the Group are short-term in nature ranging between one to three months.

**(b) Bonds and debentures**

**(I) Non-convertible debentures:**

The details of debentures issued by the Company is as below:

(i) 9.84% p.a. interest bearing 43,150 debentures of face value ₹10,00,000 each are redeemable at par in 4 equal annual instalments commencing from February 28, 2031.

(ii) 10.25% p.a. interest bearing 25,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from January 6, 2029.

(iii) 10.25% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from December 22, 2028.

(iv) 8.15% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on October 1, 2026.

(v) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at a premium of 85.03% of the face value on April 23, 2022.

(vi) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on January 24, 2021.

(vii) 11.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on May 19, 2019.

(viii) 10.40% p.a. interest bearing 6,509 debentures of face value ₹10,00,000 each are redeemable at par on May 15, 2019.

## NOTES
forming part of the consolidated financial statements

## 23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 307]

### (II) Bonds

ABJA Investment Co. Pte. Ltd. a wholly owned subsidiary of the Company has issued non-convertible bonds that are listed on the Singapore Stock Exchange and Frankfurt Stock Exchange. Details of the bonds outstanding at the end of the reporting period is as below:

| Sl. No. | Issued on | Currency | Initial principal due (in millions) | Outstanding principal (in millions) | | Interest rate | Redeemable on |
|---|---|---|---|---|---|---|---|
| | | | | As at March 31, 2019 | As at March 31, 2018 | | |
| 1 | January 2018 | USD | 1,000 | 1,000 | 1,000 | 5.45% | January 2028 |
| 2 | July 2014 | USD | 1,000 | 1,000 | 1,000 | 5.95% | July 2024 |
| 3 | January 2018 | USD | 300 | 300 | 300 | 4.45% | July 2023 |
| 4 | May 2013 | SGD | 300 | 300 | 300 | 4.95% | May 2023 |
| 5 | July 2014 | USD | 500 | 500 | 500 | 4.85% | January 2020 |

### (c) Loans from banks/financial institutions

(I) Details of loans from banks/financial institutions availed by the Company is as below:

(i) Rupee loan amounting ₹**2,500.00** crore (March 31, 2018: ₹4,450.00 crore) is repayable in 9 quarterly instalments commencing from March 31, 2023.

(ii) Rupee loan amounting ₹**1,047.50** crore (March 31, 2018: ₹1,485.00 crore) is repayable in 10 semi-annual instalments, the next instalment is due on November 29, 2022.

(iii) Rupee loan amounting ₹**584.58** crore (March 31, 2018: ₹823.84 crore) is repayable in 8 semi-annual instalments, the next instalment is due on June 15, 2021.

(iv) Rupee loan amounting ₹**750.00** crore (March 31, 2018: ₹750.00 crore) is repayable in 3 equal annual instalments commencing from May 21, 2021.

(v) USD **7.86** million equivalent to ₹**54.38** crore (March 31, 2018: USD 7.86 million equivalent to ₹51.24 crore) is repayable on March 1, 2021.

(vi) Rupee loan amounting ₹**1,600.00** crore (March 31, 2018: ₹2,000.00 crore) is repayable in 8 semi-annual instalments, the next instalment is due on April 30, 2020.

(vii) USD **200.00** million equivalent to ₹**1,383.55** crore (March 31, 2018: USD 200.00 million equivalent to ₹1,303.65 crore) loan is repayable in 3 equal annual instalments commencing from February 18, 2020.

(viii) Rupee loan amounting ₹**640.42** crore (March 31, 2018: ₹646.16 crore) is repayable in 16 semi-annual instalments, the next instalment is due on August 14, 2019.

(ix) Euro **16.21** million equivalent to ₹**125.96** crore (March 31, 2018: Euro 21.62 million equivalent to ₹174.68 crore) loan is repayable in 6 equal semi-annual instalments, the next instalment is due on July 8, 2019.

(x) Euro **66.87** million equivalent to ₹**519.58** crore (March 31, 2018: Euro 85.98 million equivalent to ₹694.80 crore) loan is repayable in 7 equal semi-annual instalments, the next instalment is due on April 30, 2019.

(xi) Rupee loan amounting ₹**1,485.00** crore (March 31, 2018: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on April 16, 2019.

## NOTES
forming part of the consolidated financial statements

## 23. Borrowings (Contd.)
[Item No. V(a)(i) and VI(a)(i), Page 307]

(II) Details of loans from banks/financial institutions availed by NatSteel Asia Pte Limited a subsidiary of the Company is as below:

(i) USD **1,151.16** million equivalent to ₹**7,963.16** crore (March 31, 2018: Nil) loan is repayable in 3 annual instalments, the next instalment is due on April 19, 2022.

(ii) EUR **418.27** million equivalent to ₹**3,248.41** crore (March 31, 2018: Nil) loan is repayable in 3 annual instalments, the next instalment is due on April 19, 2022

### (d) Finance lease obligations

The Group has taken certain items of plant and machinery on lease for business purpose. In addition, the Group has entered into long-term arrangements whose fulfilment is dependent on the use of dedicated assets. Some of these arrangements have been assessed as being in the nature of lease and have been classified as a finance lease.

Finance lease obligations represent the present value of minimum lease payments payable over the lease term. The arrangements have been classified as secured or unsecured based on the legal form.

(iv) Currency and interest exposure of borrowings including current maturities at the end of the reporting period is as below:

(₹ crore)

| | As at March 31, 2019 | | | As at March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | Fixed rate | Floating rate | Total | Fixed rate | Floating rate | Total |
| INR | 19,350.08 | 25,201.05 | 44,551.13 | 13,635.17 | 13,925.16 | 27,560.33 |
| GBP | 147.48 | 3,514.88 | 3,662.36 | 196.48 | 3,756.56 | 3,953.04 |
| EURO | 972.92 | 15,523.15 | 16,496.07 | 1,136.68 | 16,761.01 | 17,897.69 |
| USD | 23,094.51 | 10,980.10 | 34,074.61 | 22,184.41 | 17,783.20 | 39,967.61 |
| Others | 2,005.37 | 26.68 | 2,032.05 | 1,823.48 | 944.90 | 2,768.38 |
| **Total** | **45,570.36** | **55,245.86** | **1,00,816.22** | **38,976.22** | **53,170.83** | **92,147.05** |

INR-Indian Rupees, GBP- Great Britain Pound, USD-United States Dollars.

(a) Others primarily include SGD-Singapore Dollars, CAD-Canadian Dollars and THB-Thai Baht.

(b) Majority of floating rate borrowings are bank borrowings bearing interest rates based LIBOR, EURIBOR or local official rates. Of the total floating rate borrowings as at March 31, 2019, ₹**1,037.66** crore (March 31, 2018: ₹10,083.55 crore) has been hedged using interest rate swaps and collars, with contracts covering a period of more than one year.

NOTES

forming part of the consolidated financial statements

## 23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 307]

(v) Maturity profile of borrowings including current maturities is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Not later than one year or on demand | 20,877.47 | 19,681.09 |
| Later than one year but not two years | 6,756.98 | 8,853.85 |
| Later than two years but not three years | 8,335.28 | 17,995.05 |
| Later than three years but not four years | 8,093.70 | 12,589.58 |
| Later than four years but not five years | 12,011.55 | 4,412.46 |
| More than five years | 49,261.03 | 34,260.93 |
| | **1,05,336.01** | **97,792.96** |
| Less: Future finance charges | 3,388.73 | 4,088.70 |
| Less: Capitalisation of transaction costs | 1,131.06 | 1,557.21 |
| | **1,00,816.22** | **92,147.05** |

(vi) Some of the Group's major financing arrangements include financial covenants, which require compliance to certain debt-equity ratios and debt coverage ratios by entities within the Group who have availed such borrowings. Additionally, certain negative covenants may limit the ability of entities within the Group to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach.

## 24. Other financial liabilities

[Item No. V(a)(iii) and VI(a)(iv), Page 307]

### A. Non-current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Interest accrued but not due | 9.57 | 18.17 |
| (b) | Creditors for other liabilities | 261.01 | 87.66 |
| | | **270.58** | **105.83** |

### B. Current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Current maturities of long-term borrowings | 9,276.95 | 3,220.66 |
| (b) | Current maturities of finance lease obligations | 394.46 | 252.31 |
| (c) | Interest accrued but not due | 848.96 | 817.35 |
| (d) | Unclaimed dividends | 99.11 | 68.81 |
| (e) | Creditors for other liabilities | 6,118.35 | 5,432.65 |
| | | **16,737.83** | **9,791.78** |

(i) Non-current and current creditors for other liabilities include:

(a) creditors for capital supplies and services of ₹**3,717.51** crore (March 31, 2018: ₹3,219.87 crore).

(b) liability for employee family benefit scheme ₹**189.87** crore (March 31, 2018: ₹184.39 crore).

## NOTES
forming part of the consolidated financial statements

## 25. Provisions

[Item No. V(b) and VI(b), Page 307]

### A. Non-current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Employee benefits | 2,396.20 | 2,479.01 |
| (b) | Insurance provisions | 661.77 | 858.44 |
| (c) | Others | 988.24 | 1,000.79 |
| | | **4,046.21** | **4,338.24** |

### B. Current

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Employee benefits | 395.97 | 442.33 |
| (b) | Others | 852.75 | 827.31 |
| | | **1,248.72** | **1,269.64** |

(i) Non-current and current provision for employee benefits include provision for leave salaries ₹**1,127.69** crore (March 31, 2018: ₹1,082.50 crore) and provision for early separation and disability ₹**1,591.55** crore (March 31, 2018: ₹1,763.11 crore).

(ii) As per the leave policy of the Company and its Indian subsidiaries, an employee is entitled to be paid the accumulated leave balance on separation. The Company and its Indian subsidiaries present provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee, etc.

(iii) Insurance provisions relate to Crucible Insurance Company which underwrites marine cargo, public liability and retrospective hearing impairment policies of Tata Steel Europe, a wholly owned indirect subsidiary of the Company. These provisions represent losses incurred but not yet reported in respect of risks retained by the Group rather then passed to third party insurers and include amounts in relation to certain disease insurance claims. Such provisions are subject to regular review and are adjusted as appropriate. The value of final insurance settlements is uncertain and so is the timing of the expenditure.

(iv) Non-current and current other provisions primarily include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations and other environmental remediation obligations ₹**1,046.50** crore (March 31, 2018: ₹906.92 crore). These amounts become payable upon closure of the mines/sites and are expected to be incurred over a period of 1 to 33 years.

(b) provision in respect of onerous leases amounting to ₹**249.65** crore (March 31, 2018: ₹273.80 crore). The outstanding term of these leases ranges between 1 to 14 years.

NOTES

forming part of the consolidated financial statements

## 25. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 307]

(v) The details of movement in provision balances is as below:

**Year ended March 31, 2019**

(₹ crore)

| | Insurance Provisions | Others | Total |
|---|---|---|---|
| Balance at the beginning of the year | 858.44 | 1,828.10 | 2,686.54 |
| Recognised/(released) during the year (i) | (131.98) | 290.48 | 158.50 |
| Disposal of group undertakings | - | (12.26) | (12.26) |
| Utilised during the year | (50.83) | (233.47) | (284.30) |
| Classified as held for sale | - | (0.23) | (0.23) |
| Exchange differences on consolidation | (13.86) | (31.63) | (45.49) |
| **Balance at the end of the year** | **661.77** | **1,840.99** | **2,502.76** |

(i) Includes provisions capitalised during the year in respect of restoration obligations.

**Year ended March 31, 2018**

(₹ crore)

| | Insurance Provisions | Others | Total |
|---|---|---|---|
| Balance at the beginning of the year | 882.46 | 1,402.44 | 2,284.90 |
| Recognised/(released) during the year | (81.41) | 396.35 | 314.94 |
| Disposal of group undertakings | - | (2.79) | (2.79) |
| Utilised during the year | (54.95) | (87.89) | (142.84) |
| Exchange differences on consolidation | 112.34 | 119.99 | 232.33 |
| **Balance at the end of the year** | **858.44** | **1,828.10** | **2,686.54** |

## 26. Deferred income

[Item No. V(d) and VI(d), Page 307]

**A. Non-current**

(₹ crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| (a) | Grants relating to property, plant and equipment | 804.37 | 1,452.30 |
| (b) | Revenue grants | 32.14 | 10.61 |
| (c) | Others | 70.29 | 63.67 |
| | | **906.80** | **1,526.58** |

## NOTES
forming part of the consolidated financial statements

## 26. Deferred income (Contd.)

[Item No. V(d) and VI(d), Page 307]

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Grants relating to property, plant and equipment | 10.48 | 0.83 |
| (b) Others | 6.03 | 5.38 |
| | **16.51** | **6.21** |

Grants relating to property, plant and equipment relates to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, certain entities within the Group are committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the entities would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the consolidated statement of profit and loss based on fulfilment of related export obligations.

During the year, an amount of ₹**635.76** crore (2017-18: ₹528.20 crore) was released from deferred income to the consolidated statement of profit and loss on fulfilment of export obligations.

## 27. Other liabilities

[Item No. V(f) and VI(f), Page 307]

### A. Non-current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Statutory dues | 19.77 | 35.47 |
| (b) Other credit balances | 499.46 | 322.69 |
| | **519.23** | **358.16** |

### B. Current

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Advances received from customers | 769.60 | 583.70 |
| (b) Employee recoveries and employer contributions | 161.08 | 100.35 |
| (c) Statutory dues | 6,931.75 | 6,215.59 |
| (d) Other credit balances | 49.78 | 32.62 |
| | **7,912.21** | **6,932.26** |

(i) Statutory dues primarily relate to payables in respect of GST, excise duties, service tax, sales tax, VAT, tax deducted at source and royalties.

## NOTES
forming part of the consolidated financial statements

## 28. Trade payables

[Item No. VI(a)(ii), Page 307]

### A. Total outstanding dues of micro and small enterprises

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Dues of micro and small enterprises | 169.74 | 32.21 |
| | **169.74** | **32.21** |

### B. Total outstanding dues of creditors other than micro and small enterprises

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Creditors for supplies and services | 17,100.42 | 15,968.40 |
| (b) Creditors for accrued wages and salaries | 4,446.80 | 4,413.20 |
| | **21,547.22** | **20,381.60** |

## 29. Revenue from operations

[Item No. I, Page 308]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Sale of products | 1,52,843.66 | 1,21,008.92 |
| (b) Sale of power and water | 1,727.58 | 1,698.35 |
| (c) Income from services | 120.60 | 23.47 |
| (d) Other operating revenues[(ii)] | 2,977.15 | 1,378.95 |
| | **1,57,668.99** | **1,24,109.69** |

(i) Revenue from contracts with customers disaggregated on the basis of geographical regions and major businesses is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) India | 79,605.15 | 55,647.26 |
| (b) Outside India | 75,086.69 | 67,083.48 |
| | **1,54,691.84** | **1,22,730.74** |

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Steel | 142,483.73 | 112,666.22 |
| (b) Power and water | 1,727.58 | 1,698.35 |
| (c) Others | 10,480.53 | 8,366.17 |
| | **1,54,691.84** | **1,22,730.74** |

Revenue outside India includes Asia excluding India ₹**8,895.30** crore (2017-18: ₹6,844.47 crore), UK ₹**14,767.65** crore (2017-18: ₹13,583.51 crore) and other European countries ₹**41,123.35** crore (2017-18: ₹38,904.30 crore).

(ii) Other operating revenues include export incentives and deferred income released to consolidated statement of profit and loss on fulfilment of export obligations under the EPCG scheme.

## NOTES
forming part of the consolidated financial statements

## 30. Other income

[Item No. II, Page 308]

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Dividend income | 34.19 | 39.47 |
| (b) | Interest income | 316.64 | 249.76 |
| (c) | Net gain/(loss) on sale/fair value changes of mutual funds | 708.96 | 680.76 |
| (d) | Gain/(loss) on sale of property, plant and equipment including intangible assets (net of loss on assets sold/scrapped/written off) | 266.50 | (50.23) |
| (e) | Gain/(loss) on cancellation of forwards, swaps and options | 36.95 | (79.33) |
| (f) | Other miscellaneous income | 57.34 | 40.67 |
| | | **1,420.58** | **881.10** |

(i) Dividend income includes income from investments carried at fair value through other comprehensive income of ₹**19.58** crore (2017-18: ₹18.59 crore).

(ii) Interest income includes:

(a) income from financial assets carried at amortised cost of ₹**315.24** crore (2017-18: ₹239.41crore).

(b) income from financial assets carried at fair value through profit and loss ₹**1.40** crore (2017-18: ₹10.35 crore).

## 31. Employee benefits expense

[Item No. IV(d), Page 308]

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Salaries and wages | 15,382.93 | 13,751.40 |
| (b) | Contribution to provident and other funds | 2,719.49 | 2,741.36 |
| (c) | Staff welfare expenses | 656.45 | 477.15 |
| | | **18,758.87** | **16,969.91** |

During the year ended March 31, 2019, the Company has recognised an amount of ₹**27.06** crore (2017-18: ₹19.04 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Short-term employee benefits | 22.05 | 19.03 |
| (b) | Post-employment benefits | 4.88 | (0.02) |
| (c) | Other long-term employee benefits | 0.13 | 0.03 |
| | | **27.06** | **19.04** |

## NOTES
forming part of the consolidated financial statements

## 32. Finance costs

[Item No. IV(e), Page 308]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Interest expense on: | | |
| (a) Bonds, debentures, bank borrowings and others | 7,537.44 | 5,166.49 |
| (b) Finance leases | 328.67 | 403.58 |
| | **7,866.11** | **5,570.07** |
| Less: Interest capitalised | 206.01 | 115.33 |
| | **7,660.10** | **5,454.74** |

## 33. Depreciation and amortisation expense

[Item No. IV(f), Page 308]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Depreciation of tangible assets and amortisation of intangible assets | 7,592.44 | 5,974.54 |
| Less: Reclassified to discontinued operations | 237.49 | 219.96 |
| Less: Amount released from grants received | 13.12 | 12.88 |
| | **7,341.83** | **5,741.70** |

## 34. Other expenses

[Item No. IV(g), Page 308]

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Consumption of stores and spares | 11,160.14 | 8,439.89 |
| (b) Repairs to buildings | 133.23 | 98.97 |
| (c) Repairs to machinery | 6,672.15 | 5,707.77 |
| (d) Relining expenses | 87.90 | 52.29 |
| (e) Fuel oil consumed | 451.20 | 350.81 |
| (f) Purchase of power | 4,865.36 | 4,089.62 |
| (g) Conversion charges | 2,680.86 | 2,656.87 |
| (h) Freight and handling charges | 8,388.65 | 7,950.18 |
| (i) Rent | 3,454.91 | 2,378.54 |
| (j) Royalty | 2,191.26 | 1,650.45 |
| (k) Rates and taxes | 1,485.19 | 1,234.83 |
| (l) Insurance charges | 272.24 | 282.37 |
| (m) Commission, discounts and rebates | 259.88 | 255.22 |
| (n) Allowance for credit losses/provision for advances | 173.90 | 93.88 |
| (o) Excise duty (including recovered on sales) | 0.21 | 860.62 |
| (p) Others | 8,133.64 | 4,368.82 |
| | **50,410.72** | **40,471.13** |

## NOTES
forming part of the consolidated financial statements

## 34. Other expenses (Contd.)

[Item No. IV(g), Page 308]

(i) Others include:

(a) net foreign exchange loss ₹**785.89** crore (2017-18: gain ₹1,839.41 crore)

(b) donations to electoral trusts ₹**175.00** crore (2017-18: Nil)

(ii) Revenue expenditure charged to the consolidated statement of profit and loss in respect of research and development activities undertaken during the year is ₹**857.21** crore (2017-18: ₹672.28 crore)

## 35. Exceptional items

[Item No. VII, Page 308]

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. Such items included within the consolidated statement of profit and loss are detailed below:

(a) Profit on sale of subsidiaries and non-current investments ₹**180.13** crore (2017-18: Nil) primarily includes profit on sale of investment in TRL Krosaki Refractories Ltd, an associate of the Company.

(b) Provision for impairment of investments/doubtful advances ₹**172.12** crore is primarily in respect of amounts paid to public bodies paid under protest. Provision recognised for the year ended March 31, 2018 primarily relates to provision in respect of advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc.

(c) Provision for impairment of non-current assets relate to impairment recognised in respect of property, plant and equipment (including capital work-in-progress and capital advances) and intangible assets ₹**9.57** crore (2017-18: ₹903.01 crore). The impairment recognised is contained within Bamnipal Steel (including Tata Steel BSL) segment (2017-18: Rest of the World). The impairment recognised is shown as an exceptional item in segment reporting and does not form part of the segment result.

(d) Provision for demands and claims ₹**328.64** crore (2017-18: ₹3,213.68 crore) is in respect of certain statutory demands and claims relating to environment and mining matters.

(e) Employee separation compensation ₹**35.33** crore (2017-18: ₹107.60 crore) relates to provisions recognised in respect of early separation of employee within Indian operations.

(f) Restructuring and other provisions ₹**244.56** crore primarily include write back of liabilities no longer required (2017-18: ₹13,850.66 crore primarily represents gain arising on modification of benefit structure for members of the new pension scheme versus their benefits under Tata Steel Europe's British Steel Pension Scheme).

## 36. Discontinued operations

[Item No. XI, Page 308]

On January 28, 2019, the Group entered into definitive agreements with HBIS Group Co. Ltd. ("HBIS") to divest its entire equity stake in Nat Steel Holdings Pte. Ltd. ("NSH") and Tata Steel (Thailand) Public Company Ltd. ("TSTH"). As per the agreement, the divestment will be made to a company in which 70% equity shares will be held by an entity controlled by HBIS and 30% will be held by the Group.

In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", the businesses have been classified as discontinued operations for the year ended March 31, 2019. Results for the year ended March 31, 2018 has been restated accordingly.

On February 9, 2017, Tata Steel UK Limited, an indirect subsidiary of the Company announced a definitive sales agreement to dispose off the trade and other assets of its Speciality Steels business. The disposal was completed on May 1, 2017. The results of this business was classified as discontinued operations till the date of sale during the year ended March 31, 2018.

## NOTES
forming part of the consolidated financial statements

### 36. Discontinued operations (Contd.)

[Item No. XI, Page 308]

The results of discontinued operations in each of the periods is set out below:

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| I | Revenue from operations | 9,632.74 | 9,065.83 |
| II | Other income | 2.67 | (13.45) |
| **III** | **Total income** | **9,635.41** | **9,052.38** |
| **IV** | **Expenses:** | | |
| | (a) Cost of materials consumed | 396.07 | 529.05 |
| | (b) Purchases of stock-in-trade | 5,935.93 | 5,628.22 |
| | (c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress | 329.57 | (164.65) |
| | (d) Employee benefits expense | 597.11 | 687.50 |
| | (e) Finance costs | 81.78 | 47.17 |
| | (f) Depreciation and amortisation expense | 237.49 | 219.96 |
| | (g) Other expenses | 2,138.34 | 1,874.95 |
| | **Total expenses** | **9,716.29** | **8,822.20** |
| **V** | **Share of profit/(loss) of joint ventures and associates** | (2.43) | (23.21) |
| **VI** | **Profit/(loss) before exceptional items and tax (III-IV+V)** | **(83.31)** | **206.97** |
| **VII** | Exceptional items | (15.29) | - |
| **VIII** | **Profit/(loss) before tax (VI+VII)** | **(98.60)** | **206.97** |
| **IX** | **Tax expense:** | | |
| | (a) Current tax | 12.19 | 22.54 |
| | (b) Deferred tax | (21.83) | (9.47) |
| | **Total tax expense** | **(9.64)** | **13.07** |
| **X** | **Profit/(loss) after tax** | **(88.96)** | **193.90** |
| **XI** | **Profit/(loss) on disposal of discontinued operations** | - | 5.15 |
| **XII** | **Profit/(loss) after tax from discontinued operations (X+XI)** | **(88.96)** | **199.05** |
| **XIII** | **Other comprehensive income/(loss)** | | |
| **(A)** | **(i) Items that will not be reclassified subsequently to profit and loss:** | | |
| | (a) Remeasurement gain/(loss) on post-employment defined benefit plans | (0.22) | 1.81 |
| | (b) Fair value changes of investments in equity shares | 10.94 | 13.90 |
| | **(ii) Income tax on items that will not be reclassified subsequently to profit and loss** | (2.03) | (0.93) |
| **(B)** | **(i) Items that will be reclassified subsequently to profit and loss:** | | |
| | (a) Foreign currency translation differences | 22.48 | 28.57 |
| | (b) Fair value changes of cash flow hedges | 2.72 | 1.15 |
| | (c) Share of equity accounted investees | - | 0.47 |
| | **(ii) Income tax on items that will be reclassified subsequently to profit and loss** | - | - |
| | **Total other comprehensive income/(loss)** | **33.89** | **44.97** |
| **XIV** | **Total comprehensive income/(loss) from discontinued operations (XII + XIII)** | **(55.07)** | **244.02** |

Profit/(loss) from discontinued operations for the year ended March 31, 2018, includes reversal of provision amounting to ₹49.28 crore held in respect of Long Products business in the UK classified as held for sale in the earlier years.

During the year ended March 31, 2019, discontinued operations resulted in an inflow of ₹**550.43** crore (March 31, 2018: inflow of ₹244.96 crore) to the Group's net operating cash flows, an outflow of ₹**76.78** crore (March 31, 2018: outflow of ₹56.68 crore) in respect of investing activities and an outflow of ₹**422.45** crore (March 31, 2018: outflow of ₹388.37 crore) in respect of financing activities.

NOTES
forming part of the consolidated financial statements

## 37. Earnings per share

[Item No. XVIII, XIX and XX, Page 309]

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share (EPS).

(₹ crore)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| (a) | Profit/(loss) after tax from continuing operations | 10,283.45 | 13,255.26 |
| | Less: Distribution on hybrid perpetual securities (net of tax) | 173.13 | 173.43 |
| | Profit/(loss) after tax from continuing operations attributable to ordinary shareholders- for basic and diluted EPS (A) | 10,110.32 | 13,081.83 |
| | Profit/(loss) after tax from discontinued operations attributable to ordinary shareholders- for basic and diluted EPS (B) | (65.12) | 179.07 |
| | Profit/(loss) after tax from continuing and discontinued operations attributable to ordinary shareholders - for basic and diluted EPS (A+B) | 10,045.20 | 13,260.90 |
| | | Nos. | Nos. |
| (b) | Weighted average number of Ordinary Shares for basic EPS | 1,14,47,45,815 | 1,03,50,31,235 |
| | Add: Adjustment for shares held in abeyance | 1,37,496 | 1,55,646 |
| | Weighted average number of Ordinary Shares and potential Ordinary Shares for diluted EPS | 1,14,48,83,311 | 1,03,51,86,881 |
| (c) | Nominal value of Ordinary Share (₹) | 10.00 | 10.00 |
| (d) | Basic earnings per Ordinary Share (₹) - continuing operations | 88.32 | 126.39 |
| | Diluted earnings per Ordinary Share (₹) - continuing operations | 88.31 | 126.37 |
| | Basic earnings per Ordinary Share (₹) - discontinued operations | (0.57) | 1.73 |
| | Diluted earnings per Ordinary Share (₹) - discontinued operations | (0.57) | 1.73 |
| | Basic earnings per Ordinary Share (₹) - continuing and discontinued operations | 87.75 | 128.12 |
| | Diluted earnings per Ordinary Share (₹) - continuing and discontinued operations | 87.74 | 128.10 |

(i) Basic and diluted earnings per share for continuing and discontinued operations for the year ended March 31, 2018 has been restated to give effect of businesses classified as discontinued operations.

(ii) As at March 31, 2019, **5,81,95,359** options (March 31,2018: 28,69,886) in respect of partly paid shares were excluded from weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were anti-dilutive.

NOTES
forming part of the consolidated financial statements

## 38. Employee benefits

### A. Defined contribution plans

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the consolidated balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

#### (a) Provident fund and pension

The Company and its Indian subsidiaries provide provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company/Indian subsidiaries make monthly contributions at a specified percentage of the eligible employee's salary. Contributions under such schemes are made either to a provident fund set up as an irrevocable trust by the Company/Indian subsidiaries to manage the investments and distribute the amounts entitled to employees or to state managed funds.

Benefits provided under plans wherein contributions are made to state managed funds and the Company/Indian subsidiaries do not have a future obligation to make good shortfall, if any, is treated as a defined contribution plan.

#### (b) Superannuation fund

The Company and some of its Indian subsidiaries have a superannuation plan for the benefit of its employees. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are generally maintained for employees covered and entitled to benefits. The Company and its Indian subsidiaries contribute up to 15% of the eligible employees' salary or ₹1,50,000, whichever is lower, to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company and its Indian subsidiaries does not have any further obligations beyond this contribution.

The contributions recognised as an expense in the consolidated statement of profit and loss during the year on account of the above defined contribution plans amounted to ₹**1,369.81** crore (2017-18: ₹1,185.05 crore).

### B. Defined benefit plans

The defined benefit plans operated by the Group are as below:

#### (a) Provident fund and pension

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company/Indian subsidiaries to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company/Indian subsidiaries are obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's/Indian subsidiaries' contribution is transferred to Government administered pension fund. The contributions made by the Company/Indian subsidiaries and the shortfall of interest, if any, are recognised as an expense in the consolidated statement of profit and loss under employee benefits expense.

In accordance with an actuarial valuation of provident fund liabilities of Company and its Indian subsidiaries based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Key assumptions used for actuarial valuation are as below:

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Discount rate | 7.50% | 7.50% |
| Guaranteed rate of return | 8.60% - 8.65% | 8.55% |
| Expected rate of return on investment | 8.60% - 8.75% | 8.55% - 8.75% |

#### (b) Retiring gratuity

The Company and its Indian subsidiaries have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company and its Indian subsidiaries make annual contributions to gratuity funds established as trusts or insurance companies. The Company and its Indian subsidiaries accounts for the liability for gratuity benefits payable in the future based on an year-end actuarial valuation.

## NOTES
forming part of the consolidated financial statements

### 38. Employee benefits (Contd.)

**(c) Post-retirement medical benefits**

Under this unfunded scheme, employees of the Company and some of its subsidiaries receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company and its subsidiaries under an early separation scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company and such subsidiaries account for the liability for post-retirement medical scheme based on an year-end actuarial valuation.

**(d) Tata Steel Europe's pension plan**

Tata Steel Europe, a wholly owned indirect subsidiary of the Company, operates a number of defined benefit pension and post-retirement schemes. The benefits offered by these schemes are largely based on pensionable pay and years of service at retirement. With the exception of certain unfunded arrangements, the assets of these schemes are held in administered funds that are legally separated from Tata Steel Europe. For those pension schemes set up under a trust, the trustees are required by law to act in the best interests of the schemes beneficiaries in accordance with the scheme rules and relevant pension legislation. The trustees are generally responsible for the investment policy with regard to the assets of the fund, after consulting with the sponsoring employer.

Tata Steel Europe accounts for all pension and post-retirement defined benefit arrangements using Ind AS 19 'Employee Benefits', with independent actuaries being used to calculate the costs, assets and liabilities to be recognised in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long-term pension liabilities, are governed by the individual scheme documentation and national legislation.

The principal defined benefit pension scheme of Tata Steel Europe as at March 31, 2019 is the BSPS, which is the main scheme for historic and present employees based in the UK. In line with the conditions agreed as part of a Regulated Apportionment Arrangement ('RAA') on September 11, 2017, assets and liabilities in respect of approximately 80,000 electing members of the BSPS were transferred from the old scheme on March 28, 2018 ahead of that scheme entering a Pension Protection Fund ('PPF') assessment period the following day. The new scheme (which retains the title 'British Steel Pension Scheme') is sponsored by Tata Steel UK Limited ('TSUK'). Although TSUK has a legal obligation to fund any future deficit, a key condition of the new BSPS going forward was that it was sufficiently well funded to meet the scheme's modified liabilities on a self-sufficiency basis with a buffer to cover residual risks. With the assets that were transferred, the new scheme is well positioned to pay benefits securely on a low risk basis without recourse to TSUK. This risk includes economic risks (such as interest rate risk and inflation risk), demographic risks (for example members living longer than expected), and legal risks (for example changes in legislation that may increase liabilities). TSUK has worked with the Trustee to develop and implement an Integrated Risk Management ('IRM') framework to manage these risks. The framework provides ongoing monitoring of the key investment, funding and covenant risks facing the scheme and tracks progress against the scheme's journey plan and target. Measures taken by the Trustee to manage risk include the use of asset-liability matching techniques to reduce interest rate risk, and investment in assets that are expected to be correlated to future inflation in the longer term to mitigate inflation risk. In particular, the scheme's investment policy has regard for the maturity and nature of the scheme's liabilities and seeks to match a large part of the scheme's liabilities with secure bonds, whilst achieving a higher long-term return on a small proportion of equity and other investments. The BSPS and Open Trustee Limited ('OTL'), acting on behalf of the members who transferred to the PPF, hold an anti-embarrassment non-controlling interest in TSUK agreed as part of the RAA. The total non-controlling interest in TSUK reduced from 33.33% as at March 31, 2018 (split BSPS 27.70%; OTL 5.63%) to 0.33% as at March 31, 2019 (split BSPS 0.27%; OTL 0.06%) due to an equity issuance made by TSUK on March 20, 2019 to strengthen TSUK's financial position. No value has been included in the BSPS's assets at March 31, 2019 (2018: nil) for its interest in TSUK as the estimated equity value of TSUK is zero (March 31,2018: zero).

## 38. Employee benefits (Contd.)

**(e) Other defined benefits**

Other benefits provided under unfunded schemes include pension payable to directors on their retirement, farewell gifts, post-retirement lumpsum benefit and reimbursement of packing and transportation charges to the employees based on their last drawn salary.

The defined benefit plans expose the Group to a number of actuarial risks as below:

**(i) Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

**(ii) Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

**(iii) Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

**(iv) Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**(v) Inflation risk:** Some of the Group's Pension obligations are linked to inflation, and higher inflation will lead to higher liabilities although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation.

## NOTES
forming part of the consolidated financial statements

## 38. Employee benefits (Contd.)

### C. Details of defined benefit obligations and plan assets:

**(a) Retiring gratuity:**

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of retiring gratuity:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Change in defined benefit obligations:** | | |
| Obligation at the beginning of the year | 2,966.47 | 2,981.18 |
| Addition relating to acquisitions | 56.67 | 0.31 |
| Current service cost | 143.63 | 144.26 |
| Interest cost | 205.38 | 198.80 |
| Benefits paid | (257.31) | (282.60) |
| Remeasurement (gain)/loss | (17.85) | (163.03) |
| Adjustment for arrear wage settlement | - | 87.55 |
| **Obligation at the end of the year** | **3,096.99** | **2,966.47** |

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Change in plan assets:** | | |
| Fair value of plan assets at the beginning of the year | 2,898.34 | 2,745.34 |
| Addition relating to acquisitions | 22.55 | 0.27 |
| Interest income | 211.58 | 190.40 |
| Remeasurement gain/(loss) excluding amount included within employee benefits expense | 29.73 | 8.21 |
| Employers' contribution | 72.05 | 236.72 |
| Benefits paid | (257.31) | (282.60) |
| **Fair value of plan assets at the end of the year** | **2,976.94** | **2,898.34** |

**Amounts recognised in the consolidated balance sheet consist of:**

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Fair value of plan assets | 2,976.94 | 2,898.34 |
| Present value of obligations | 3,096.99 | 2,966.47 |
| | **(120.05)** | **(68.13)** |
| Recognised as: | | |
| Retirement benefit assets - Non-current | 0.44 | 0.35 |
| Retirement benefit assets - Current | 4.38 | 2.91 |
| Retirement benefit obligations - Non-current | (120.36) | (67.70) |
| Retirement benefit obligations - Current | (4.51) | (3.69) |
| | **(120.05)** | **(68.13)** |

## 38. Employee benefits (Contd.)

**Expense/(gain) recognised in the consolidated statement of profit and loss consist of:**

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Employee benefits expense:** | | |
| Current service cost | 143.63 | 144.26 |
| Net interest expense | (6.20) | 8.40 |
| | **137.43** | **152.66** |
| | | |
| **Other comprehensive income:** | | |
| Return on plan assets excluding amount included in employee benefits expense | (29.73) | (8.21) |
| Actuarial (gain)/loss arising from changes in demographic assumptions | (8.62) | (37.89) |
| Actuarial (gain)/loss arising from changes in financial assumptions | (7.32) | (100.93) |
| Actuarial (gain)/loss arising from changes in experience adjustments | (1.91) | (24.21) |
| | **(47.58)** | **(171.24)** |
| **Expense/(gain) recognised in the consolidated statement of profit and loss** | **89.85** | **(18.58)** |

(ii) Fair value of plan assets by category of investments is as below:

(%)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Asset category (%)** | | |
| **Quoted** | | |
| Equity instruments | 0.05 | 0.01 |
| Debt instruments | 18.43 | 20.89 |
| | **18.48** | **20.90** |
| **Unquoted** | | |
| Debt instruments | 0.96 | 1.02 |
| Insurance products | 77.12 | 68.69 |
| Others | 3.44 | 9.39 |
| | **81.52** | **79.10** |
| | **100.00** | **100.00** |

The Group's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Group evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Group compares actual returns for each asset category with published benchmarks.

## NOTES

forming part of the consolidated financial statements

## 38. Employee benefits (Contd.)

(iii) Key assumptions used in the measurement of retiring gratuity is as below:

(%)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Discount rate | 7.50 - 7.71 % | 7.50 - 8.00 % |
| Rate of escalation in salary | 4.00 - 10.00 % | 4.00 - 10.00 % |

(iv) Weighted average duration of the retiring gratuity obligation ranges between **6 to 16** years (March 31, 2018: 6 to 23 years).

(v) The Group expects to contribute ₹**86.49** crore to the plan during the financial year 2019-20.

(vi) The table below outlines the effect on retiring gratuity obligation in the event of a decrease/increase of 1% in the assumptions used.

**As at March 31, 2019**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹194.58 crore, increase by ₹221.91 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹218.74 crore, decrease by ₹194.53 crore |

**As at March 31, 2018**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹191.44 crore, increase by ₹216.40 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹214.20 crore, decrease by ₹190.33 crore |

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

### (b) Tata Steel Europe's Pension Plan

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of Tata Steel Europe's pension plans.

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Change in defined benefit obligations:** | | |
| Obligation at the beginning of the year | 84,834.48 | 121,946.21 |
| Current service cost | 183.24 | 128.76 |
| Costs relating to scheme change | 18.32 | 180.26 |
| Interest cost | 2,125.59 | 3,021.56 |
| Past service cost | - | (15,708.68) |
| Remeasurement (gain)/loss | 3,085.94 | 1.76 |
| Employers' contribution | - | (8.58) |
| Settlements | - | (14,240.82) |
| Benefits paid | (10,673.74) | (23,588.78) |
| Obligations of companies disposed off | (127.66) | - |
| Exchange differences on consolidation | (1,472.32) | 13,102.79 |
| **Obligation at the end of the year** | **77,973.85** | **84,834.48** |

## 38. Employee benefits (Contd.)

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Change in plan assets:** | | |
| Fair value of plan assets at the beginning of the year | 1,04,248.01 | 1,22,611.14 |
| Interest income | 2,629.50 | 3,098.82 |
| Remeasurement gain/(loss) | 2,382.12 | (1,733.96) |
| Employers' contribution | 45.81 | 4,910.04 |
| Settlements | - | (15,597.09) |
| Benefits paid | (10,655.41) | (23,563.03) |
| Exchange differences on consolidation | (1,843.01) | 14,522.09 |
| **Fair value of plan assets at end of the year** | **96,807.02** | **1,04,248.01** |

**Amounts recognised in the consolidated balance sheet consist of:**

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Fair value of plan assets | 96,807.02 | 1,04,248.01 |
| Present value of obligations | 77,973.85 | 84,834.48 |
| | **18,833.17** | **19,413.53** |
| Recognised as: | | |
| Retirement benefit assets - Non-current | 19,963.75 | 20,570.52 |
| Retirement benefit obligations - Current | (7.90) | (9.41) |
| Retirement benefit obligations - Non-current | (1,122.68) | (1,147.58) |
| | **18,833.17** | **19,413.53** |

**Expense/(gain) recognised in the consolidated statement of profit and loss consist of:**

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Employee benefits expense:** | | |
| Current service cost | 183.24 | 128.76 |
| Past service costs | - | (17.17) |
| Net interest expense/(income) | (503.91) | (77.26) |
| Costs relating to scheme changes | 18.32 | - |
| **Exceptional items:** | | |
| Past service costs | - | (15,691.51) |
| Settlements | - | 1,356.27 |
| Costs relating to scheme changes | - | 180.26 |
| | **(302.35)** | **(14,120.65)** |
| **Other comprehensive income:** | | |
| Return on plan assets excluding amount included in employee benefits expense | (2,382.12) | 1,733.96 |
| Actuarial (gain)/loss arising from changes in demographic assumptions | (1,179.06) | - |
| Actuarial (gain)/loss arising from changes in financial assumptions | 3,818.84 | (4,068.81) |
| Actuarial (gain)/loss arising from changes in experience adjustments | 446.16 | 4,070.57 |
| | **703.82** | **1,735.72** |
| **Expense/(gain) recognised in the consolidated statement of profit and loss** | **401.47** | **(12,384.93)** |

## NOTES
forming part of the consolidated financial statements

## 38. Employee benefits (Contd.)

(ii) Fair value of plan assets by category of investments is as below:

(%)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Assets category (%)** | | |
| **Quoted** | | |
| (a) Equity - UK Entities | 0.59 | 0.69 |
| (b) Equity - Non-UK Entities | 7.41 | 7.64 |
| (c) Bonds - Fixed rate | 49.86 | 45.55 |
| (d) Bonds - Indexed linked | 28.05 | 31.74 |
| (e) Others | 0.04 | 0.21 |
| | **85.95** | **85.83** |
| **Unquoted** | | |
| (a) Property | 12.75 | 11.46 |
| (b) Others | 1.30 | 2.71 |
| | **14.05** | **14.17** |
| | **100.00** | **100.00** |

(iii) Key assumptions used in the measurement of pension benefits is as below:

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Discount rate | 0.80 - 3.95% | 1.37 - 4.10% |
| Rate of escalation in salary | 0.00 - 2.00% | 0.00 - 2.00% |
| Inflation rate | 1.00 - 3.20% | 1.00 - 3.10% |

Demographic assumptions are set having regard to the latest trends in life expectancy, plan experience and other relevant data, including externally published actuarial information within each national jurisdiction. The assumptions are reviewed and updated as necessary as part of the periodic actuarial funding valuations of the individual pension and post-retirement plans. For the BSPS, the liability calculations as at March 31, 2019 use the Self-Administered Pension Schemes 2 (SAPS 2) base tables, S2NMA/S2DFA with the 2015 CMI projections with a 1.50% p.a. (2017-18: 1.50% p.a.) long-term trend applied from 2007 to 2016 [(adjusted by a multiplier of 1.15 p.a. (2017-18: 1.15 p.a.) for males and 1.21 p.a. (2017-18: 1.21 p.a.) for females)]. In addition, future mortality improvements are allowed for in line with the 2018 CMI Projections with a long-term improvement trend of 1% per annum, a smoothing parameter of 7.0 and an initial addition parameter of 0%. This indicates that today's 65 year old male member is expected to live on average to approximately 86 years (2017-18: 86.2 years) of age and a male member reaching age 65 in 15 years time is then expected to live on average to 86 years (2017-18: 87) of age.

(iv) Weighted average duration of the pension obligations is **14.5** years (March 31, 2018: 14.5 years).

(v) The Group expects to contribute **Nil** to the plan during the financial year 2019-20.

(vi) The table below outlines the effect on pension obligations in the event of a decrease/increase of 10 bps in the assumptions used.

## NOTES
forming part of the consolidated financial statements

## 38. Employee benefits (Contd.)

### As at March 31, 2019

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 10 bps, decrease by 10 bps | Decrease by 1.4%, increase by 1.4% |
| Rate of escalation in salary | Increase by 10 bps, decrease by 10 bps | Not applicable as pensionable earnings is capped |
| Inflation rate | Increase by 10 bps, decrease by 10 bps | Increase by 1.0%, decrease by 1.0% |
| Mortality rate | One year increase/decrease in life expectancy | Increase by 3%, decrease by 3% |

### As at March 31, 2018

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 10 bps, decrease by 10 bps | Decrease by 1.4%, increase by 1.4% |
| Rate of escalation in salary | Increase by 10 bps, decrease by 10 bps | Not applicable as pensionable earnings is capped |
| Inflation rate | Increase by 10 bps, decrease by 10 bps | Increase by 1.0%, decrease by 1.0% |
| Mortality rate | One year increase/decrease in life expectancy | Increase by 5.1%, decrease by 5.1% |

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

**(c) Post-retirement medical and other defined benefit plans**

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of post-retirement medical and other defined benefit plans.

(₹ crore)

| | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| **Change in defined benefit obligations:** | | | | |
| Obligations at the beginning of the year | 1,239.92 | 158.62 | 1,256.63 | 181.29 |
| Current service cost | 19.12 | 115.53 | 22.01 | 13.04 |
| Past service cost | - | - | - | (24.61) |
| Interest costs | 90.26 | 8.96 | 85.62 | 10.40 |
| Remeasurement (gain)/loss: | | | | |
| (i) Actuarial (gain)/loss arising from changes in demographic assumptions | - | 1.26 | (20.53) | (1.46) |
| (ii) Actuarial (gain)/loss arising from changes in financial assumptions | (0.02) | (0.20) | (55.95) | (6.77) |
| (iii) Actuarial (gain)/loss arising from changes in experience adjustments | 24.99 | 1.33 | 15.59 | (6.18) |
| Benefits paid | (66.78) | (13.40) | (63.45) | (12.35) |
| Classified as held for sale | - | (62.11) | - | - |
| Exchange differences on consolidation | - | 1.22 | - | 5.26 |
| **Obligations at the end of the year** | **1,307.49** | **211.21** | **1,239.92** | **158.62** |

## NOTES
forming part of the consolidated financial statements

## 38. Employee benefits (Contd.)

**Amounts recognised in the consolidated balance sheet consist of:**

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| Present value of obligations | 1,307.49 | 211.21 | 1,239.92 | 158.62 |
| Recognised as: | | | | |
| (a) Retirement benefit obligation - Current | 92.66 | 15.61 | 89.53 | 7.73 |
| (b) Retirement benefit obligation - Non-current | 1,214.83 | 195.60 | 1,150.39 | 150.89 |
| | **1,307.49** | **211.21** | **1,239.92** | **158.62** |

**Expense/(gain) recognised in the consolidated statement of profit and loss consist of:**

(₹ crore)

| | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| **Employee benefits expense:** | | | | |
| Current service costs | 19.12 | 115.53 | 22.01 | 13.04 |
| Past service costs | - | - | - | (24.61) |
| Interest costs | 90.26 | 8.96 | 85.62 | 10.40 |
| | **109.38** | **124.49** | **107.63** | **(1.17)** |
| | | | | |
| **Other comprehensive income:** | | | | |
| Actuarial (gain)/loss arising from changes in demographic assumptions | - | 1.26 | (20.53) | (1.46) |
| Actuarial (gain)/loss arising from changes in financial assumption | (0.02) | (0.20) | (55.95) | (6.77) |
| Actuarial (gain)/loss arising from changes in experience adjustments | 24.99 | 1.33 | 15.59 | (6.18) |
| | **24.97** | **2.39** | **(60.89)** | **(14.41)** |
| **Expense/(gain) recognised in the consolidated statement of profit and loss** | **134.35** | **126.88** | **46.74** | **(15.58)** |

(ii) Key assumptions used in the measurement of post-retirement medical and other defined benefits is as below:

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| (a) Discount rate | 7.50% | 7.50% | 7.50% | 0.51% -7.50% |
| (b) Rate of escalation in salary | N.A | 3.50% - 15.00% | N.A. | 4.00% -15.00% |
| (c) Inflation rate | 5.00% - 8.00% | 4.00% - 6.00% | 5.00% - 8.00% | 4.00% -7.00% |

(iii) Weighted average duration of post-retirement medical benefit obligations ranges between **7 to 9** years (March 31, 2018: 7 to 10 years). Weighted average duration of other defined benefit obligations ranges between **6 to 12** years (March 31, 2018: 6 to 33 years).

## 38. Employee benefits (Contd.)

(iv) The table below outlines the effect on post-retirement medical benefit obligations in the event of a decrease/increase of 1% in the assumptions used:

**As at March 31, 2019**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹163.63 crore, increase by ₹207.55 crore |
| Medical cost inflation rate | Increase by 1%, decrease by 1% | Increase by ₹193.32 crore, decrease by ₹155.82 crore |

**As at March 31, 2018**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹155.67 crore, increase by ₹195.50 crore |
| Medical cost inflation rate | Increase by 1%, decrease by 1% | Increase by ₹183.59 crore, decrease by ₹147.90 crore |

(v) The table below outlines the effect on other defined benefit obligations in the event of a decrease/increase of 1% in the assumptions used:

**As at March 31, 2019**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹13.41 crore, increase by ₹15.49 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹4.36 crore, decrease by ₹3.83 crore |
| Inflation rate | Increase by 1%, decrease by 1% | Increase by ₹6.01 crore, decrease by ₹5.35 crore |

**As at March 31, 2018**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹15.15 crore, increase by ₹18.02 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹10.31 crore, decrease by ₹8.95 crore |
| Inflation rate | Increase by 1%, decrease by 1% | Increase by ₹5.80 crore, decrease by ₹5.15 crore |

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

## 39. Contingencies and commitments

### A. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

It is not practicable for the Group to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the same.

#### Litigations

The Group is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Group does not believe to be of a material nature, other than those described below.

#### Income tax

The Group has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Group as deductions and the computation of, or eligibility of the Group's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2019, there are matters and/or disputes pending in appeals amounting to ₹**3,218.64** crore (March 31, 2018: ₹1,504.72 crore) which includes ₹**17.18** crore (March 31, 2018: ₹9.96 crore) in respect of equity accounted investees.

The details of significant demands is as below:

(a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,791.29** crore (inclusive of interest) (March 31, 2018: ₹1,250.16 crore).

(b) Interest expenditure on "Hybrid perpetual securities" issued by the Company has been disallowed in assessments with tax demand raised for ₹**459.13** crore (inclusive of interest) (March 31, 2018: Nil)

In respect of the above demands, the Company has deposited an amount of ₹**1,065.00** crore (March 31, 2018: ₹665.00 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

#### Customs, Excise duty and Service tax

As at March 31, 2019, there were pending litigation for various matters relating to customs, excise duty and service tax involving demands of ₹**911.67** crore (March 31, 2018: ₹1,021.16 crore), which includes ₹**5.91** crore (March 31, 2018: ₹44.96 crore) in respect of equity accounted investees.

#### Sales tax/VAT

The total sales tax demands that are being contested by the Group amounted to ₹**903.92** crore (March 31, 2018: ₹667.40 crore), which includes ₹**93.74** crore (March 31, 2018: ₹27.74 crore) in respect of equity accounted investees.

The details of significant demands is as below:

(a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/branches located outside the state of Jharkhand across the country without payment of Central Sales tax as per the provisions of the Act and submits F-Form in lieu of the stock-transfers made during the period of assessment. These goods are then sold to various customers outside the states from depots/branches and the value of these sales are disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The amount involved for various assessment years beginning 2011-12 to 2015-16 is amounting to ₹**127.00** crore (March 31, 2018: ₹125.00 crore).

(b) The Commercial Tax Department of Jharkhand has rejected certain Input tax credit claimed by the Company on goods purchased from the suppliers within the State of Jharkhand. The Department has alleged that the goods have not been used in accordance with the provisions of Jharkhand VAT Act, 2005. The potential exposure on account of disputed tax and interest for the period beginning 2012-2013 to 2015-2016 as on March 31, 2019 is ₹**104.00** crore (March 31,2018: ₹93.00 crore).

## 39. Contingencies and commitments (Contd.)

### Other taxes, dues and claims

Other amounts for which the Group may contingently be liable aggregate to ₹**12,578.82** crore (March 31, 2018: ₹10,782.16 crore), which includes ₹**75.22** crore (March 31, 2018: ₹77.10 crore) in respect of equity accounted investees.

The details of significant demands is as below:

(a) Claim by a party arising out of conversion arrangement ₹**195.79** crore (March 31, 2018: ₹195.79 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**141.23** crore (March 31, 2018: ₹141.23 crore) on the party. The matter is pending before the Calcutta High Court.

(b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the High Court of Orissa challenging the validity of the Act. Orissa High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of Orissa High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2019 is ₹**7,573.53** crore (March 31, 2018: ₹6,521.05 crore).

(c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by India Bureau of Mines (IBM) on a monthly basis. Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and to grant refund of royalty paid in excess by the Company. Mines Tribunal has granted stay on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount. Likely demand of royalty on fines at sized ore rates as on March 31, 2019 is ₹**1,630.16** crore (March 31, 2018: ₹1,036.53 crore).

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore during 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. The demand amount of ₹**132.91** crore is considered contingent.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April 2018 crore from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company has challenged the demand and obtained a stay on the matter from the Revisionary Authority, Mines Tribunal, New Delhi. The demand

## 39. Contingencies and commitments (Contd.)

of ₹234.74 crore has been provided in 2017-18 and ₹**694.02** crore is considered contingent.

- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand during 2017-18 for production in excess of environment clearance. The balance amount of ₹**727.41** crore is been considered contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

(e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawal of water from Kundra Nalla for industrial consumption. In December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted excess quantity of water than the sanctioned limit under the agreement.

While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits.

Over the years, there has also been a steep increase in water charges against which the Company filed writ petitions before the Hon'ble High Court of Odisha. In this regard, the Company has received demands of ₹118.70 crore for the period beginning January 1996 to May 2018. The potential exposure as on March 31, 2019 is ₹**125.98** crore (March 31, 2018: ₹99.34 crore) is considered contingent.

### B. Commitments

(a) The Group has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹**10,175.00** crore, which includes ₹**30.30** crore in respect of equity accounted investees (March 31, 2018: ₹8,001.50 crore which includes ₹4.83 crore in respect of equity accounted investees).

Other commitment as at March 31, 2018 amounts to ₹**0.01** crore which includes **Nil** in respect of equity accounted investees (March 31, 2018: ₹0.01 crore which includes Nil in respect of equity accounted investees).

(b) The Company has given undertakings to:

(i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.,

(ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd.,

(iii) Mizuho Corporate Bank Limited and Japan Bank for International Co-operation, not to dispose of its investments in Tata NYK Shipping Pte Limited (to retain minimal stake required to be able to provide a corporate guarantee towards long-term debt) and

(iv) ICICI Bank Limited to directly or indirectly continue to hold atleast 51% shareholding in Jamshedpur Continuous Annealing & Processing Company Private Limited.

(c) The Company and Bluescope Steel Limited have given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL) (formerly Tata Bluescope Steel Limited), below 51% without prior consent of the lender. Further, the Company has given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSPL below 50%.

(d) The Company, as a promoter, has pledged 4,41,55,800 equity shares (March 31, 2018: 4,41,55,800) of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

(e) The Group has given guarantees aggregating ₹**188.00** crore (March 31, 2018: ₹205.73 crore) details of which are as below:

(i) in favour of Commissioner of Customs ₹**1.07** crore (March 31, 2018: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.

(ii) in favour of Mizuho Corporate Bank Ltd., Japan for ₹**9.60** crore (March 31, 2018: ₹27.33 crore) against the loan granted to a joint venture Tata NYK Shipping Pte. Limited.

(iii) in favour of The President of India for ₹**177.18** crore (March 31, 2018: ₹177.18 crore) against performance of export obligations under various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

(iv) in favour of President of India for ₹**0.15** crore (March 31, 2018: ₹0.15 crore) against advance license.

## 40. Other significant litigations

(a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim

## 40. Other significant litigations (Contd.)

stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹**5,579.00** crore (March 31, 2018: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April, 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31, 2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2019 as per the existing provisions of the Stamp Act, 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore (March 31, 2018: ₹413.72 crore) for supplementary deed execution in respect of eight mines out of the above mines.

b) Noamundi Iron Mine of TSL was due for its third renewal with effect from January 01, 2012. The application for renewal was submitted by the company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on an interpretation of Goa judgment that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, the Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease upto March 31, 2030 with the following terms and conditions:

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore in three monthly installments. The Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Company, however paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015, wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending at Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

## NOTES
forming part of the consolidated financial statements

## 41. Acquisition of subsidiaries

**A.** On May 18, 2018, Bamnipal Steel Limited, a wholly-owned subsidiary of the Company, completed the acquisition of 72.65% stake in Tata Steel BSL Limited (formerly Bhushan Steel Limited) pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code, 2016.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

(₹ crore)

| | Fair value as on acquisition date |
|---|---|
| **Non-current assets** | |
| Property, plant and equipment | 29,511.90 |
| Capital work-in-progress | 1,222.28 |
| Other intangible assets | 0.10 |
| Investments | 1.13 |
| Financial assets | 565.80 |
| Non-current tax assets | 29.29 |
| Other assets | 1,433.22 |
| | **32,763.72** |
| **Current assets** | |
| Inventories | 4,219.48 |
| Trade receivables | 1,288.33 |
| Cash and cash equivalents | 712.14 |
| Other balances with banks | 552.97 |
| Other financial assets | 63.90 |
| Other assets | 1,072.32 |
| | **7,909.14** |
| **Total assets [A]** | **40,672.86** |
| | |
| **Non-current liabilities** | |
| Borrowings | 19,276.99 |
| Other financial liabilities | 40.01 |
| Provisions | 20.36 |
| Retirement benefit obligations | 34.01 |
| Deferred income | 2.61 |
| | **19,373.98** |
| **Current liabilities** | |
| Borrowings | 16,638.47 |
| Trade payables | 937.27 |
| Other financial liabilities | 1,155.16 |
| Provisions | 7.54 |
| Other liabilities | 641.56 |
| | **19,380.00** |
| **Total liabilities [B]** | **38,753.98** |
| **Fair value of identifiable net assets [C=A-B]** | **1,918.88** |

## 41. Acquisition of subsidiaries (Contd.)

(₹ crore)

| | |
|---|---|
| Consideration paid | 158.89 |
| Non-controlling interests | 523.65 |
| **Consideration paid including non-controlling interests [D]** | **682.54** |
| **Capital reserve [C-D]** | **1,236.34** |

(i) Pursuant to the resolution plan, Bamnipal Steel Limited, a wholly owned subsidiary of the Company paid ₹**35,073.69** crore to the financial lenders of Bhushan Steel Limited.

(ii) From the date of acquisition, Tata Steel BSL Limited contributed ₹**18,375.86** crore to revenue from operations and a loss of ₹**881.07** crore to the consolidated profit before tax on a pre-consolidation adjustments basis.

Had these business combination been effected at April 1, 2018, the revenue of the Group from continuing operations would have been higher by ₹**2,515.75** crore and profit from continuing operations would have been lower by ₹**673.98** crore on a pre-consolidation adjustments basis.

(iii) Acquisition-related costs amounting to ₹**41.11** crore have been excluded from the consideration transferred and have been recognised as an expense in the consolidated statement of profit and loss within other expenses.

**B.** On September 18, 2018, the Company acquired 51% stake in Creative Port Development Private Limited ("CPDPL"), a proposed greenfield port project.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

(₹ crore)

| | Fair value as on acquisition date |
|---|---|
| **Non-current assets** | |
| Property, plant and equipment | 0.04 |
| Capital work-in-progress | 38.77 |
| Other intangible assets | 512.80 |
| Financial assets | 0.02 |
| | **551.63** |
| **Current assets** | |
| Cash and cash equivalents | 1.45 |
| Other balances with banks | 0.70 |
| Other financial assets | 0.04 |
| Other assets | 0.46 |
| | **2.65** |
| **Total assets [A]** | **554.28** |
| **Non-current liabilities** | |
| Borrowings | 2.00 |
| Retirement benefit obligations | 0.11 |
| Deferred tax liabilities | 133.39 |
| | **135.50** |
| **Current liabilities** | |
| Borrowings | 0.75 |
| Trade payables | 3.30 |
| Other financial liabilities | 0.09 |
| | **4.14** |
| **Total liabilities [B]** | **139.64** |
| **Fair value of identifiable net assets [C=A-B]** | **414.64** |

## NOTES
forming part of the consolidated financial statements

## 41. Acquisition of subsidiaries (Contd.)

(₹ crore)

| | |
|---|---|
| Consideration paid | 49.88 |
| Deferred consideration | 42.00 |
| Fair-value of previously held equity interest | 17.01 |
| Non-controlling interests | 205.68 |
| **Consideration paid including fair-value of previously held equity interest and non-controlling interest [D]** | **314.57** |
| **Capital reserve [C-D]** | **100.07** |

From the date of acquisition, Creative Port Development Private Limited has contributed **Nil** to revenue from operations and a loss of ₹**0.30** crore to consolidated profit before tax on a pre-consolidation adjustments basis.

## 42. Disposal of subsidiaries

During the year ended March 31, 2019, the Group disposed off Corus Building Systems Bulgaria AD in Bulgaria and Kalzip Business Units.

The Group also disposed Black Ginger 461 (Proprietary) Ltd. within the overseas mining business in South Africa.

A profit of ₹**10.20** crore being the difference between the fair value of consideration received and the carrying value of net assets disposed off in respect of these businesses was recognised in the consolidated statement of profit and loss.

During the year ended March 31, 2018, the Group disposed off the trade and other assets of Speciality Steels Limited to Liberty Steels Limited. The Group had also disposed off Saw Pipe Mills in Hartepool to Liberty House Group. A loss of ₹21.90 crore was recognised on such disposal.

(i) Details of net assets disposed off and profit/(loss) on disposal is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Non-current assets** | | |
| Goodwill | 28.47 | - |
| Property, plant and equipment | 99.48 | 13.72 |
| Capital work-in-progress | 1.40 | - |
| Other intangible assets | 143.71 | - |
| | **273.06** | **13.72** |
| **Current assets** | | |
| Inventories | 223.00 | 849.62 |
| Trade receivables | 113.66 | 218.77 |
| Cash and bank balances | 24.22 | 3.73 |
| Other financial assets | 16.89 | - |
| Derivative assets | 0.06 | - |
| Current tax assets | 8.65 | - |
| Other non-financial assets | 13.63 | - |
| | **400.11** | **1,072.12** |
| **Non-controlling interests** | **71.86** | **-** |
| **Non-current liabilities** | | |
| Borrowings | 89.64 | 9.43 |
| Provisions | 26.39 | 10.64 |
| Retirement benefit obligations | 119.52 | - |
| Other financial liabilities | 0.84 | 0.02 |
| Deferred income | 10.80 | - |
| Deferred tax liabilities | 47.62 | - |
| | **294.81** | **20.09** |

## NOTES
forming part of the consolidated financial statements

## 42. Disposal of subsidiaries (Contd.)

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Current liabilities** | | |
| Borrowings | 160.66 | 2.40 |
| Derivative liabilities | 15.19 | - |
| Trade payables | 136.46 | 382.12 |
| Other financial liabilities | 63.24 | - |
| Provisions | 17.90 | 9.42 |
| Retirement benefit obligations | 4.49 | - |
| Current tax liabilities | 42.12 | - |
| Other non-financial liabilities | 21.02 | - |
| | **461.08** | **393.94** |
| **Carrying value of net assets disposed off** | **(154.58)** | **671.81** |
| **Less: Adjustments in respect of:** | | |
| Impairment in relation to assets | - | 192.19 |
| Inter-company arrangements | (191.94) | - |
| | **(191.94)** | **192.19** |
| **Adjusted carrying value of net assets disposed** | **37.36** | **479.62** |

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Sale consideration | 87.24 | 475.99 |
| Transaction costs | - | (18.27) |
| Foreign exchange recycled to profit/(loss) on disposal | (39.68) | - |
| Carrying value of net assets disposed off | (37.36) | (479.62) |
| **Profit/(loss) on disposal** | **10.20** | **(21.90)** |

(ii) Details of net cash flow arising on disposal is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Consideration received in cash and cash equivalents | 87.24 | 475.99 |
| Deferred consideration | - | (386.75) |
| Consideration received in the form of preference shares | - | (55.02) |
| **Net cash flow arising on disposal** | **87.24** | **34.22** |

# NOTES

forming part of the consolidated financial statements

## 43. Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan of entities within the Group coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings and issue of non-convertible debt securities.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Group.

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Equity share capital | 1,144.94 | 1,144.95 |
| Hybrid perpetual securities | 2,275.00 | 2,275.00 |
| Other equity | 65,505.14 | 57,450.67 |
| **Equity attributable to shareholders of the Company** | **68,925.08** | **60,870.62** |
| Non-controlling interests | 2,364.46 | 936.52 |
| **Total equity (A)** | **71,289.54** | **61,807.14** |
| | | |
| Non-current borrowings | 80,342.73 | 72,789.10 |
| Current borrowings | 10,802.08 | 15,884.98 |
| Current maturities of long-term borrowings and finance lease obligations | 9,671.41 | 3,472.97 |
| **Gross debt (B)** | **1,00,816.22** | **92,147.05** |
| **Total capital (A+B)** | **1,72,105.76** | **1,53,954.19** |
| | | |
| Gross debt as above | 1,00,816.22 | 92,147.05 |
| Less: Current investments | 2,524.86 | 14,908.97 |
| Less: Cash and cash equivalents | 2,975.53 | 7,783.50 |
| Less: Other balances with banks (including non-current earmarked balances) | 436.83 | 239.37 |
| **Net debt (C)** | **94,879.00** | **69,215.21** |
| | | |
| **Net debt to equity ratio(i)** | **1.43** | **1.37** |

(i) Net debt to equity ratio as at March 31, 2019 and March 31, 2018 has been computed based on the average of opening and closing equity.

## NOTES
forming part of the consolidated financial statements

# 44. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(r), page 320 to the consolidated financial statements.

**(a) Financial assets and liabilities**

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

**As at March 31, 2019** (₹ crore)

| | Amortised cost | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Fair value through profit and loss | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| Cash and bank balances | 3,412.36 | - | - | - | - | 3,412.36 | 3,412.36 |
| Trade receivables | 11,811.00 | - | - | - | - | 11,811.00 | 11,811.00 |
| Investments | 65.21 | 756.39 | - | - | 2,993.62 | 3,815.22 | 3,815.22 |
| Derivatives | - | - | 184.44 | 283.41 | - | 467.85 | 467.85 |
| Loans | 853.04 | - | - | - | - | 853.04 | 853.04 |
| Other financial assets | 1,747.63 | - | - | - | - | 1,747.63 | 1,747.63 |
| | **17,889.24** | **756.39** | **184.44** | **283.41** | **2,993.62** | **22,107.10** | **22,107.10** |
| **Financial liabilities:** | | | | | | | |
| Trade payables | 21,716.96 | - | - | - | - | 21,716.96 | 21,716.96 |
| Borrowings | 1,00,816.22 | - | - | - | - | 1,00,816.22 | 99,893.42 |
| Derivatives | - | - | 216.35 | 260.06 | - | 476.41 | 476.41 |
| Other financial liabilities | 7,337.00 | - | - | - | - | 7,337.00 | 7,337.00 |
| | **1,29,870.18** | **-** | **216.35** | **260.06** | **-** | **1,30,346.59** | **1,29,423.79** |

# NOTES
forming part of the consolidated financial statements

## 44. Disclosures on financial instruments (Contd.)

**As at March 31, 2018** (₹ crore)

| | Amortised cost | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Fair value through profit and loss | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| Cash and bank balances | 8,022.87 | - | - | - | - | 8,022.87 | 8,022.87 |
| Trade receivables | 12,415.52 | - | - | - | - | 12,415.52 | 12,415.52 |
| Investments | 0.22 | 876.65 | - | - | 15,241.38 | 16,118.25 | 16,118.25 |
| Derivatives | - | - | 87.89 | 92.22 | - | 180.11 | 180.11 |
| Loans | 973.82 | - | - | - | - | 973.82 | 973.82 |
| Other financial assets | 613.49 | - | - | - | - | 613.49 | 613.49 |
| | **22,025.92** | **876.65** | **87.89** | **92.22** | **15,241.38** | **38,324.06** | **38,324.06** |
| **Financial liabilities:** | | | | | | | |
| Trade payables | 20,413.81 | - | - | - | - | 20,413.81 | 20,413.81 |
| Borrowings | 92,147.05 | - | - | - | - | 92,147.05 | 91,516.09 |
| Derivatives | - | - | 350.37 | 203.46 | - | 553.83 | 553.83 |
| Other financial liabilities | 6,424.64 | - | - | - | - | 6,424.64 | 6,424.64 |
| | **1,18,985.50** | **-** | **350.37** | **203.46** | **-** | **1,19,539.33** | **1,18,908.37** |

(i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

### (b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

**Quoted prices in an active market (Level 1):** This Level of hierarchy includes financial assets and liabilities, that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investments in quoted equity shares and mutual funds.

**Valuation techniques with observable inputs (Level 2):** This Level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This Level of hierarchy includes the Group's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This Level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares and preference shares.

NOTES

forming part of the consolidated financial statements

## 44. Disclosures on financial instruments (Contd.)

(₹ crore)

| | As at March 31, 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Investments in mutual funds | 2,633.13 | - | - | 2,633.13 |
| Investments in equity shares | 454.53 | - | 362.61 | 817.14 |
| Investments in bonds and debentures | - | 49.74 | - | 49.74 |
| Investments in preference shares | - | - | 250.00 | 250.00 |
| Derivative financial assets | - | 467.85 | - | 467.85 |
| | **3,087.66** | **517.59** | **612.61** | **4,217.86** |
| **Financial liabilities:** | | | | |
| Derivative financial liabilities | - | 476.41 | - | 476.41 |
| | **-** | **476.41** | **-** | **476.41** |

(₹ crore)

| | As at March 31, 2018 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Investments in mutual funds | 14,979.89 | - | - | 14,979.89 |
| Investments in equity shares | 608.16 | - | 388.94 | 997.10 |
| Investments in bonds and debentures | 91.30 | 49.74 | - | 141.04 |
| Derivative financial assets | - | 180.11 | - | 180.11 |
| | **15,679.35** | **229.85** | **388.94** | **16,298.14** |
| **Financial liabilities:** | | | | |
| Derivative financial liabilities | - | 553.83 | - | 553.83 |
| | **-** | **553.83** | **-** | **553.83** |

**Notes:**

(i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Investments included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Fair value of investment in preference shares is estimated by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting the expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.

## NOTES
forming part of the consolidated financial statements

## 44. Disclosures on financial instruments (Contd.)

(vii) Reconciliation of Level 3 fair value measurement is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 388.94 | 452.60 |
| Additions during the year | 267.92 | - |
| Fair value changes during the year | (0.02) | (72.68) |
| Classified as held for sale | (23.60) | - |
| Reclasification within investments * | (17.00) | - |
| Exchange rate differences on consolidation | (3.63) | 9.02 |
| **Balance at the end of the year** | **612.61** | **388.94** |

* represents investment held in Subarnarekha Port Private Limited which became a subsidiary during the year.

### (c) Derivative financial instruments

Derivative instruments used by the Group include forward exchange contracts, interest rate swaps, currency swaps, options, commodity futures interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Group as at the end of the reporting period.

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| (a) Foreign currency forwards, futures, swaps and options | 360.07 | 476.34 | 133.23 | 532.38 |
| (b) Commodity futures and options | 90.56 | - | 32.42 | 18.92 |
| (c) Interest rate swaps and collars | 17.22 | 0.07 | 14.46 | 2.53 |
| | **467.85** | **476.41** | **180.11** | **553.83** |
| **Classified as:** | | | | |
| Non-current | 108.74 | 59.82 | 29.16 | 85.04 |
| Current | 359.11 | 416.59 | 150.95 | 468.79 |

As at the end of the reporting period, total notional amount of outstanding foreign currency contracts, commodity futures, options, interest rate swaps and collars that the Group has committed to is as below:

(US$ million)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (i) Foreign currency forwards, futures, swaps and options | 7,722.00 | 7,072.23 |
| (ii) Commodity futures and options | 115.40 | 150.07 |
| (iii) Interest rate swaps and collars | 150.00 | 1,764.39 |
| | **7,987.40** | **8,986.69** |

## 44. Disclosures on financial instruments (Contd.)

### (d) Transfer of financial assets

The Group transfers certain trade receivables under discounting arrangements with banks/financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks/financial institutions.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:

(₹ crore)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying value of assets transferred | Carrying value of associated liabilities | Carrying value of assets transferred | Carrying value of associated liabilities |
| Trade receivables | **6.60** | **6.60** | **583.18** | **583.18** |

### (e) Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, commodity prices, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

Entities within the Group have a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors of the respective companies. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency, commodity prices and interest rate fluctuations on the entity's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

### (i) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

### (a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great British Pound, Euro, Singapore Dollar, and Thai Baht against the respective functional currencies of the Company and its subsidiaries.

Entities as per their risk management policy, use foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the respective entities' cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures.

A 10% appreciation/depreciation of foreign currencies with respect to the functional currency of the entities within the Group would result in a decrease/increase in the Group's net profit and equity before considering tax impacts by approximately ₹**1,278.28** crore for the year ended March 31, 2019 (2017-18 ₹680.05 crore) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation impact) by approximately ₹**101.04** crore as at March 31, 2019 (March 31, 2018: ₹148.81 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the entities within the Group.

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities as at March 31, 2019 and

## 44. Disclosures on financial instruments (Contd.)

March 31, 2018 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average debt outstanding during the period.

**(b) Market risk - Interest rate risk:**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2019 and March 31, 2018 a 100 basis points increase in interest rates would increase the Group's finance costs (before considering interest eligible for capitalisation) and thereby consequently reduce net profit and equity before considering tax impacts by approximately ₹**555.11** crore for the year ended March 31, 2019 (2017-18: ₹442.84 crore).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**(c) Market risk - Equity price risk:**

Equity price risk is related to the change in market reference price of investments in equity securities held by the Group.

The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity classified as fair value through other comprehensive income/profit and loss as at March 31, 2019 and March 31, 2018 was ₹**454.53** crore and ₹608.16 crore respectively.

A 10% change in equity prices of such securities held as at March 31, 2019 and March 31, 2018 would result in an impact of ₹**45.45** crore and ₹60.82 crore respectively on equity before considering tax impact.

**(ii) Commodity risk**

The Group makes use of commodity futures contracts and options to manage its purchase price risk for certain commodities. Across the Group, forward purchases are also made of zinc, tin and nickel to cover sales contracts with fixed metal prices.

There was no significant market risk relating to the consolidated statement of profit and loss since the majority of commodity derivatives are treated as cash flow hedges with movements being reflected in equity and the timing and recognition in the consolidated statement of profit and loss would depend on the point at which the underlying hedged transactions are recognised.

**(iii) Credit risk**

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

Entities within the Group have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with banks, bank deposits, derivatives and financial guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹**12,960.20** crore and ₹29,525.00 crore as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and mutual funds, loans, derivative assets and other financial assets net of insurance cover, where applicable.

The risk relating to trade receivables is presented in note 15, page 348.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2019 and March 31, 2018.

# NOTES

forming part of the consolidated financial statements

## 44. Disclosures on financial instruments (Contd.)

In respect of financial guarantees provided by the Group to banks/financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

### (iv) Liquidity risk

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

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the entities within the Group have access to undrawn lines of committed and uncommitted borrowing/facilities, funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposits and mutual funds, which carry no or low mark to market risk.

The following table shows a maturity analysis of the anticipated cash flows including future interest obligations for the Group's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

(₹ crore)

| | As at March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Contractual cash flows | less than one year | between one to five years | More than five years |
| **Non-derivative financial liabilities:** | | | | | |
| Borrowings including interest obligations | 1,01,674.75 | 1,34,845.14 | 21,955.48 | 52,896.95 | 59,992.71 |
| Trade payables | 21,716.96 | 21,716.96 | 21,716.96 | - | - |
| Other financial liabilities | 6,478.47 | 6,478.47 | 6,217.46 | 21.62 | 239.39 |
| | **1,29,870.18** | **1,63,040.57** | **49,889.90** | **52,918.57** | **60,232.10** |
| **Derivative financial liabilities** | **476.41** | **476.41** | **416.59** | **59.82** | **-** |

(₹ crore)

| | As at March 31, 2018 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Contractual cash flows | less than one year | between one to five years | More than five years |
| **Non-derivative financial liabilities:** | | | | | |
| Borrowings including interest obligations | 92,982.57 | 1,16,791.20 | 21,366.81 | 54,309.71 | 41,114.68 |
| Trade payables | 20,413.81 | 20,413.81 | 20,413.81 | - | - |
| Other financial liabilities | 5,589.12 | 5,589.12 | 5,501.46 | 27.60 | 60.06 |
| | **1,18,985.50** | **1,42,794.13** | **47,282.08** | **54,337.31** | **41,174.74** |
| **Derivative financial liabilities** | **553.83** | **553.83** | **468.79** | **85.04** | **-** |

## NOTES
forming part of the consolidated financial statements

## 45. Segment reporting

The Group is primarily engaged in the business of manufacture and distribution of steel products across the globe. Operating segments have been identified based on how the Chief Operating Decision Maker (CODM) reviews and assesses the Group's performance, which is on the basis of the different geographical areas wherein major entities within the Group operate.

**The Group's reportable segments and segment information is presented below:**

(₹ crore)

| | Tata Steel India | Bamnipal Steel (including Tata Steel BSL) | Other Indian operations | Tata Steel Europe | Other trade related operations | Rest of the world | Inter-segment eliminations | Total |
|---|---|---|---|---|---|---|---|---|
| **Segment revenue** | | | | | | | | |
| External revenue | **61,222.97** | **18,132.19** | **10,386.91** | **64,474.73** | **2,668.22** | **783.97** | **-** | **1,57,668.99** |
| | *53,434.33* | *-* | *7,915.39* | *59,755.60* | *2,252.38* | *751.99* | *-* | *1,24,109.69* |
| Intersegment revenue | **9,387.95** | **243.67** | **1,879.94** | **302.34** | **31,028.29** | **-** | **(42,842.19)** | **-** |
| | *7,085.04* | *-* | *1,507.06* | *229.85* | *25,787.49* | *-* | *(34,609.44)* | *-* |
| Total revenue | **70,610.92** | **18,375.86** | **12,266.85** | **64,777.07** | **33,696.51** | **783.97** | **(42,842.19)** | **1,57,668.99** |
| | *60,519.37* | *-* | *9,422.45* | *59,985.45* | *28,039.87* | *751.99* | *(34,609.44)* | *1,24,109.69* |
| **Segment results before exceptional items, interest, tax and depreciation:** | **20,743.98** | **3,027.95** | **1,132.22** | **5,413.63** | **489.63** | **182.13** | **(1,219.22)** | **29,770.32** |
| | *15,799.94* | *-* | *953.90* | *3,712.84* | *2,067.52* | *(3.69)* | *(1,161.48)* | *21,369.03* |
| **Reconciliation to profit/(loss) for the year:** | | | | | | | | |
| Add: Finance income | | | | | | | | **1,033.60** |
| | | | | | | | | 945.26 |
| Less: Finance costs | | | | | | | | **7,660.10** |
| | | | | | | | | 5,454.74 |
| Less: Depreciation and amortisation expense | | | | | | | | **7,341.83** |
| | | | | | | | | 5,741.70 |
| Add: Share of profit/(loss) of joint ventures and associates | | | | | | | | **224.70** |
| | | | | | | | | *239.12* |
| **Profit before exceptional items and tax** | | | | | | | | **16,026.69** |
| | | | | | | | | *11,356.97* |
| Add: Exceptional items (refer note 35, page 375) | | | | | | | | **(120.97)** |
| | | | | | | | | *9,599.12* |
| **Profit before tax** | | | | | | | | **15,905.72** |
| | | | | | | | | *20,956.09* |
| Less: Tax expense | | | | | | | | **6,718.43** |
| | | | | | | | | *3,392.33* |
| **Profit after tax from continuing operations** | | | | | | | | **9,187.29** |
| | | | | | | | | *17,563.76* |
| **Profit after tax from discontinued operations** | | | | | | | | **(88.96)** |
| | | | | | | | | *199.05* |
| **Net profit/(loss) for the year** | | | | | | | | **9,098.33** |
| | | | | | | | | *17,762.81* |
| **Segment assets** | **1,34,385.00** | **39,854.24** | **8,977.20** | **68,251.43** | **68,831.55** | **7,739.47** | **(98,598.76)** | **2,29,440.13** |
| | *1,17,765.08* | *0.01* | *7,258.98* | *69,078.02* | *58,737.78* | *7,479.19* | *(55,078.79)* | *2,05,240.27* |
| **Assets held for sale** | | | | | | | | **4,142.26** |
| | | | | | | | | *4,517.67* |
| **Total assets** | | | | | | | | **2,33,582.39** |
| | | | | | | | | *2,09,757.94* |

## NOTES
forming part of the consolidated financial statements

## 45. Segment reporting (Contd.)

(₹ crore)

| | Tata Steel India | Bamnipal Steel (including Tata Steel BSL) | Other Indian operations | Tata Steel Europe | Other trade related operations | Rest of the world | Inter-segment eliminations | Total |
|---|---|---|---|---|---|---|---|---|
| **Segment assets include:** | | | | | | | | |
| **Equity accounted investments** | **1,573.83** | **-** | **14.11** | **323.73** | **11.28** | **-** | **-** | **1,922.95** |
| | *1,385.66* | *-* | *11.43* | *373.53* | *10.60* | *-* | *-* | *1,781.22* |
| **Segment liabilities** | **67,809.45** | **21,428.15** | **4,532.60** | **92,326.76** | **46,465.89** | **4,747.92** | **(76,444.04)** | **1,60,866.73** |
| | *64,365.30* | *-* | *4,463.50* | *91,793.30* | *39,380.73* | *2,866.28* | *(56,900.03)* | *1,45,969.08* |
| **Liabilities held for sale** | | | | | | | | **1,426.12** |
| | | | | | | | | *1,981.72* |
| **Total liabilities** | | | | | | | | **1,62,292.85** |
| | | | | | | | | *1,47,950.80* |
| **Addition to non-current assets** | **3,344.32** | **1,392.34** | **535.66** | **4,353.71** | **0.98** | **620.55** | **-** | **10,247.56** |
| | *2,424.34* | *-* | *321.06* | *4,405.39* | *0.20* | *672.84* | *-* | *7,823.83* |

Figures in italics represents comparative figures of previous year.

### (i) Details of revenue by nature of business is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Steel | 1,45,078.78 | 1,13,970.02 |
| Others | 12,590.21 | 10,139.67 |
| | **1,57,668.99** | **1,24,109.69** |

Revenue from other businesses primarily relate to ferro alloys, power and water and other services.

### (ii) Details of revenue based on geographical location of customers is as below:

(₹ crore)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| India | 82,528.14 | 57,043.86 |
| Outside India | 75,140.85 | 67,065.83 |
| | **1,57,668.99** | **1,24,109.69** |

Revenue outside India includes: Asia excluding India ₹**8,959.48** crore (2017-18: ₹6,522.19 crore), UK ₹**14,810.44** crore (2017-18: ₹13,750.28 crore) and other European countries ₹**41,142.74** crore (2017-18: ₹38,965.17 crore).

### (iii) Details of non-current assets (property, plant and equipment, capital work-in-progress, intangibles and goodwill on consolidation) based on geographical area is as below:

(₹ crore)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| India | 1,10,980.41 | 80,930.93 |
| Outside India | 32,102.71 | 31,788.37 |
| | **1,43,083.12** | **1,12,719.30** |

Non-current assets outside India include: Asia excluding India ₹**2.55** crore (March 31, 2018: ₹1,477.15 crore), UK ₹**7,981.67** crore (March 31, 2018: ₹6,662.42 crore) and other European countries ₹**17,191.20** crore (March 31, 2018: ₹17,292.55 crore).

## NOTES
forming part of the consolidated financial statements

## 45. Segment reporting (Contd.)

**Notes:**

(i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost, depreciation and amortisation expenses, share of profit/(loss) of joint ventures and associates and tax expenses. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, however, include the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amounts, therefore, form part of the reported segment assets and liabilities.

(ii) The Group executed definitive agreements to divest its entire equity stake in NatSteel Holdings Pte. Ltd. and Tata Steel (Thailand) Public Company Ltd. The assets and liabilities of these companies have been classified as held for sale as on March 31, 2019 and have been presented separately in the Consolidated Balance Sheet. The results for the current period of these companies have been disclosed within discontinued operations and results for the previous periods have been restated accordingly. Consequent to the re-classification, 'South East Asian Operations' is no longer presented as a separate segment.

(iii) No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2019 and March 31, 2018.

(iv) The accounting policies of the reportable segments are the same as of the Group's accounting policies.

## 46. Related party transactions

The Group's related parties primarily consists of its associates, joint ventures and Tata Sons Private Limited including its subsidiaries and joint ventures. The Group routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. Transactions and balances between the Company, its subsidiaries and fellow subsidiaries are eliminated on consolidation.

The following table summarises the related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2019 and March 31, 2018.

(₹ crore)

| | Associates | Joint ventures | Tata Sons Private Limited, its subsidiaries and joint ventures | Total |
|---|---|---|---|---|
| **Purchase of goods** | **488.88** | **186.86** | **710.83** | **1,386.57** |
| | *300.07* | *129.18* | *455.67* | *884.92* |
| **Sale of goods** | **1,210.03** | **3,198.08** | **505.05** | **4,913.16** |
| | *1,124.54* | *2,551.86* | *482.94* | *4,159.34* |
| **Services received** | **146.39** | **1,604.64** | **819.19** | **2,570.22** |
| | *402.78* | *1,801.67* | *451.73* | *2,656.18* |
| **Services rendered** | **6.89** | **152.61** | **1.18** | **160.68** |
| | *11.21* | *104.01* | *1.31* | *116.53* |
| **Interest income recognised** | **7.81** | **4.13** | **-** | **11.94** |
| | - | *4.62* | - | *4.62* |
| **Interest expenses recognised** | **-** | **-** | **19.27** | **19.27** |
| | - | - | *19.23* | *19.23* |
| **Dividend paid** | **-** | **-** | **361.45** | **361.45** |
| | - | - | *295.61* | *295.61* |
| **Dividend received** | **46.89** | **68.02** | **10.88** | **125.79** |

## 46. Related party transactions (Contd.)

(₹ crore)

| | Associates | Joint ventures | Tata Sons Private Limited, its subsidiaries and joint ventures | Total |
|---|---|---|---|---|
| | *18.48* | *50.69* | *10.46* | *79.63* |
| **Provision/(reversal) recognised for receivables during the year** | **(0.01)** | **(1.03)** | **0.02** | **(1.02)** |
| | *-* | *5.35* | *-* | *5.35* |
| **Management contracts** | **16.61** | **3.12** | **285.72** | **305.45** |
| | *3.08* | *3.57* | *186.54* | *193.19* |
| **Sale of investments** | **-** | **-** | **1.97** | **1.97** |
| | *-* | *-* | *3,782.76* | *3,782.76* |
| **Finance provided during the year (net of repayments)** | **250.00** | **134.91** | **-** | **384.91** |
| | *-* | *46.82* | *-* | *46.82* |
| **Outstanding loans and receivables** | **26.68** | **1,263.64** | **43.96** | **1,334.28** |
| | *124.61* | *1,267.11* | *20.54* | *1,412.26* |
| **Provision for outstanding loans and receivables** | **10.71** | **1,023.31** | **0.02** | **1,034.04** |
| | *3.39* | *977.80* | *-* | *981.19* |
| **Outstanding payables** | **38.63** | **241.47** | **278.54** | **558.64** |
| | *51.16* | *263.32* | *289.25* | *603.73* |
| **Guarantees provided outstanding** | **-** | **186.78** | **-** | **186.78** |
| | *-* | *204.51* | *-* | *204.51* |
| **Subscription to rights issue** | **-** | **-** | - | - |
| | *-* | *-* | *3,420.56* | *3,420.56* |

Figures in italics represent comparative figures of previous year.

(i) The details of remuneration paid to the key managerial personnel is provided in note 31, page 373.

During the year ended March 31, 2019, value of shares subscribed by key managerial personnel and their relatives under rights issue is **Nil** (2017-18: ₹287,476.00)

The Group paid dividend of ₹**32,345.87** (2017-18: ₹27,420.00) to key managerial personnel and ₹**3,895.10** (2017-18: ₹3,310.00) to relatives of key managerial personnel during the year ended March 31, 2019.

(ii) During the year ended March 31, 2019, the Group has contributed ₹**337.70** crore (2017-18: ₹493.14 crore) to post-employment benefit plans.

As at March 31, 2019, amount receivable from post-employment benefit funds is ₹**769.20** crore (March 31, 2018: ₹302.14 crore) on account of retirement benefit obligations paid by the entities within the Group directly.

(iii) Details of investments made by the Company in preference shares of its joint ventures and associates is disclosed in note 8, page 337.

(iv) Commitment with respect to joint ventures and associates is disclosed in note 39B, page 391.

(v) Transaction with joint ventures have been disclosed at full value and not at their proportionate share.

## NOTES
forming part of the consolidated financial statements

**47.** The Board of Directors of the Company have considered and approved a merger of Bamnipal Steel Limited and Tata Steel BSL Limited (formerly Bhushan Steel Limited) into the Company by way of a composite scheme of amalgamation and have recommended a merger ratio of 1 equity share of 10/-each fully paid up of the Company for every 15 equity shares of 2/- each fully paid up held by the public shareholders of Tata Steel BSL Limited. The merger is subject to shareholders and other regulatory approvals.

**48.** On April 9, 2019, Tata Sponge Iron Limited, a subsidiary of the Company completed the acquisition of the steel business of Usha Martin Limited (UML) followed by signing of definitive agreement in September 2018. The acquisition involves UML's 1.0 MnTPA speciality steel plant in Jamshedpur that makes alloy based long products, a functional iron ore mine, a coal mine under development and captive power plants. The acquisition involves cash consideration after adjustment for negative working capital and debt like items payable to UML of ₹4,094.07 crore, which is subject to further hold backs of ₹640.00 crore, pending transfer of some of the assets including mines and certain land parcels.

**49.** The Company and its Indian subsidiaries is in the process of evaluating the impact of the recent Supreme Court Judgement in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. CI/ 1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal opinion, the aforesaid matter is not likely to have a significant impact and accordingly no provision has been considered in the consolidated financial statements.

**50.** On June 30, 2018, the Company and Thyssenkrupp AG signed definitive agreements to combine their European steel businesses in 50:50 joint venture in a new company. This follows the signing of a Memorandum of Understanding in September 2017. The proposed new company, to be named thyssenkrupp Tata Steel BV, will be positioned as a leading pan European high quality flat steel producer with a strong focus on performance, quality and technology leadership. The transaction is subject to merger control clearance in several jurisdictions, including the European Union. The business proposed to be contributed to the joint venture has not been classified as held for sale as at March 31, 2019.

### 51. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On April 25, 2019, the Board of Directors of the Company have proposed a dividend of ₹**13.00** per Ordinary Share of ₹10 each and ₹**3.25** per partly paid Ordinary Share of ₹10 each (paid up ₹2.504 per share) in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹**1,794.33** crore inclusive of dividend distribution tax of ₹**306.21** crore.

**52.** Previous year figures have been recasted/restated wherever necessary.

## NOTES
forming part of the consolidated financial statements

# 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| **A.** | **Parent** | | | | | | | | | |
| | **Tata Steel Limited** | INR | 105.52 | 72,729.71 | 103.08 | 10,533.19 | (34.74) | (50.22) | 101.16 | 10,482.97 |
| **B.** | **Subsidiaries** | | | | | | | | | |
| **a)** | **Indian** | | | | | | | | | |
| 1 | Kalzip India Private Limited | INR | - | - | 0.00 | 0.28 | (4.19) | (6.05) | (0.06) | (5.77) |
| 2 | Tata Steel International (India) Limited | INR | 0.07 | 45.79 | 0.03 | 2.93 | - | - | 0.03 | 2.93 |
| 3 | Jamshedpur Utilities & Services Company Limited | INR | 0.20 | 137.34 | 0.44 | 44.95 | 0.46 | 0.66 | 0.44 | 45.61 |
| 4 | Haldia Water Management Limited | INR | (0.11) | (76.69) | 0.95 | 97.20 | - | - | 0.94 | 97.20 |
| 5 | Kalimati Global Shared Services Limited | INR | 0.01 | 4.01 | 0.00 | 0.26 | - | - | 0.00 | 0.26 |
| 6 | Tata Sponge Iron Limited | INR | 1.57 | 1,083.47 | 1.22 | 124.33 | 6.81 | 9.85 | 1.29 | 134.18 |
| 7 | TSIL Energy Limited | INR | 0.00 | 1.22 | 0.00 | 0.06 | - | - | 0.00 | 0.06 |
| 8 | Creative Port Development Private Limited | INR | (0.00) | (0.81) | (0.00) | (0.06) | - | - | (0.00) | (0.06) |
| 9 | Subarnarekha Port Private Limited | INR | 0.06 | 40.77 | (0.00) | (0.11) | - | - | (0.00) | (0.11) |
| 10 | Tata Steel BSL Limited | INR | 26.60 | 18,334.27 | (8.61) | (879.83) | 5.68 | 8.21 | (8.41) | (871.62) |
| 11 | Bhushan Steel (Orissa) Limited | INR | 0.00 | 0.03 | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 12 | Bhushan Steel (South) Limited | INR | (0.00) | (1.01) | (0.01) | (0.76) | - | - | (0.01) | (0.76) |
| 13 | Bhushan Steel Madhya Bharat Limited | INR | 0.00 | 0.03 | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 14 | Adityapur Toll Bridge Company Limited | INR | 0.07 | 49.86 | 0.10 | 10.12 | - | - | 0.10 | 10.12 |
| 15 | Tata Steel Special Economic Zone Limited | INR | 0.65 | 448.21 | (0.06) | (5.68) | 0.01 | 0.01 | (0.05) | (5.67) |
| 16 | The Indian Steel & Wire Products Ltd | INR | 0.12 | 86.08 | 0.13 | 13.09 | (0.37) | (0.53) | 0.12 | 12.56 |
| 17 | Mohar Export Services Pvt Ltd | INR | (0.00) | (0.04) | - | - | - | - | - | - |
| 18 | Rujuvalika Investments Limited | INR | 0.14 | 98.58 | 0.03 | 2.75 | (4.71) | (6.81) | (0.04) | (4.06) |
| 19 | T S Alloys Limited | INR | 0.17 | 116.31 | (0.04) | (3.87) | (0.03) | (0.04) | (0.04) | (3.91) |
| 20 | Tata Korf Engineering Services Ltd | INR | (0.01) | (9.87) | (0.00) | (0.03) | - | - | (0.00) | (0.03) |
| 21 | Tata Metaliks Ltd. | INR | 1.11 | 767.08 | 1.78 | 181.89 | 0.02 | 0.03 | 1.76 | 181.92 |
| 22 | Tata Steel Odisha Limited | INR | (0.00) | (0.02) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 23 | Tata Steel Processing and Distribution Limited | INR | 0.99 | 681.43 | 0.74 | 76.10 | 1.58 | 2.29 | 0.76 | 78.39 |
| 24 | Tayo Rolls Limited | INR | (0.68) | (468.21) | (0.19) | (19.89) | - | - | (0.19) | (19.89) |
| 25 | The Tata Pigments Limited | INR | 0.08 | 54.01 | 0.05 | 4.88 | (0.08) | (0.12) | 0.05 | 4.76 |
| 26 | The Tinplate Company of India Ltd | INR | 1.03 | 711.11 | 0.57 | 58.00 | 1.13 | 1.63 | 0.58 | 59.63 |
| 27 | Tata Steel Foundation | INR | 0.00 | 1.71 | (0.07) | (6.94) | - | - | (0.07) | (6.94) |
| 28 | Jamshedpur Football and Sporting Private Limited | INR | 0.02 | 12.92 | (0.11) | (10.93) | - | - | (0.11) | (10.93) |
| 29 | Sakchi Steel Limited | INR | (0.00) | (0.00) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 30 | Jugsalai Steel Limited | INR | (0.00) | (0.00) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 31 | Noamundi Steel Limited | INR | (0.00) | (0.00) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 32 | Straight Mile Steel Limited | INR | (0.00) | (0.00) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 33 | Bistupur Steel Limited | INR | (0.00) | (0.00) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 34 | Jamadoba Steel Limited | INR | (0.00) | (0.00) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 35 | Dimna Steel Limited | INR | (0.00) | (0.00) | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 36 | Bhubaneshwar Power Private Limited | INR | 0.40 | 278.59 | 0.58 | 59.67 | 0.02 | 0.03 | 0.58 | 59.70 |
| 37 | Bamnipal Steel Limited | INR | 0.35 | 243.24 | (0.15) | (15.66) | - | - | (0.15) | (15.66) |

## NOTES
forming part of the consolidated financial statements

## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| b) | **Foreign** | | | | | | | | | |
| 1 | Apollo Metals Limited | USD | 0.24 | 163.79 | 0.35 | 36.11 | (3.80) | (5.50) | 0.30 | 30.61 |
| 2 | Automotive Laser Technologies Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 3 | Beheermaatschappij Industriele Produkten B.V. | EUR | (0.08) | (54.75) | (0.01) | (0.58) | - | - | (0.01) | (0.58) |
| 4 | Bell & Harwood Limited | GBP | - | - | - | - | - | - | - | - |
| 5 | Blastmega Limited | GBP | 1.22 | 841.97 | - | - | - | - | - | - |
| 6 | Blume Stahlservice GmbH | EUR | - | - | - | - | - | - | - | - |
| 7 | Bore Samson Group Limited | GBP | 0.20 | 135.86 | - | - | 131.51 | 190.10 | 1.83 | 190.10 |
| 8 | Bore Steel Limited | GBP | 0.21 | 144.84 | - | - | 100.20 | 144.84 | 1.40 | 144.84 |
| 9 | British Guide Rails Limited | GBP | 0.06 | 43.98 | - | - | 1.88 | 2.72 | 0.03 | 2.72 |
| 10 | British Steel Corporation Limited | GBP | 0.40 | 276.14 | - | - | - | - | - | - |
| 11 | British Steel Directors (Nominees) Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 12 | British Steel Engineering Steels (Exports) Limited | GBP | - | - | - | - | - | - | - | - |
| 13 | British Steel Nederland International B.V. | EUR | 0.55 | 378.78 | 0.29 | 29.34 | - | - | 0.28 | 29.34 |
| 14 | British Steel Service Centres Limited | GBP | 0.72 | 496.51 | - | - | - | - | - | - |
| 15 | British Steel Trading Limited | GBP | - | - | - | - | - | - | - | - |
| 16 | British Tubes Stockholding Limited | GBP | 0.00 | 0.00 | - | - | (3.33) | (4.81) | (0.05) | (4.81) |
| 17 | C V Benine | EUR | 0.02 | 16.81 | - | - | - | - | - | - |
| 18 | C Walker & Sons Limited | GBP | 0.21 | 147.08 | - | - | - | - | - | - |
| 19 | Catnic GmbH | EUR | 0.07 | 51.33 | 0.01 | 1.21 | - | - | 0.01 | 1.21 |
| 20 | Catnic Limited | GBP | (0.00) | (0.55) | - | - | - | - | - | - |
| 21 | Cbs Investissements SAS | EUR | 0.00 | 2.08 | 0.00 | 0.06 | - | - | 0.00 | 0.06 |
| 22 | Cogent Power Inc. | CAD | 0.21 | 145.39 | (0.07) | (7.06) | - | - | (0.07) | (7.06) |
| 23 | Cogent Power Inc. | USD | (0.00) | (0.88) | (0.01) | (0.88) | - | - | (0.01) | (0.88) |
| 24 | Cogent Power Limited | GBP | 0.16 | 110.73 | (0.09) | (9.06) | - | - | (0.09) | (9.06) |
| 25 | Color Steels Limited | GBP | 0.06 | 41.04 | - | - | - | - | - | - |
| 26 | Corbeil Les Rives SCI | EUR | 0.01 | 9.54 | - | - | - | - | - | - |
| 27 | Corby (Northants) & District Water Company Limited | GBP | 0.01 | 5.53 | (0.00) | (0.02) | - | - | (0.00) | (0.02) |
| 28 | Cordor (C& B) Limited | GBP | 0.00 | 2.94 | - | - | 2.03 | 2.94 | 0.03 | 2.94 |
| 29 | Corus Aluminium Verwaltungsgesellschaft Mbh | EUR | - | - | - | - | - | - | - | - |
| 30 | Corus Building Systems Bulgaria AD | LEV | - | - | - | - | 23.25 | 33.61 | 0.32 | 33.61 |
| 31 | Corus CNBV Investments | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 32 | Corus Cold drawn Tubes Limited | GBP | (0.02) | (15.60) | - | - | - | - | - | - |
| 33 | Corus Engineering Steels (UK) Limited | GBP | 0.60 | 414.67 | - | - | - | - | - | - |
| 34 | Corus Engineering Steels Holdings Limited | GBP | 5.85 | 4,035.08 | - | - | - | - | - | - |
| 35 | Corus Engineering Steels Limited | GBP | 6.25 | 4,304.92 | - | - | - | - | - | - |
| 36 | Corus Engineering Steels Overseas Holdings Limited | GBP | 0.01 | 9.00 | - | - | - | - | - | - |
| 37 | Corus Engineering Steels Pension Scheme Trustee Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 38 | Corus Group Limited | GBP | (9.01) | (6,212.01) | (6.95) | (709.67) | - | - | (6.85) | (709.67) |
| 39 | Corus Holdings Limited | GBP | 0.01 | 5.23 | - | - | - | - | - | - |
| 40 | Corus International (Overseas Holdings) Limited | GBP | 6.38 | 4,395.08 | 0.73 | 75.04 | - | - | 0.72 | 75.04 |
| 41 | Corus International Limited | GBP | 3.98 | 2,745.68 | - | - | - | - | - | - |
| 42 | Corus International Romania SRL. | RON | 0.00 | 0.56 | 0.00 | 0.14 | - | - | 0.00 | 0.14 |
| 43 | Corus Investments Limited | GBP | 0.30 | 205.31 | - | - | - | - | - | - |

## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| 44 | Corus Ireland Limited | EUR | 0.01 | 7.42 | 0.01 | 0.87 | - | - | 0.01 | 0.87 |
| 45 | Corus Large Diameter Pipes Limited | GBP | 0.96 | 658.49 | - | - | - | - | - | - |
| 46 | Corus Liaison Services (India) Limited | GBP | (0.03) | (21.64) | - | - | - | - | - | - |
| 47 | Corus Management Limited | GBP | 0.23 | 155.26 | - | - | - | - | - | - |
| 48 | Corus Primary Aluminium B.V. | EUR | (0.18) | (121.81) | (0.03) | (2.74) | - | - | (0.03) | (2.74) |
| 49 | Corus Property | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 50 | Corus Service Centre Limited | GBP | 0.21 | 144.48 | - | - | 21.79 | 31.50 | 0.30 | 31.50 |
| 51 | Corus Steel Service STP LLC | RUB | (0.00) | (0.51) | (0.00) | (0.33) | - | - | (0.00) | (0.33) |
| 52 | Corus Tubes Poland Spolka Z.O.O | EUR | 0.00 | 0.34 | - | - | - | - | - | - |
| 53 | Corus UK Healthcare Trustee Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 54 | Corus Ukraine Limited Liability Company | UAH | 0.00 | 0.02 | - | - | - | - | - | - |
| 55 | CPN (85) Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 56 | Crucible Insurance Company Limited | GBP | 0.40 | 272.51 | 0.36 | 36.52 | - | - | 0.35 | 36.52 |
| 57 | Degels GmbH | EUR | 0.11 | 77.15 | 0.35 | 36.23 | (1.28) | (1.85) | 0.33 | 34.38 |
| 58 | Demka B.V. | EUR | 0.10 | 68.09 | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| 59 | Dsrm Group Plc. | GBP | 0.26 | 179.63 | - | - | - | - | - | - |
| 60 | Esmil B.V. | EUR | 0.03 | 21.00 | 0.00 | 0.06 | - | - | 0.00 | 0.06 |
| 61 | Europressings Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 62 | Firsteel Group Limited | GBP | (0.12) | (79.63) | - | - | - | - | - | - |
| 63 | Firsteel Holdings Limited | GBP | 0.10 | 70.06 | - | - | - | - | - | - |
| 64 | Fischer Profil GmbH | EUR | 0.00 | 0.13 | 0.15 | 15.29 | (8.61) | (12.44) | 0.03 | 2.85 |
| 65 | Gamble Simms Metals Limited | EUR | (0.00) | (1.10) | - | - | - | - | - | - |
| 66 | Grant Lyon Eagre Limited | GBP | 0.00 | 3.39 | - | - | - | - | - | - |
| 67 | H E Samson Limited | GBP | 0.07 | 47.28 | - | - | 23.55 | 34.04 | 0.33 | 34.04 |
| 68 | Hadfields Holdings Limited | GBP | (0.02) | (11.32) | - | - | - | - | - | - |
| 69 | Halmstad Steel Service Centre AB | SEK | 0.10 | 68.34 | (0.05) | (4.96) | - | - | (0.05) | (4.96) |
| 70 | Hammermega Limited | GBP | 0.03 | 20.37 | - | - | - | - | - | - |
| 71 | Harrowmills Properties Limited | GBP | 0.00 | 0.01 | - | - | 119.27 | 172.40 | 1.66 | 172.40 |
| 72 | Hille & Muller GmbH | EUR | 0.20 | 140.06 | 0.11 | 10.95 | (6.07) | (8.78) | 0.02 | 2.17 |
| 73 | Hille & Muller Usa Inc. | USD | 0.13 | 91.59 | 0.01 | 0.76 | - | - | 0.01 | 0.76 |
| 74 | Hoogovens Usa Inc. | USD | 0.67 | 463.71 | 0.02 | 1.69 | - | - | 0.02 | 1.69 |
| 75 | Huizenbezit "Breesaap" B.V. | EUR | (0.01) | (8.24) | 0.00 | 0.07 | - | - | 0.00 | 0.07 |
| 76 | Inter Metal Distribution SAS | EUR | 0.07 | 47.73 | 0.10 | 10.28 | - | - | 0.10 | 10.28 |
| 77 | Kalzip Asia Pte Limited | SGD | - | - | 0.15 | 15.80 | 130.02 | 187.94 | 1.97 | 203.74 |
| 78 | Kalzip FZE | UAE | - | - | 0.01 | 0.87 | (0.60) | (0.87) | - | - |
| 79 | Kalzip GmbH | EUR | - | - | (0.00) | (0.01) | 0.19 | 0.27 | 0.00 | 0.26 |
| 80 | Kalzip GmbH | EUR | - | - | 0.04 | 4.08 | 15.80 | 22.84 | 0.26 | 26.92 |
| 81 | Kalzip Italy SRL | EUR | - | - | 0.00 | 0.03 | (0.02) | (0.03) | - | - |
| 82 | Kalzip Limited | GBP | - | - | 0.00 | 0.09 | 12.33 | 17.83 | 0.17 | 17.92 |
| 83 | Kalzip Spain S.L.U. | EUR | - | - | 0.00 | 0.04 | 4.54 | 6.56 | 0.06 | 6.60 |
| 84 | Layde Steel S.L. | EUR | 0.13 | 87.35 | (0.05) | (5.07) | - | - | (0.05) | (5.07) |
| 85 | Lister Tubes Limited | EUR | 0.02 | 12.56 | - | - | - | - | - | - |
| 86 | London Works Steel Company Limited | GBP | (0.14) | (93.29) | - | - | - | - | - | - |
| 87 | Midland Steel Supplies Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |

## NOTES
forming part of the consolidated financial statements

## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| 88 | Montana Bausysteme AG | CHF | 0.15 | 100.91 | 0.22 | 22.73 | 0.23 | 0.33 | 0.22 | 23.06 |
| 89 | Naantali Steel Service Centre OY | EUR | 0.03 | 20.01 | (0.07) | (6.71) | - | - | (0.06) | (6.71) |
| 90 | Nationwide Steelstock Limited | GBP | - | - | - | - | - | - | - | - |
| 91 | Norsk Stal Tynnplater AB | NOK | 0.02 | 16.21 | 0.01 | 1.04 | - | - | 0.01 | 1.04 |
| 92 | Norsk Stal Tynnplater AS | NOK | 0.07 | 46.83 | (0.17) | (17.15) | - | - | (0.17) | (17.15) |
| 93 | Orb Electrical Steels Limited | GBP | 0.00 | 0.00 | - | - | - | - | - | - |
| 94 | Ore Carriers Limited | GBP | 0.04 | 25.79 | - | - | - | - | - | - |
| 95 | Oremco Inc. | USD | (0.02) | (13.99) | (0.01) | (0.52) | - | - | (0.01) | (0.52) |
| 96 | Plated Strip (International) Limited | GBP | 0.02 | 16.09 | - | - | - | - | - | - |
| 97 | Precoat International Limited | GBP | 0.10 | 70.17 | - | - | - | - | - | - |
| 98 | Precoat Limited | GBP | (0.03) | (19.21) | - | - | - | - | - | - |
| 99 | Rafferty-Brown Steel Co Inc Of Conn. | USD | 0.04 | 29.10 | (0.01) | (0.73) | - | - | (0.01) | (0.73) |
| 100 | Round Oak Steelworks Limited | GBP | (0.63) | (433.73) | - | - | - | - | - | - |
| 101 | Runblast Limited | GBP | 0.68 | 471.06 | - | - | - | - | - | - |
| 102 | Runmega Limited | GBP | 0.01 | 3.94 | - | - | - | - | - | - |
| 103 | S A B Profiel B.V. | EUR | 0.37 | 254.77 | 0.12 | 12.32 | - | - | 0.12 | 12.32 |
| 104 | S A B Profil GmbH | EUR | 0.19 | 132.01 | (0.02) | (2.24) | - | - | (0.02) | (2.24) |
| 105 | Seamless Tubes Limited | GBP | 0.24 | 168.09 | - | - | - | - | - | - |
| 106 | Service Center Gelsenkirchen Gmbh | EUR | 0.26 | 176.65 | 0.19 | 19.79 | (163.48) | (236.31) | (2.09) | (216.52) |
| 107 | Service Centre Maastricht B.V. | EUR | 0.08 | 52.02 | (0.07) | (7.45) | - | - | (0.07) | (7.45) |
| 108 | Societe Europeenne De Galvanisation (Segal) Sa | EUR | 0.32 | 222.58 | 0.11 | 11.59 | - | - | 0.11 | 11.59 |
| 109 | Staalverwerking En Handel B.V. | EUR | 1.00 | 687.20 | (0.04) | (3.68) | - | - | (0.04) | (3.68) |
| 110 | Steel Stockholdings Limited | GBP | 0.06 | 41.47 | - | - | 25.16 | 36.37 | 0.35 | 36.37 |
| 111 | Steelstock Limited | GBP | 0.00 | 0.18 | - | - | - | - | - | - |
| 112 | Stewarts & Lloyds Of Ireland Limited | EUR | - | - | - | - | - | - | - | - |
| 113 | Stewarts And Lloyds (Overseas) Limited | GBP | 0.27 | 185.27 | - | - | - | - | - | - |
| 114 | Surahammar Bruks AB | SEK | 0.08 | 52.05 | (0.52) | (52.90) | (1.47) | (2.12) | (0.53) | (55.02) |
| 115 | Swinden Housing Association Limited | GBP | 0.02 | 11.31 | - | - | - | - | - | - |
| 116 | Tata Steel Belgium Packaging Steels N.V. | EUR | 0.22 | 150.23 | 0.07 | 6.66 | - | - | 0.06 | 6.66 |
| 117 | Tata Steel Belgium Services N.V. | EUR | 0.30 | 204.17 | 0.03 | 2.79 | (0.45) | (0.65) | 0.02 | 2.14 |
| 118 | Tata Steel Denmark Byggsystemer A/S | DKK | 0.03 | 21.81 | 0.01 | 0.65 | - | - | 0.01 | 0.65 |
| 119 | Tata Steel Europe Limited | GBP | (21.41) | (14,758.56) | 25.88 | 2,644.42 | (0.19) | (0.27) | 25.52 | 2,644.15 |
| 120 | Tata Steel Europe Distribution BV | EUR | (0.03) | (19.41) | 0.08 | 8.13 | - | - | 0.08 | 8.13 |
| 121 | Tata Steel Europe Metals Trading BV | EUR | 0.42 | 288.21 | 0.00 | 0.43 | - | - | 0.00 | 0.43 |
| 122 | Tata Steel France Batiment et Systemes SAS | EUR | (0.10) | (69.14) | (0.51) | (52.13) | - | - | (0.50) | (52.13) |
| 123 | Tata Steel France Holdings SAS | EUR | 1.26 | 870.83 | (0.29) | (29.81) | - | - | (0.29) | (29.81) |
| 124 | Tata Steel Germany GmbH | EUR | 0.52 | 359.18 | 0.43 | 44.38 | (5.41) | (7.82) | 0.35 | 36.56 |
| 125 | Tata Steel Ijmuiden BV | EUR | 29.43 | 20,283.53 | 17.27 | 1,764.68 | (473.44) | (684.35) | 10.42 | 1,080.33 |
| 126 | Tata Steel International (Americas) Holdings Inc | USD | 0.90 | 622.83 | 0.23 | 23.24 | - | - | 0.22 | 23.24 |
| 127 | Tata Steel International (Americas) Inc | USD | 1.76 | 1,209.72 | 0.19 | 18.95 | (0.70) | (1.01) | 0.17 | 17.94 |
| 128 | Tata Steel International (Canada) Holdings Inc | CAD | 0.00 | 1.94 | 0.00 | 0.09 | - | - | 0.00 | 0.09 |
| 129 | Tata Steel International (Czech Republic) S.R.O | CZK | 0.01 | 6.03 | 0.04 | 3.68 | - | - | 0.04 | 3.68 |
| 130 | Tata Steel International (Denmark) A/S | DKK | 0.00 | 2.82 | 0.02 | 1.86 | - | - | 0.02 | 1.86 |
| 131 | Tata Steel International (Finland) OY | EUR | 0.00 | 0.98 | - | - | - | - | - | - |

## NOTES
forming part of the consolidated financial statements

## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| 132 | Tata Steel International (France) SAS | EUR | 0.06 | 38.86 | 0.02 | 2.15 | - | - | 0.02 | 2.15 |
| 133 | Tata Steel International (Germany) GmbH | EUR | 0.00 | 1.69 | 0.17 | 17.06 | (1.65) | (2.38) | 0.14 | 14.68 |
| 134 | Tata Steel International (Italia) SRL | EUR | 0.01 | 9.79 | (0.52) | (53.49) | - | - | (0.52) | (53.49) |
| 135 | Tata Steel International (Middle East) FZE | UAE | 0.18 | 122.29 | 0.19 | 19.01 | - | - | 0.18 | 19.01 |
| 136 | Tata Steel International (Nigeria) Limited | NGN | - | - | - | - | - | - | - | - |
| 137 | Tata Steel International (Poland) sp Zoo | PLZ | 0.01 | 4.62 | 0.00 | 0.36 | - | - | 0.00 | 0.36 |
| 138 | Tata Steel International (Schweiz) AG | CHF | 0.01 | 4.81 | 0.00 | 0.04 | - | - | 0.00 | 0.04 |
| 139 | Tata Steel International (South America) Representações LTDA | USD | 0.00 | 1.20 | 0.00 | 0.35 | - | - | 0.00 | 0.35 |
| 140 | Tata Steel International (Sweden) AB | SEK | 0.01 | 8.99 | 0.02 | 2.20 | - | - | 0.02 | 2.20 |
| 141 | Tata Steel International Hellas SA | EUR | - | - | - | - | - | - | - | - |
| 142 | Tata Steel International Iberica SA | EUR | 0.02 | 10.48 | 0.09 | 9.08 | - | - | 0.09 | 9.08 |
| 143 | Tata Steel Mexico SA de CV | USD | 0.00 | 0.71 | 0.00 | 0.33 | - | - | 0.00 | 0.33 |
| 144 | Tata Steel Istanbul Metal Sanayi ve Ticaret AS | USD | 0.02 | 11.48 | (0.13) | (13.67) | - | - | (0.13) | (13.67) |
| 145 | Tata Steel Maubeuge SAS | EUR | 0.22 | 149.47 | (0.69) | (70.64) | 3.81 | 5.51 | (0.63) | (65.13) |
| 146 | Tata Steel Nederland BV | EUR | 17.74 | 12,224.60 | 2.11 | 215.68 | - | - | 2.08 | 215.68 |
| 147 | Tata Steel Nederland Consulting & Technical Services BV | EUR | (0.01) | (3.89) | - | - | - | - | - | - |
| 148 | Tata Steel Nederland Services BV | EUR | 0.38 | 258.97 | 0.04 | 4.51 | (12.31) | (17.79) | (0.13) | (13.28) |
| 149 | Tata Steel Nederland Star-Frame BV | EUR | 0.00 | 0.12 | (0.00) | (0.02) | - | - | (0.00) | (0.02) |
| 150 | Tata Steel Nederland Technology BV | EUR | 0.73 | 503.15 | 0.09 | 9.22 | (25.38) | (36.68) | (0.26) | (27.46) |
| 151 | Tata Steel Nederland Tubes BV | EUR | (0.28) | (195.58) | (0.75) | (76.46) | - | - | (0.74) | (76.46) |
| 152 | Tata Steel Netherlands Holdings B.V. | EUR | 2.41 | 1,661.73 | (13.05) | (1,333.65) | 1.27 | 1.83 | (12.85) | (1,331.82) |
| 153 | Tata Steel Norway Byggsystemer A/S | NOK | 0.08 | 53.55 | 0.04 | 3.73 | - | - | 0.04 | 3.73 |
| 154 | Tata Steel Sweden Byggsystem AB | SEK | 0.00 | 1.65 | (0.27) | (27.38) | - | - | (0.26) | (27.38) |
| 155 | Tata Steel UK Consulting Limited | GBP | (0.01) | (5.57) | (0.05) | (5.47) | - | - | (0.05) | (5.47) |
| 156 | Tata Steel UK Holdings Limited | GBP | (28.85) | (19,881.85) | (1.74) | (177.30) | - | - | (1.71) | (177.30) |
| 157 | Tata Steel UK Limited | GBP | (6.27) | (4,320.05) | (31.64) | (3,233.35) | (324.41) | (468.93) | (35.73) | (3,702.28) |
| 158 | Tata Steel USA Inc. | USD | 0.12 | 85.08 | 0.00 | 0.17 | - | - | 0.00 | 0.17 |
| 159 | The Newport And South Wales Tube Company Limited | GBP | 0.00 | 0.32 | - | - | - | - | - | - |
| 160 | The Stanton Housing Company Limited | GBP | 0.01 | 8.72 | - | - | - | - | - | - |
| 161 | The Templeborough Rolling Mills Limited | GBP | 0.21 | 143.69 | - | - | - | - | - | - |
| 162 | Thomas Processing Company | USD | 0.21 | 148.07 | (0.00) | (0.50) | - | - | (0.00) | (0.50) |
| 163 | Thomas Steel Strip Corp. | USD | (0.38) | (262.06) | (0.02) | (1.77) | (37.72) | (54.52) | (0.54) | (56.29) |
| 164 | Toronto Industrial Fabrications Limited | GBP | - | - | - | - | - | - | - | - |
| 165 | TS South Africa Sales Office Proprietary Limited | ZAR | 0.00 | 1.00 | (0.00) | (0.26) | - | - | (0.00) | (0.26) |
| 166 | Tulip UK Holdings (No.2) Limited | GBP | (0.00) | (0.37) | - | - | - | - | - | - |
| 167 | Tulip UK Holdings (No.3) Limited | GBP | (32.73) | (22,560.40) | (4.06) | (415.04) | - | - | (4.01) | (415.04) |
| 168 | U.E.S. Bright Bar Limited | GBP | 0.02 | 13.58 | - | - | - | - | - | - |
| 169 | UK Steel Enterprise Limited | GBP | 0.20 | 140.57 | (0.03) | (2.77) | - | - | (0.03) | (2.77) |
| 170 | Ukse Fund Managers Limited | GBP | 0.00 | 0.42 | - | - | - | - | - | - |
| 171 | Unitol SAS | EUR | 0.62 | 427.77 | (0.14) | (13.88) | (0.70) | (1.01) | (0.14) | (14.89) |
| 172 | Walker Manufacturing And Investments Limited | GBP | 0.45 | 312.09 | - | - | 3.33 | 4.82 | 0.05 | 4.82 |
| 173 | Walkersteelstock Ireland Limited | EUR | - | - | - | - | - | - | - | - |
| 174 | Walkersteelstock Limited | GBP | 0.01 | 9.05 | - | - | - | - | - | - |

## NOTES
forming part of the consolidated financial statements

# 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| 175 | Westwood Steel Services Limited | GBP | 0.31 | 212.73 | - | - | - | - | - | - |
| 176 | Whitehead (Narrow Strip) Limited | GBP | 0.15 | 103.82 | - | - | - | - | - | - |
| 177 | Tata Steel International (Singapore) Holdings Pte. Ltd. | USD | 0.69 | 474.77 | 1.08 | 110.07 | - | - | 1.06 | 110.07 |
| 178 | Tata Steel International (Shanghai) Ltd. | CNY | 0.01 | 5.80 | 0.00 | 0.38 | - | - | 0.00 | 0.38 |
| 179 | Tata Steel International (Thailand) Limited | THB | - | - | - | - | - | - | - | - |
| 180 | TSIA Holdings (Thailand) Limited | THB | - | - | - | - | - | - | - | - |
| 181 | Tata Steel International (Singapore) Pte. Ltd. | USD | - | - | (0.09) | (8.97) | - | - | (0.09) | (8.97) |
| 182 | Tata Steel International (Asia) Limited | HKD | 0.01 | 6.26 | 0.05 | 4.98 | - | - | 0.05 | 4.98 |
| 183 | NatSteel Asia Pte. Ltd. | USD | 1.34 | 921.18 | (5.26) | (537.55) | - | - | (5.19) | (537.55) |
| 184 | TS Asia (Hong Kong) Ltd. | USD | 0.25 | 174.71 | 0.24 | 24.71 | - | - | 0.24 | 24.71 |
| 185 | NatSteel Holdings Pte. Ltd. | SGD | (0.09) | (62.18) | (1.27) | (130.04) | 1.87 | 2.70 | (1.23) | (127.34) |
| 186 | Easteel Services (M) Sdn. Bhd. | MYR | 0.05 | 37.57 | 0.02 | 2.07 | - | - | 0.02 | 2.07 |
| 187 | Eastern Steel Fabricators Philippines, Inc. | SGD | (0.06) | (43.89) | - | - | - | - | - | - |
| 188 | NatSteel (Xiamen) Ltd. | CNY | 0.00 | 0.32 | 0.62 | 63.10 | - | - | 0.61 | 63.10 |
| 189 | NatSteel Recycling Pte Ltd. | SGD | 0.33 | 228.16 | 0.04 | 4.58 | - | - | 0.04 | 4.58 |
| 190 | NatSteel Trade International Pte. Ltd. | USD | 0.02 | 16.15 | (0.00) | (0.10) | - | - | (0.00) | (0.10) |
| 191 | NatSteel Vina Co. Ltd. | VND | 0.09 | 65.02 | (0.08) | (8.10) | - | - | (0.08) | (8.10) |
| 192 | The Siam Industrial Wire Company Ltd. | THB | 1.75 | 1,208.53 | 0.56 | 57.60 | - | - | 0.56 | 57.60 |
| 193 | TSN Wires Co., Ltd. | THB | 0.05 | 33.81 | (0.17) | (17.54) | - | - | (0.17) | (17.54) |
| 194 | NatSteel Trade International (Shanghai) Company Ltd. | CNY | - | - | 0.01 | 0.88 | - | - | 0.01 | 0.88 |
| 195 | T S Global Minerals Holdings Pte Ltd. | USD | 3.66 | 2,525.80 | (11.36) | (1,160.42) | - | - | (11.20) | (1,160.42) |
| 196 | Al Rimal Mining LLC | OMR | 0.01 | 6.57 | - | - | - | - | - | - |
| 197 | Black Ginger 461 (Proprietary) Ltd | ZAR | - | - | 0.26 | 27.05 | - | - | 0.26 | 27.05 |
| 198 | Kalimati Coal Company Pty. Ltd. | AUD | - | - | 2.19 | 223.44 | - | - | 2.16 | 223.44 |
| 199 | Sedibeng Iron Ore Pty. Ltd. | ZAR | - | - | 1.21 | 123.69 | - | - | 1.19 | 123.69 |
| 200 | Tata Steel Cote D' Ivoire S.A | FCFA | - | - | (0.01) | (0.61) | - | - | (0.01) | (0.61) |
| 201 | TSMUK Limited | USD | 5.35 | 3,685.00 | (0.00) | (0.07) | - | - | (0.00) | (0.07) |
| 202 | Tata Steel Minerals Canada Limited | USD | 4.06 | 2,800.11 | (0.48) | (48.61) | - | - | (0.47) | (48.61) |
| 203 | T S Canada Capital Ltd | USD | 0.05 | 34.76 | (0.00) | (0.16) | - | - | (0.00) | (0.16) |
| 204 | Tata Steel (Thailand) Public Company Ltd. | THB | 4.22 | 2,909.38 | 0.14 | 14.04 | 0.30 | 0.44 | 0.14 | 14.48 |
| 205 | N.T.S Steel Group Plc. | THB | 0.13 | 88.06 | (0.62) | (63.38) | (0.19) | (0.28) | (0.61) | (63.66) |
| 206 | The Siam Construction Steel Co. Ltd. | THB | 0.80 | 553.28 | 0.22 | 22.60 | (0.44) | (0.64) | 0.21 | 21.96 |
| 207 | The Siam Iron And Steel (2001) Co. Ltd. | THB | 0.39 | 267.89 | (0.05) | (5.32) | (0.06) | (0.08) | (0.05) | (5.40) |
| 208 | Tata Steel Global Procurement Company Pte. Ltd. | USD | 3.52 | 2,428.65 | 3.27 | 333.98 | - | - | 3.22 | 333.98 |
| 209 | ProCo Issuer Pte. Ltd. | GBP | 0.26 | 181.33 | 0.53 | 53.99 | - | - | 0.52 | 53.99 |
| 210 | Bhushan Steel (Australia) PTY Ltd. | AUD | 0.01 | 6.69 | (0.00) | (0.24) | (0.35) | (0.51) | (0.01) | (0.75) |
| 211 | Bowen Energy PTY Ltd. | AUD | (0.03) | (22.90) | (0.00) | (0.23) | 0.27 | 0.39 | 0.00 | 0.16 |
| 212 | Bowen Coal PTY Ltd. | AUD | 0.00 | 0.00 | - | - | - | - | - | - |
| 213 | Bowen Consolidated PTY Ltd. | AUD | 0.00 | 0.00 | - | - | - | - | - | - |
| 214 | ABJA Investment Co. Pte Ltd. | USD | (0.25) | (168.94) | 0.91 | 92.77 | - | - | 0.90 | 92.77 |
| 215 | Tata Steel (KZN) (Pty) Ltd. | ZAR | - | - | - | - | - | - | - | - |
| 216 | T Steel Holdings Pte. Ltd. | GBP | 11.60 | 7,998.70 | (1.02) | (103.86) | - | - | (1.00) | (103.86) |
| 217 | T S Global Holdings Pte. Ltd. | GBP | 8.98 | 6,191.97 | (10.47) | (1,070.33) | - | - | (10.33) | (1,070.33) |
| 218 | Orchid Netherlands (No.1) B.V. | GBP | 0.00 | 1.77 | (0.00) | (0.29) | - | - | (0.00) | (0.29) |

## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| **C.** | **Joint ventures** | | | | | | | | | |
| **a)** | **Indian** | | | | | | | | | |
| 1 | Naba Diganta Water Management Limited | INR | 0.02 | 16.89 | 0.03 | 2.73 | (0.03) | (0.05) | 0.03 | 2.68 |
| 2 | SEZ Adityapur Limited. | INR | (0.00) | (0.04) | - | - | - | - | - | - |
| 3 | Himalaya Steel Mill Services Private Limited | INR | 0.01 | 4.15 | 0.01 | 1.15 | - | - | 0.01 | 1.15 |
| 4 | mjunction services limited | INR | 0.20 | 139.62 | 0.20 | 20.84 | 0.03 | 0.04 | 0.20 | 20.88 |
| 5 | S & T Mining Company Private Limited | INR | (0.01) | (4.61) | - | - | - | - | - | - |
| 6 | Tata BlueScope Steel Private Limited | INR | 0.58 | 400.52 | 0.79 | 80.71 | 0.09 | 0.13 | 0.78 | 80.84 |
| 7 | Tata NYK Shipping (India) Private Limited | INR | 0.00 | 1.74 | 0.00 | 0.04 | - | - | 0.00 | 0.04 |
| 8 | Jamshedpur Continuous Annealing & Processing Company Private Limited | INR | 0.54 | 371.37 | 0.17 | 17.26 | 0.05 | 0.07 | 0.17 | 17.33 |
| 9 | TM International Logistics Limited | INR | 0.29 | 198.72 | 0.19 | 19.76 | 0.04 | 0.06 | 0.19 | 19.82 |
| 10 | TKM Global Logistics Limited | INR | 0.04 | 27.72 | 0.02 | 1.79 | 0.03 | 0.05 | 0.02 | 1.84 |
| 11 | Industrial Energy Limited | INR | 0.29 | 199.33 | 0.28 | 28.89 | 0.05 | 0.07 | 0.28 | 28.96 |
| 12 | Jamipol Limited | INR | 0.09 | 64.08 | 0.09 | 9.43 | 0.22 | 0.32 | 0.09 | 9.75 |
| 13 | Nicco Jubilee Park Limited | INR | - | - | - | - | - | - | - | - |
| 14 | Medica TS Hospital Private Limited | INR | - | - | - | - | - | - | - | - |
| 15 | Andal East Coal Company Private Limited | INR | - | - | - | - | - | - | - | - |
| 16 | T M Mining Company Limited | INR | - | - | - | - | - | - | - | - |
| **b)** | **Foreign** | | | | | | | | | |
| 1 | Afon Tinplate Company Limited | GBP | - | - | - | - | - | - | - | - |
| 2 | Laura Metaal Holding B.V. | EUR | 0.23 | 159.78 | 0.24 | 24.55 | - | - | 0.24 | 24.55 |
| 3 | Ravenscraig Limited | GBP | (0.07) | (49.24) | (0.04) | (3.65) | - | - | (0.04) | (3.65) |
| 4 | Tata Steel Ticaret AS | TRY | 0.02 | 16.32 | 0.08 | 8.25 | - | - | 0.08 | 8.25 |
| 5 | Air Products Llanwern Limited | GBP | 0.01 | 7.02 | 0.03 | 2.82 | - | - | 0.03 | 2.82 |
| 6 | Bsr Pipeline Services Limited | EUR | - | - | - | - | - | - | - | - |
| 7 | Hoogovens Court Roll Service Technologies Vof | EUR | 0.03 | 17.74 | 0.01 | 1.37 | - | - | 0.01 | 1.37 |
| 8 | Texturing Technology Limited | GBP | 0.02 | 12.40 | 0.05 | 4.66 | - | - | 0.04 | 4.66 |
| 9 | Minas de Benga (Mauritius) Limited | USD | (1.69) | (1,165.76) | (0.44) | (44.90) | - | - | (0.43) | (44.90) |
| 10 | BlueScope Lysaght Lanka (Pvt) Ltd | LKR | 0.01 | 8.54 | (0.00) | (0.03) | - | - | (0.00) | (0.03) |
| 11 | Tata NYK Shipping Pte Ltd. | USD | 0.12 | 85.67 | 0.14 | 14.78 | 4.04 | 5.84 | 0.20 | 20.62 |
| 12 | International Shipping and Logistics FZE | USD | 0.34 | 232.62 | 0.04 | 3.83 | (0.10) | (0.14) | 0.04 | 3.69 |
| 13 | TKM Global China Ltd. | CNY | 0.01 | 3.84 | 0.00 | 0.14 | - | - | 0.00 | 0.14 |
| 14 | TKM Global GmbH | EUR | 0.27 | 182.77 | 0.02 | 1.57 | - | - | 0.02 | 1.57 |
| 15 | TVSC Construction Steel Solutions Limited | HKD | - | - | (0.02) | (2.44) | - | - | (0.02) | (2.44) |
| **D.** | **Associates** | | | | | | | | | |
| **a)** | **Indian** | | | | | | | | | |
| 1 | TRF Limited. | INR | (0.03) | (22.89) | (0.35) | (36.01) | 1.26 | 1.82 | (0.33) | (34.19) |
| 2 | YORK Transport Equipment India Pvt. Ltd | INR | - | - | 0.00 | 0.45 | - | - | 0.00 | 0.45 |
| 3 | Malusha Travels Pvt Ltd | INR | - | - | - | - | - | - | - | - |
| 4 | Kalinga Aquatic Ltd | INR | - | - | - | - | - | - | - | - |
| 5 | Kumardhubi Fireclay & Silica Works Ltd. | INR | - | - | - | - | - | - | - | - |
| 6 | Kumardhubi Metal Casting and Engineering Limited | INR | - | - | - | - | - | - | - | - |
| 7 | Strategic Energy Technology Systems Private Limited | INR | - | - | - | - | - | - | - | - |

## NOTES
forming part of the consolidated financial statements

## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| 8 | Tata Construction & Projects Ltd. | INR | - | - | - | - | - | - | - | - |
| 9 | Bhushan Energy Limited | INR | - | - | - | - | - | - | - | - |
| 10 | Bhushan Capital & Credit Services Private Limited | INR | - | - | - | - | - | - | - | - |
| 11 | Jawahar Credit & Holdings Private Limited | INR | - | - | - | - | - | - | - | - |
| 12 | TRL Krosaki Refractories Limited | INR | - | - | 0.12 | 12.76 | (0.42) | (0.61) | 0.12 | 12.15 |
| **b)** | **Foreign** | | | | | | | | | |
| 1 | Albi Profils SRL | EUR | - | - | - | - | - | - | - | - |
| 2 | Fabsec Limited | GBP | - | - | - | - | - | - | - | - |
| 3 | GietWalsOnderhoudCombinatie B.V. | EUR | 0.03 | 19.69 | (0.12) | (12.42) | - | - | (0.12) | (12.42) |
| 4 | Hoogovens Gan Multimedia S.A. De C.V. | MXN | - | - | - | - | - | - | - | - |
| 5 | ISSB Limited | GBP | - | - | - | - | - | - | - | - |
| 6 | Wupperman Staal Nederland B.V. | EUR | 0.18 | 126.48 | 0.15 | 14.97 | - | - | 0.14 | 14.97 |
| 7 | European Profiles (M) Sdn. Bhd. | MYR | - | - | - | - | - | - | - | - |
| 8 | New Millennium Iron Corp. | CAD | 0.05 | 35.10 | (0.04) | (3.74) | - | - | (0.04) | (3.74) |
| 9 | 9336-0634 Québec Inc | CAD | - | - | - | - | - | - | - | - |
| 10 | TRF Singapore Pte Limited | SGD | 0.07 | 44.93 | 0.07 | 6.79 | (5.65) | (8.17) | (0.01) | (1.38) |
| 11 | TRF Holdings Pte Limited | USD | - | - | 0.15 | 15.15 | (0.69) | (1.00) | 0.14 | 14.15 |
| 12 | Dutch Lanka Trailer Manufacturers Limited | USD | 0.01 | 8.11 | 0.04 | 3.78 | (0.15) | (0.21) | 0.03 | 3.57 |
| 13 | Dutch Lanka Engineering (Private) Limited | LKR | 0.00 | 1.61 | 0.00 | 0.10 | (0.15) | (0.21) | (0.00) | (0.11) |
| 14 | Dutch Lanka Trailer LLC | OMR | - | - | (0.00) | (0.23) | - | - | (0.00) | (0.23) |
| 15 | Hewitt Robins International Ltd | GBP | 0.02 | 15.32 | 0.02 | 1.68 | (0.32) | (0.46) | 0.01 | 1.22 |
| 16 | Hewitt Robins International Holdings Ltd | GBP | 0.00 | 0.23 | - | - | - | - | - | - |
| 17 | YORK Transport Equipment (Asia) Pte Ltd | USD | - | - | (0.01) | (0.56) | (0.82) | (1.19) | (0.02) | (1.75) |
| 18 | YORK Transport Equipment Pty Ltd | AUD | - | - | (0.00) | (0.06) | - | - | (0.00) | (0.06) |
| 19 | YORK Sales (Thailand) Co. Ltd | THB | - | - | (0.00) | (0.31) | - | - | (0.00) | (0.31) |
| 20 | YTE Transport Equipment (SA) (Pty) Limited | ZAR | - | - | (0.00) | (0.02) | - | - | (0.00) | (0.02) |
| 21 | Rednet Pte Ltd. | USD | - | - | - | - | - | - | - | - |
| 22 | YTE Special Products Pte Ltd | USD | - | - | 0.00 | 0.01 | - | - | 0.00 | 0.01 |
| 23 | Qingdao YTE Special Products Co. Ltd | CNY | - | - | (0.01) | (0.77) | - | - | (0.01) | (0.77) |
| 24 | YORK Transport Equipment (Shanghai) Co. Ltd | CNY | - | - | (0.00) | (0.03) | - | - | (0.00) | (0.03) |
| 25 | PT York Engineering | USD | - | - | - | - | - | - | - | - |
| | **TOTAL** | | **181.60** | **1,25,165.98** | **71.17** | **7,272.53** | **(480.36)** | **(694.35)** | **63.48** | **6,578.18** |
| **E.** | **Adjustment due to consolidation** | | (81.60) | (56,240.90) | 28.83 | 2,945.80 | 580.36 | 838.90 | 36.52 | 3,784.70 |
| | **TOTAL** | | **100.00** | **68,925.08** | **100.00** | **10,218.33** | **100.00** | **144.55** | **100.00** | **10,362.88** |
| **F.** | **Minority interests in subsidiaries** | | | | | | | | | |
| **a)** | **Indian subsidiaries** | | | | | | | | | |
| 1 | The Tinplate Company of India Ltd | INR | | 178.08 | | 13.45 | | 0.41 | | 13.86 |
| 2 | The Indian Steel & Wire Products Ltd | INR | | 4.29 | | 0.65 | | (0.03) | | 0.62 |
| 3 | Tata Metaliks Ltd. | INR | | 319.51 | | 90.00 | | 0.02 | | 90.02 |
| 4 | Adityapur Toll Bridge Company Limited | INR | | 5.73 | | 1.16 | | - | | 1.16 |
| 5 | Tata Sponge Iron Limited | INR | | 493.32 | | 54.02 | | (0.03) | | 53.99 |
| 6 | Jamshedpur Utilities & Services Company Limited | INR | | 23.34 | | 38.88 | | - | | 38.88 |
| 7 | Tayo Rolls Limited | INR | | (211.11) | | (8.88) | | - | | (8.88) |
| 8 | Creative Port Development Private Limited | INR | | 205.58 | | (0.09) | | - | | (0.09) |

## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

| | Name of the entity | Reporting currency | Net assets, i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| 9 | Tata Steel BSL Limited | INR | | 284.93 | | (240.97) | | 2.23 | | (238.74) |
| 10 | Mohar Export Services Pvt Ltd | INR | | (0.01) | | - | | - | | - |
| **b)** | **Foreign subsidiaries** | | | | | | | | | |
| 1 | Tata Steel (Thailand) Public Company Ltd. | THB | | 399.70 | | (13.37) | | 20.21 | | 6.84 |
| 2 | Tata Steel Europe Limited | GBP | | (5.50) | | (1,081.14) | | (158.20) | | (1,239.34) |
| 3 | NatSteel Holdings Pte. Ltd. | SGD | | 41.62 | | (10.47) | | 0.67 | | (9.80) |
| 4 | T S Global Minerals Holdings Pte Ltd. | USD | | 624.98 | | 36.76 | | (2.04) | | 34.72 |
| 5 | Tata Steel (KZN) (Pty) Ltd. | ZAR | | - | | - | | - | | - |
| | **Total non-controlling interests in subsidiaries** | | | **2,364.46** | | **(1,120.00)** | | **(136.76)** | | **(1,256.76)** |
| | **Consolidated net assets/profit after tax** | | | **71,289.54** | | **9,098.33** | | **7.79** | | **9,106.12** |

List of subsidiaries, associates and joint ventures which have not been consolidated and reasons for not consolidating

| Sl. No. | Name | Reason |
|---|---|---|
| 1 | Andal East Coal Company Private Limited | Company is under liquidation |
| 2 | Kalinga Aquatic Ltd | Company is under liquidation |
| 3 | Kumardhubi Fireclay & Silica Works Ltd. | Company is under liquidation |
| 4 | Kumardhubi Metal Casting and Engineering Limited | Company is under liquidation |
| 5 | Tata Construction & Projects Ltd. | Company is under liquidation |
| 6 | Strategic Energy Technology Systems Private Limited | Investment value is impaired completely |
| 7 | European Profiles (M) Sdn. Bhd. | No control over financial and operating policies and hence not considered for consolidation |
| 8 | Albi Profils SRL | The operations of the companies are not significant and hence are immaterial for consolidation |
| 9 | Hoogovens Gan Multimedia S.A. De C.V. | The operations of the companies are not significant and hence are immaterial for consolidation |
| 10 | ISSB Limited | The operations of the companies are not significant and hence are immaterial for consolidation |
| 11 | Fabsec Limited | The operations of the companies are not significant and hence are immaterial for consolidation |
| 12 | Bhushan Energy Limited | Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016 is initiated against the Company |
| 13 | 9336-0634 Québec Inc | Financial information is not available |
| 14 | T M Mining Company Limited | Financial information is not available |
| 15 | Tata Steel (KZN) (Pty) Ltd. | Financial information is not available |

In terms of our report attached

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

sd/-
**Russell I Parera**
Partner
Membership Number 042190

Mumbai, April 25, 2019

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Mallika Srinivasan**
Director
DIN: 00037022

sd/-
**O. P. Bhatt**
Director
DIN: 00548091

sd/-
**Peter Blauwhoff**
Director
DIN: 07728872

sd/-
**Deepak Kapoor**
Director
DIN: 00162957

sd/-
**Aman Mehta**
Director
DIN: 00009364

sd/-
**V. K. Sharma**
Director
DIN: 02449088

sd/-
**Saurabh Agrawal**
Director
DIN: 02144558

sd/-
**T. V. Narendran**
Managing Director & Chief Executive Officer
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam K.**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

# Notice

Notice is hereby given that the 112th Annual General Meeting of the Members of Tata Steel Limited will be held on Friday, July 19, 2019, at 3.00 p.m. (IST) at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business:

## Ordinary Business:

### Item No. 1 – Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

### Item No. 2 – Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Auditors thereon.

### Item No. 3 – Declaration of Dividend

To declare dividend of:

- ₹13/- per fully paid Ordinary (equity) Share of face value ₹10/- each for the Financial Year 2018-19.
- ₹3.25 per partly paid Ordinary (equity) Share of face value ₹10/- each (paid-up ₹2.504 per share) for the Financial Year 2018-19.

### Item No. 4 – Re-appointment of a Director

To appoint a Director in the place of Mr. Koushik Chatterjee (DIN:00004989), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

## Special Business:

### Item No. 5 – Appointment of Mr. Vijay Kumar Sharma as a Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Vijay Kumar Sharma (DIN:02449088), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company effective August 24, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 and any other applicable provisions, if any, of the Companies Act, 2013 (**'Act'**) (including any modification or re-enactment thereof) and Article 121 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

### Item No. 6 – Re-appointment of Ms. Mallika Srinivasan as an Independent Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (**'Act'**), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), as amended from time to time, Ms. Mallika Srinivasan (DIN: 00037022), who was appointed as an Independent Director at the 107th Annual General Meeting of the Company and who holds office up to August 13, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term commencing with effect from August 14, 2019 up to May 20, 2022, not liable to retire by rotation."

### Item No. 7 – Re-appointment of Mr. O. P. Bhatt as an Independent Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (**'Act'**), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), as amended from time to time, Mr. O. P. Bhatt (DIN: 00548091), who was appointed as an Independent Director at the 107th Annual General Meeting of the Company and who holds office up to August 13, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of

Director, be and is hereby re-appointed as an Independent Director of the Company, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term commencing with effect from August 14, 2019 up to June 9, 2023, not liable to retire by rotation."

**Item No. 8 – Re-appointment of Mr. T. V. Narendran as Chief Executive Officer and Managing Director and payment of remuneration**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 (**'Act'**) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Mr. T. V. Narendran (DIN: 03083605) as Chief Executive Officer and Managing Director (**'CEO & MD'**) of the Company for a period of five years, with effect from September 19, 2018 to September 18, 2023, not liable to retire by rotation, upon the terms and conditions set out in the Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Act, as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and CEO & MD.

**RESOLVED FURTHER THAT** the Board of Directors (the **'Board'** which term includes a duly constituted Committee of the Board) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**Item No. 9 – Ratification of Remuneration of Cost Auditors**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹20 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number - 000001) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2020.

**RESOLVED FURTHER THAT** the Board of Directors (the **'Board'** which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and/or otherwise considered by them to be in the best interest of the Company."

**NOTES:**

(a) The Statement, pursuant to Section 102 of the Companies Act, 2013 (**'Act'**) with respect to Item Nos. 5 to 9 forms part of this Notice. Additional information, pursuant to applicable Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (**'Meeting'** or **'AGM'**) is furnished as annexure to the Notice.

**(b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

(c) Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 in number and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

(d) The instrument of proxy, in order to be effective, must be received at the Registered Office of the Company at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001, not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.

(e) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.

(f) In case of joint holders attending the Meeting, only such joint holders who are higher in the order of the names will be entitled to vote.

(g) Members/proxies/authorized representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.

(h) The Register of Members of the Company will be closed from Saturday, July 6, 2019 to Friday, July 19, 2019 (both days inclusive) for the purpose of AGM and payment of dividend for Financial Year 2018-19.

(i) If dividend on both, fully paid Ordinary Shares and partly paid Ordinary Shares (collectively, **'Ordinary Shares'**), as recommended by the Board of Directors is approved at the Meeting, payment of such dividend will be made on and from Tuesday, July 23, 2019, as under:

- In respect of Ordinary Shares held in physical form, to all those Members whose names appear on the Company's Register of Members as on Friday, July 5, 2019 after giving effect to valid requests for transmission or transposition lodged with the Company on or before the close of business hours on Friday, July 5, 2019.
- In respect of Ordinary Shares held in electronic form, to all beneficial owners of the shares, as per details furnished by the Depositories for this purpose, as of the close of business hours on Friday, July 5, 2019.

Members are requested to provide Bank details to facilitate payment of dividend etc., either in electronic mode or for printing on the payment instruments.

(j) Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to the date of the AGM and will also be kept open at the venue of the AGM till the conclusion of the AGM.

(k) Members desiring any information as regards the Accounts are requested to write to the Company at an earlier date so as to enable the Management to keep the information ready at the AGM.

(l) As per the provisions of the Companies Act, 2013, the facility for making nomination is available to the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members who hold shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

(m) The attention of Members is particularly drawn to the Corporate Governance Report forming part of the Board's Report in respect of unclaimed and unpaid dividends and transfer of dividends/shares to the Investor Education and Protection Fund.

(n) Section 20 of the Companies Act, 2013, as amended from time to time, permits service of documents on Members by a company through electronic mode. Hence, in accordance with the Companies Act, 2013 read with the Rules framed thereunder, as amended, the Integrated Report 2018-19 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant unless any Member has requested for a physical copy of the Report. For Members who have not registered their email addresses, physical copies of the Integrated Report 2018-19 are being sent by the permitted modes. Members may note that Integrated Report 2018-19 will also be available on the Company's website www.tatasteel.com

(o) During Financial Year 2018-19, the Securities and Exchange Board of India (**'SEBI'**) and the Ministry of Corporate Affairs (**'MCA'**) has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at cosec@tatasteel.com or contact the Registrars and Transfer Agent - TSR Darashaw Limited at csg-unit@tsrdarashaw.com and +91 22 66568484 for assistance in this regard.

(p) To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with TSR Darashaw Limited/Depository Participant.

(q) The Company is providing facility of live webcast of the proceedings of the AGM from 3.00 p.m. (IST) till the conclusion of the AGM. Members can use their remote e-Voting login and password to view the proceedings of the AGM by accessing NSDL's website where the EVEN number of the Company will be displayed.

**Updation of Members' Details:**

The format of the Register of Members prescribed by the MCA under the Companies Act, 2013 requires the Company/Registrars and Transfer Agents to record additional details of Members, including their Permanent Accounts Number details (PAN), e-mail address, bank details for payment of dividend, etc. Further, SEBI has mandated the submission of PAN by every participant in the securities market.

A form for capturing the above details is appended in the Integrated Report 2018-19. Members holding shares in physical form are requested to submit the filled-in form to the Company at the Registered Office or its Registrars and Transfer Agent – TSR Darashaw Limited. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

**Process and manner for voting through electronic means:**

1. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time and the Secretarial Standard on General Meetings issued by The Institute of Companies Secretaries of India, the Company is pleased to provide to its Members the facility to cast their votes electronically, through e-voting services provided by National Securities Depository Limited (**'NSDL'**), on resolutions set forth in this Notice. The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting (**'remote e-voting'**) and the services will be provided by NSDL. Instructions for remote e-voting (including process and manner of e-voting) are given herein below. The Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting. The Notice of the Annual General Meeting indicating the instructions of remote e-voting process along with printed Attendance Slip and Proxy Form can be downloaded from the

NSDL's website www.evoting.nsdl.com or the Company's website www.tatasteel.com

2. The facility for voting through electronic voting system shall be made available at the Annual General Meeting and the Members (including proxies) attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting.

3. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

4. Members can opt for only one mode of voting, i.e. either by remote e-voting or voting at the Meeting. In case Members cast their vote through both the modes, voting done by remote e-voting shall prevail and votes cast at the Meeting shall be treated as invalid.

**The instructions for remote e-voting are as under:**

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/**

**Step 2: Cast your vote electronically on NSDL e-Voting system**

**Details on Step 1 is mentioned below:**

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the Company<br>For example if folio number is S1******** and EVEN is 110643 (fully paid shares) then user ID is 110643S1******** and, If, EVEN is 110644 (partly paid shares) then user ID is 110644S1******** |

5. Your password details are given below:

(a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your 'initial password'?

   (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Open the email sent to you by NSDL and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

(a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

(b) Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

8. Now, you will have to click on 'Login' button.

9. After you click on the 'Login' button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Evoting Cycles.

2. After clicking on Active Evoting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

3. Select 'EVEN' of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

6. Upon confirmation, the message 'Vote cast successfully' will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders:**

i. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tsl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in on or before the closing of e-voting.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries, you may refer the Frequently Asked Questions (**'FAQs'**) for Shareholders and e-voting User Manual for Shareholders, available at the 'downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

**Other Instructions:**

i. The remote e-voting period commences on Monday, July 15, 2019 (9.00 a.m. IST) and ends on Thursday, July 18, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Friday, July 12, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change the vote subsequently.

ii. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).

iii. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e Friday, July 12, 2019 and as per the Register of Members of the Company.

iv. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e Friday, July 12, 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or csg-unit@tsrdarashaw.com (RTA Email). However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990 or e-mail at evoting@nsdl.co.in

v. Please note, only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Annual General Meeting through e-voting.

vi. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327 and CP No. 1228) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331 and CP No. 9511) of M/s Parikh & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process as well as voting at the Annual General Meeting in a fair and transparent manner.

vii. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, allow voting for all those Members who are present but have not cast their vote electronically using the remote e-voting facility.

viii. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

ix. The Chairman or a person authorized by him in writing shall declare the result of voting forthwith.

x. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.tatasteel.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

xi. In case of any grievances with respect to the facility for voting by electronic means, Members are requested to contact Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in (+91 22 2499 4360) or Ms. Pallavi Mhatre, Manager at pallavid@nsdl.co.in (+91 22 2499 4545) or at evoting@nsdl.co.in (1800 222 990) or write to NSDL at NSDL, Trade World, 'A' wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

By Order of the Board of Directors

Sd/-
**Parvatheesam K**
Company Secretary &
Chief Legal Officer (Corporate & Compliance)
ACS: 15921

Mumbai
April 25, 2019

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel: +91 22 6665 8282 Fax: +91 22 6665 7724
CIN: L27100MH1907PLC000260
Website: www.tatasteel.com
Email: cosec@tatasteel.com

---

## Statement pursuant to Section 102(1) of the Companies Act, 2013, as amended ('Act')

The following Statement sets out all material facts relating to Item Nos. 5 to 9 mentioned in the accompanying Notice.

### Item No. 5:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors (**'Board'**), appointed Mr. Vijay Kumar Sharma as an Additional (Non-Executive, Non-Independent) Director of the Company, effective August 24, 2018. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Mr. Vijay Kumar Sharma will hold office up to the date of the ensuing Annual General Meeting (**'AGM'**) and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing the candidature of Mr. Sharma for the office of Director. Mr. Sharma, once appointed will be liable to retire by rotation and will be subject to the Company's Policy on Retirement of Directors.

The Company has received from Mr. Sharma (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

The profile and specific areas of expertise of Mr. Sharma are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sharma, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

**Item No. 6:**

Ms. Mallika Srinivasan was appointed as a Non-Executive Director of the Company effective May 21, 2012. On April 1, 2014, the Ministry of Corporate Affairs notified Section 149 of the Act and related Rules. Pursuant to the said provisions, Ms. Srinivasan was appointed as an Independent Director of the Company by the Shareholders of the Company at the 107th Annual General Meeting held on August 14, 2014, for a period of five years with effect from August 14, 2014 up to August 13, 2019.

The Board on April 25, 2019, based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Ms. Mallika Srinivasan as a Member of the Board and considering that the continued association of Ms. Srinivasan would be beneficial to the Company, proposed to re-appoint Ms. Srinivasan as an Independent Director of the Company, not liable to retire by rotation, for a second term effective August 14, 2019 up to May 20, 2022. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Ms. Srinivasan for the office of Director.

The Company has received from Ms. Srinivasan (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act, (iii) Declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**'Listing Regulations'**) and (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the Listing Regulations, each as amended, the re-appointment of Ms. Srinivasan as an Independent Director of the Company for a second term commencing August 14, 2019 through May 20, 2022 is being placed before the Shareholders for their approval by way of a special resolution. Ms. Srinivasan, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Ms. Srinivasan is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, and is independent of the Management of the Company. A copy of the draft letter of appointment of Ms. Srinivasan as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting (**'AGM'**) and will also be kept open at the venue of the AGM till the conclusion of the Meeting.

The profile and specific areas of expertise of Ms. Srinivasan are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Ms. Srinivasan, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the Resolution set forth in Item No. 6 for the approval of the Members.

**Item No. 7:**

Mr. O. P. Bhatt was appointed as a Non-Executive Director of the Company effective June 10, 2013. On April 1, 2014, the Ministry of Corporate Affairs notified Section 149 of the Act and related Rules. Pursuant to this provision, Mr. Bhatt was appointed as an Independent Director of the Company by the Shareholders of the Company at the 107th Annual General Meeting held on August 14, 2014, for a period of five years with effect from August 14, 2014 up to August 13, 2019.

The Board on April 25, 2019, based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. O. P. Bhatt as a Member of the Board and considering that the continued association of Mr. Bhatt would be beneficial to the Company, proposed to re-appoint Mr. Bhatt as an Independent Director of the Company, not liable to retire by rotation, for a second term effective August 14, 2019 up to June 9, 2023. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Mr. Bhatt for the office of Director.

The Company has received from Mr. Bhatt (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**'Listing Regulations'**) and (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the Listing Regulations, each as amended, the re-appointment of Mr. O. P. Bhatt as an Independent Director of the Company for a second term commencing August 14, 2019 through June 9, 2023 is being placed before the Shareholders for their approval by way of a special resolution. Mr. Bhatt, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Bhatt is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, and is independent of the Management of the Company. A copy of the draft letter of appointment of Mr. Bhatt as an Independent Director setting out the terms and conditions of his appointment is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting (**'AGM'**) and will also be kept open at the venue of the AGM till the conclusion of the Meeting.

The profile and specific areas of expertise of Mr. O. P. Bhatt are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Bhatt, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the Resolution set forth in Item No. 7 for the approval of the Members.

**Item No. 8:**

Mr. T. V. Narendran was appointed as the Managing Director of the Company for a period of five years effective September 19, 2013 till September 18, 2018, not liable to retire by rotation, and the said appointment was approved by the Shareholders at the 107th Annual General Meeting held on August 14, 2014.

The Board of Directors (**'the Board'**), on October 31, 2017, re-designated Mr. Narendran as the Chief Executive Officer and Managing Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board on August 13, 2018, re-appointed Mr. Narendran as the Chief Executive Officer and Managing Director of the Company, not liable to retire by rotation, for a further period of five years effective September 19, 2018 through September 18, 2023, subject to approval of the Shareholders.

The Board, while re-appointing Mr. Narendran as the Chief Executive Officer and Managing Director of the Company, considered his background, experience and contributions to the Company.

Mr. Narendran joined the Company in 1988 after completing his MBA from IIM, Calcutta. He has more than 30 years of experience in the Mining and Metals industry.

Mr. Narendran's career in Tata Steel spanned many areas in India and overseas, including Marketing & Sales, International Trade, Supply Chain & Planning, Operations and General Management and includes stints at Jamshedpur, Kolkata, Dubai and Singapore. Before becoming the Managing Director of Tata Steel, Mr. Narendran was the Vice President - Safety, Flat Products & Long Products since 2010.

Mr. Narendran was actively involved in the Company's first overseas acquisition, NatSteel, and was seconded there as the Executive Vice President in 2005. He took over as the President & CEO of NatSteel from January 2008.

Mr. Narendran successfully executed and commissioned one of the largest greenfield projects in India, the Kalinganagar Steel Plant in Odisha, which achieved its rated capacity within a very short span of time. It also enhanced the Company's ability to deliver steel to higher value segments such as the automotive and the oil & gas industries.

In May, 2018, Mr. Narendran oversaw the successful acquisition of Bhushan Steel Limited (renamed Tata Steel BSL Limited).

Further, on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on April 25, 2019 approved the revision in the terms of remuneration of Mr. Narendran, subject to the approval of the Shareholders.

The main terms and conditions relating to the re-appointment and terms of remuneration Mr. Narendran as CEO & MD are as follows:

**(1) Period:** For a period of 5 years i.e., from September 19, 2018 to September 18, 2023.

**(2) Nature of Duties:** The CEO & MD shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries including performing duties as assigned to CEO & MD from time to time by serving on the boards of such associated companies and/or subsidiaries or any other Executive body or any committee of such a company.

**(3) A. Remuneration:**

**a) Basic Salary**

Current basic salary of ₹12,50,000/- per month up to a maximum of ₹18,00,000/- per month.

The annual increment which will be effective April 1, each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee (**'NRC'**). The recommendation of NRC will be based on Company performance and individual performance.

**b) Benefits, perquisites and allowances**

Details of benefits, perquisites and allowances are as follows:

i. Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary.

ii. Hospitalization, transport, telecommunication and other facilities:

a. Hospitalization and major medical expenses for self, spouse and dependent parents & children;

b. Car, with driver provided, maintained by the Company for official and personal use;

c. Telecommunication facilities including broadband, internet and fax.

iii. Other perquisites and allowances as given below, subject to maximum of 55% limit of the annual basic salary.

The categories of perquisites/allowances to be included within the 55% limit would be:

a. Monthly supplementary allowances/personal accident insurance/club membership fees – 38.34%

b. Leave travel concession/allowance - 8.33%

c. Medical allowance – 8.33%

iv. Contribution to Provident Fund, Superannuation Fund and Gratuity Fund, as per the Rules of the Company.

v. Mr. Narendran shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by him would be encashable in accordance with the Rules of the Company.

**c) Bonus/Performance Linked Incentive/Commission:**

Mr. Narendran shall be entitled to Bonus/Performance Linked Incentive, Long-Term Incentive and/or Commission based on certain performance criteria laid down by the Board and/or Committee thereof, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and related Rules.

The specific amount of Bonus/Performance Linked Incentive, Long-Term Incentive and/or Commission payable to Mr. Narendran would be based on performance as evaluated by the Board or a Committee thereof, duly authorized in this behalf.

**B. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Narendran, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits and perquisites and allowances, Bonus/Performance Linked Incentive, Long-Term Incentive as approved by the Board.

**(4) Other Terms of Appointment:**

i. The CEO & MD, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

ii. The terms and conditions of the re-appointment of the CEO & MD and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CEO & MD, subject to such approvals as may be required.

iii. The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.

iv. The employment of the CEO & MD may be terminated by the Company without notice or payment in lieu of notice:

a. if the CEO & MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the CEO & MD of any of the stipulations contained in the Agreement; or

c. in the event the Board expresses its loss of confidence in the CEO & MD.

v. In the event the CEO & MD is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

vi. Upon the termination by whatever means of CEO & MD's employment under the Agreement:

a. He shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.

b. He shall not, without the consent of the Board and at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

vii. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the CEO & MD unless specifically provided otherwise.

viii. If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Narendran will cease to be the CEO & MD and also cease to be a Director of the Company. If at any time, Mr. Narendran ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the CEO & MD and this Agreement shall forthwith terminate. If at any time, the CEO & MD ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and CEO & MD of the Company.

ix. The terms and conditions of re-appointment of CEO & MD also include clauses pertaining to adherence to the Tata Code of Conduct, protection and use of intellectual property, non-competition, non-solicitation post termination of agreement and maintenance of confidentiality.

The profile and specific areas of expertise of Mr. Narendran are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Narendran, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the NRC, approval of the Members is sought for the re-appointment and terms of remuneration of Mr. T. V. Narendran as Chief Executive Officer and Managing Director as set out above.

The Board recommends the Resolution set forth in Item No. 8 for the approval of Members.

**Item No.9:**

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice. The Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment and remuneration of Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number - 000001) as the Cost Auditor of the Company for the Financial Year 2019-20.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2020.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

The Board recommends the Resolution set forth in Item No. 9 for the approval of the Members.

By Order of the Board of Directors
Sd/-
**Parvatheesam K**
Company Secretary &
Chief Legal Officer (Corporate & Compliance)
ACS: 15921

Mumbai
April 25, 2019

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel: +91 22 6665 8282
Fax: +91 22 6665 7724
CIN: L27100MH1907PLC000260
Website: www.tatasteel.com
Email: cosec@tatasteel.com

# Annexure to the Notice

**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting**

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meeting]

## Profile of Mr. Koushik Chatterjee

Mr. Koushik Chatterjee (50) is an Honors Graduate in Commerce from Calcutta University and a Fellow Member of the Institute of Chartered Accountants of India.

Mr. Chatterjee joined Tata Steel Limited in 1995 in Jamshedpur. He was then transferred to Tata Sons in 1999 in the Group Executive Office. He re-joined Tata Steel Limited on August 1, 2003 and was appointed as the Group CFO in 2008. He was inducted on the Board of Tata Steel Limited effective November 9, 2012. Further he was appointed as Group Executive Director (Finance & Corporate), Tata Steel in 2013 and re-appointed as Whole Time Director effective November 9, 2017 designated as Executive Director and Chief Financial Officer.

During the last 15 years in the Company, he has been part of the top leadership team in the Company and has led the Company's finance function and provided stewardship in the areas of financial strategy, performance management, large and complex financing in India and overseas of over USD 70 billion across several instruments and currencies, mergers and acquisitions including divestments, risk management, reporting and controlling, investor relations and taxation. He has also been deeply involved in portfolio restructuring and turnaround of business situations of various Subsidiary Companies.

Mr. Chatterjee had been a member of the Primary Market Advisory Committee of the SEBI and was member of the task force set up by SEBI that drafted the Takeover Code. He was also the member of the Global Preparers Forum, the advisory body to the International Accounting Standards Board London. He is currently the member of International Integrated Reporting Council UK, Working Group on Group Insolvency set up by the Insolvency and Bankruptcy Board of India, Global Task Force on Climate Related Financial Disclosures set up by the Financial Stability Board, Basel Switzerland. He is a frequent speaker in various conferences in India and abroad and has been recognised as one of India's best CFO by several organisations like Business Today Magazine, CNBC, Asiamoney, Chartered Institute of Management Accountants UK. Recently in March 2019, he was honoured with the 'FE CFO Lifetime Achievement Award' by the Financial Express.

### Particulars of experience, attributes or skills that qualify Mr. Chatterjee for Board membership:

Mr. Koushik Chatterjee has valuable experience in managing the issues faced by large and complex corporations by virtue of his tenure at Tata Sons and Tata Steel. Mr. Chatterjee brings to the Board extensive experience in the areas of controllership, financial stewardship, business responsibility (including re-structuring and turnaround of large organisations), business development (mergers, acquisitions and divestments), strategy and execution of large and complex financing, strategic communication, risk management, crisis leadership, public affairs, legal, compliance and governance.

Mr. Chatterjee's experience demonstrates his leadership capability, general business acumen and knowledge of complex financial operational and governance issues that large corporations face. By virtue of his background and experience Mr. Chatterjee has an extraordinarily broad and deep knowledge of the steel and mining industry. His experiences will enable him to provide the Board with valuable insights on a broad range of business, social and governance issues that are relevant to the Company.

### Board Meeting Attendance and Remuneration

During the year, Mr. Chatterjee attended all seven Board Meetings that were held. Being an Executive Director, Mr. Chatterjee was not paid any sitting fees for attending the Meetings of the Board/Committees. Details regarding the remuneration is provided in the Corporate Governance Report forming part of the Board's Report.

### Bodies Corporate (other than Tata Steel Limited) in which Mr. Koushik Chatterjee holds Directorships and Committee positions

#### Directorships

Tata Metaliks Limited
The Tinplate Company of India Limited
Tata Sponge Iron Limited
Tata Steel BSL Limited (formerly Bhushan Steel Limited)
Tata Steel Europe Limited
TS Global Holdings Pte Ltd
TS Global Minerals Holdings Pte Ltd., Singapore
TS Global Procurement Co. Pte. Ltd., Singapore
Dimna Steel Limited
Bistupur Steel Limited
Tata Steel Foundation (Section 8 Company)
World Steel Association

#### Chairperson of Board Committees

**Tata Steel BSL Limited**
Stakeholders' Relationship Committee

#### Member of Board Committees

**Tata Steel Europe Limited**
Audit Committee
Executive Committee
Board Pension Committee

**The Tinplate Company of India Limited**
Nomination & Remuneration Committee

**Tata Metaliks Limited**
Nomination & Remuneration Committee

**Tata Steel BSL Limited**
Audit Committee

**Tata Sponge Iron Limited**
Audit Committee
Nomination & Remuneration Committee
Committee of Board

### Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. Koushik Chatterjee, other members of the Board and Key Managerial Personnel of the Company.

### Shareholding in the Company

Mr. Koushik Chatterjee holds 1,531 Fully Paid Equity Shares and 105 Partly Paid Equity Shares of the Company.

### Profile of Mr. Vijay Kumar Sharma

Mr. Vijay Kumar Sharma (60) was appointed as a Member of the Board effective August 24, 2018.

Mr. Sharma is the former Chairman of Life Insurance Corporation of India (**'LIC'**), a position he held till December 31, 2018. Prior to him taking over as Chairman of LIC on December 16, 2016, he served as Chairman (In-charge) from September 16, 2016 and Managing Director, LIC from November 1, 2013. From December 2010 to November 2013, he served as Managing Director & Chief Executive Officer, LIC Housing Finance Limited (**'LICHFL'**), a premier housing finance company in the country.

Mr. Sharma joined LIC as a Direct Recruit Officer in 1981 and in an illustrious career spanning 37 years, served in several pivotal positions in LIC. Mr. Sharma has steered LIC in challenging assignments, pan India, which has added immensely to his experience and honed his understanding of demographics of the country, socio-economic needs of different regions and multi-cultural challenges in implementation of objectives of large Corporates.

As the Managing Director & Chief Executive Officer of LICHFL, he stabilised the operations of the Company under challenging circumstances and turned it around to be the best housing finance company in 2011.

Mr. Sharma holds a post-graduate degree (MSc.) in Botany from University of Patna.

### Particulars of experience, attributes or skills that qualify Mr. Sharma for Board membership:

Mr. Sharma is an inspirational leader with strong negotiation skills gained over 37 years of extensive experience in insurance and financial sectors. He connects with people at different levels and believes in bottom-up approach in executing various projects. He has an ability to make his vision towards an organisation a reality. He is known as Growth Leader, as he steered LIC to surge ahead and turnaround on its growth path in all segments of performance.

Mr. Sharma's demonstrated executive leadership as the former Chairman of LIC indicate that he will provide valued insights and perspectives to the Board deliberations on complex financial and operational issues. The Board will draw on his experience and skills in the areas of business strategy, product development and branding, stakeholder engagement, risk mitigation, compliance, internal controls and administrative issues. His unique insights with respect to regulatory and policy matters will strengthen the Board's collective knowledge, capabilities and experience.

### Board Meeting Attendance and Remuneration

During the year, Mr. Sharma attended all three Board Meetings held post his appointment as Director. Details regarding the remuneration is provided in the Corporate Governance Report forming part of the Board's Report.

### Bodies Corporate (other than Tata Steel Limited) in which Mr. V. K. Sharma holds Directorships and Committee positions

### Directorships

ACC Limited
Mahindra and Mahindra Limited

### Member of Board Committees

**ACC Limited**
Risk Committee
Corporate Social Responsibility Committee

### Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. V. K. Sharma, other members of the Board and Key Managerial Personnel of the Company.

### Shareholding in the Company

Mr. V. K. Sharma through his relative holds 250 Fully Paid Equity Shares of the Company.

### Profile of Ms. Mallika Srinivasan

Ms. Mallika Srinivasan (59) was appointed as a Member of the Board effective May 21, 2012.

Ms. Srinivasan was appointed as an Independent Director of the Company, under the Companies Act, 2013, by the Shareholders of the Company at the 107th Annual General Meeting held on August 14, 2014, for a period of five years with effect from August 14, 2014 up to August 13, 2019.

Ms. Srinivasan is the Chairperson and Chief Executive Officer of Tractors and Farm Equipment Limited (**'TAFE'**). She has spearheaded TAFE's growth to its present status as the third largest tractor manufacturer in the world.

The accolades and awards she has received in the recent years are testimonial to her professionalism and thought leadership. In 2018, Ms. Srinivasan was conferred the Outstanding Woman Entrepreneur Award at The Economic Times Family Business Awards and ranked 5th in the Fortune India List of Most Powerful Women in business. In September 2017, she was awarded the Honorary Doctorate of Science (Honoris Causa) by the Tamil Nadu Agricultural University in recognition of her contributions to global agriculture, machinery business and academia. She was featured among 'BBC 100 Women 2016' - a list of inspirational and influential women from across the world, compiled by the British Broadcasting Corporation (BBC) in November 2016. In March 2015, she was conferred the prestigious Sir Jehangir Ghandy Medal for Social and Industrial Peace by the Xavier School of Management, Jamshedpur, India. In 2014, the Government of India conferred Ms. Srinivasan with the prestigious Padma Shri award for her contribution to Trade and Industry.

Ms. Mallika Srinivasan holds a Masters of Business Management degree from Wharton School of Business, University of Pennsylvania, USA and Masters of Arts in Econometrics from the University of Madras, Chennai.

### Particulars of experience, attributes or skills that qualify Ms. Srinivasan for Board membership:

Ms. Srinivasan has extensive experience in manufacturing sector. Ms. Srinivasan's leadership skills and business acumen are demonstrated by her success in managing large enterprises.

Ms. Srinivasan occupies herself primarily with Board and leadership Roles in a range of global manufacturing companies. Her rich and wide experience enables her to provide valued insights and perspectives on a broad range of business, social and governance issues that are relevant to large corporations.

**Board Meeting Attendance and Remuneration**

Ms. Srinivasan attended five Board Meetings held during the year as Director. Details regarding the remuneration is provided in the Corporate Governance Report forming part of the Board's Report.

**Bodies Corporate (other than Tata Steel Limited) in which Ms. Mallika Srinivasan holds Directorships and Committee positions**

**Directorships**

TAFE Motors and Tractors Limited
Tractors and Farm Equipment Limited
TAFE Access Limited
TAFE Reach Limited
The United Nilgiri Tea Estate Company Limited
Tata Global Beverages Limited
TAFE Properties Limited
Trust Properties Development Company Private Limited
AGCO Corporation, USA
Chennai Willington Corporate Foundation
Indian School of Business
Harita Realty Developers LLP

**Chairperson of Board Committees**

**TAFE Motors and Tractors Limited**
Corporate Social Responsibility Committee

**The United Nilgiri Tea Estates Company Limited**
Corporate Social Responsibility Committee

**Tractors and Farm Equipment Limited**
Corporate Social Responsibility Committee

**Member of Board Committees**

**TAFE Motors and Tractors Limited**
Nomination and Remuneration Committee

**The United Nilgiri Tea Estates Company Limited**
Nomination and Remuneration Committee

**Tractors and Farm Equipment Limited**
Nomination and Remuneration Committee

**Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel**

There is no inter-se relationship between Ms. Mallika Srinivasan, other members of the Board and Key Managerial Personnel of the Company.

**Shareholding in the Company**

Ms. Mallika Srinivasan does not hold any Equity Shares of the Company.

**Profile of Mr. O. P. Bhatt**

Mr. O. P. Bhatt (68) was appointed as a Member of the Board with effect from June 10, 2013.

He was then appointed as an Independent Director of the Company, under the Companies Act, 2013, by the Shareholders of the Company at the 107th Annual General Meeting held on August 14, 2014, for a period of five years with effect from August 14, 2014 up to August 13, 2019.

Prior to joining Tata Steel as a Director, Mr. Bhatt has served as the Chairman of State Bank Group from June 2006 to March 2011, which includes the State Bank of India (**'SBI'**), five associate banks in India, five overseas banks, SBI Life, SBI Capital Markets, SBI Fund Management and other subsidiaries spanning diverse activities from general insurance to custodial services.

He has served as Chairman of the Indian Banks' Association, the apex body of Indian banks and was the government's nominee on the India-US CEO Forum, Indo-French CEO Forum and Indo-Russia CEO Forum. He has also served as a Governor on the Board of Centre for Creative Leadership, USA and was nominated 'Banker of the Year' by Business Standard and 'Indian of the Year for Business' in 2007 by CNN-IBN.

Mr. O. P. Bhatt is a graduate in Science and a post graduate in English Literature (Gold Medalist) from University of Meerut.

**Particulars of experience, attributes or skills that qualify Mr. Bhatt for Board membership:**

Mr. Bhatt is a successful international leader with a career spanning 4 decades. He has served in several pivotal positions during his tenure in SBI. As the Chairman of SBI, he has transformed SBI in bringing efficiency and competitiveness in operations. It is under his stewardship that SBI adopted an aggressive strategy in marketing and operations and rose on the global list rankings of Fortune 500 companies.

Mr. Bhatt brings with him deep knowledge in Banking, Financial and Manufacturing sectors and has a proven track record in managing complex organisation structures. Mr. Bhatt occupies himself primarily with Board in a range of global manufacturing and technology companies such as Tata Motors Limited and Tata Consultancy Services Limited amongst others. His prior experience enables him to provide the Board with valuable insights on a broad range of business, social and governance issues that are relevant to large corporations.

With the above exceptionally distinguished record of accomplishments, Mr. Bhatt will continue to add significant value and strength to the Board.

### Board Meeting Attendance and Remuneration

During the year, Mr. O. P. Bhatt attended six Board Meetings held during the year as Director. Details regarding the remuneration is provided in the Corporate Governance Report forming part of the Board's Report.

### Bodies Corporate (other than Tata Steel Limited) in which Mr. O. P. Bhatt holds Directorships and Committee positions

### Directorships

Hindustan Unilever Limited
Tata Consultancy Services Limited
Tata Motors Limited
Greenco Energy Holdings Limited

### Chairperson of Board Committees

**Hindustan Unilever Limited**
Stakeholders' Relationship Committee
Corporate Social Responsibility Committee

**Tata Consultancy Services Limited**
Risk Committee

**Tata Motors Limited**
Nomination and Remuneration Committee
Corporate Social Responsibility Committee

### Member of Board Committees

**Hindustan Unilever Limited**
Audit Committee
Remuneration Committee

**Tata Consultancy Services Limited**
Audit Committee
Nomination and Remuneration Committee
Corporate Social Responsibility Committee
Ethics and Compliance Committee

**Tata Motors Limited**
Audit Committee

### Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. O. P. Bhatt, other members of the Board and Key Managerial Personnel of the Company.

### Shareholding in the Company

Mr. O. P. Bhatt does not hold any Equity Shares of the Company.

### Profile of Mr. T. V. Narendran

Mr. T. V. Narendran (54) was inducted as Managing Director of the Company effective September 19, 2013. He was re-designated as the Chief Executive Officer and Managing Director (**'CEO & MD'**) on October 31, 2017 and was re-appointed as CEO & MD effective September 19, 2018.

Mr. Narendran joined the Company in 1988 after completing his MBA from IIM Calcutta. As the CEO & MD, Mr. Narendran oversaw the successful acquisitions of Bhushan Steel Limited (now known as Tata Steel BSL Limited), and the Steel business of Usha Martin Limited. As the Managing Director, he successfully commissioned Tata Steel's Kalinganagar Steel Plant in Odisha, which achieved its rated capacity within a very short span of time. This project enhanced Tata Steel's ability to deliver steel to higher value segments like the automotive and the oil & gas industries. Currently Mr. Narendran is overseeing the expansion of Phase 2 of the Kalinganagar Steel Plant.

His career in Tata Steel spanned many areas in India and overseas, including Marketing & Sales, International Trade, Supply Chain & Planning, Operations and General Management and includes positions held by him at Jamshedpur, Kolkata, Dubai and Singapore. Prior to becoming the Managing Director of Tata Steel in 2013, Mr. Narendran was the Vice President - Safety, Flat Products & Long Products of the Company from 2010.

During his tenure, Mr. Narendran led the Company's first overseas acquisitions in South East Asia – NatSteel. He served as the Executive Vice-President of NatSteel since 2005 and was appointed the President & CEO of the Company from January 2008.

Mr. Narendran is a member on the Board of the World Steel Association and is a member of its Executive Committee. He was the co-chair of the Mining & Metals Governors Council of the World Economic Forum from 2016 to 2018. He is the Vice President of the Confederation of Indian Industry (**'CII'**). He is also the Vice President of the Indian Institute of Metals, and is the President of the Indian Steel Association.

Mr. Narendran is a Chevening scholar. He is a Mechanical Engineer from NIT Trichy (1986) and completed his MBA from IIM Calcutta (1988). He has also attended the Advanced Management Programme in CEDEP-INSEAD, Fontainebleau, France. He is a Fellow of The Indian National Academy of Engineering (**'INAE'**), and is a recipient of Distinguished Alumnus Awards from both NIT Trichy and IIM Calcutta.

### Particulars of experience, attributes or skills that qualify Mr. Narendran for Board membership:

Mr. Narendran has over 30 years of experience in the Metals and Mining industry. By virtue of his background and experience, he has vast and deep knowledge of the steel industry.

As the Chief Executive Officer and Managing Director, Mr. Narendran is responsible for the business and corporate affairs of Tata Steel globally. He provides broad insights to the understanding of complex strategic, operational, and financial matters of the Industry as well as the Company.

Also, as a Key Managerial Personnel, Mr. Narendran provides the Board with an "insider's view" of all facets of the Company. His perspective provides the Board with important information necessary to oversee the business and affairs of the Company.

His ability to manage different stakeholders, build consensus around divergent issues, and lead the executive team effectively is invaluable to the Company. Mr. Narendran exhibits high levels of loyalty, commitment, and integrity towards the Company. The Company will be best served by his re-appointment as the Chief Executive Officer and Managing Director.

**Board Meeting Attendance and Remuneration**

During the year, Mr. Narendran attended all seven Board Meetings held. Being an Executive Director, Mr. Narendran was not paid any sitting fees for attending the meetings of the Board/Committees. Details regarding the remuneration is provided in the Corporate Governance Report forming part of the Board's Report.

**Bodies Corporate (other than Tata Steel Limited) in which Mr. T. V. Narendran holds Directorships and Committee positions**

**Directorships**

Tata Steel Europe Limited
Tata Steel BSL Limited (formerly Bhushan Steel Limited)
Tata Sponge Iron Limited
Jugsalai Steel Limited
Straight Mile Steel Limited
Sakchi Steel Limited
Noamundi Steel Limited
Tata Steel Foundation (Section 8 Company)

**Chairperson of Board Committees**

**Tata Steel BSL Limited**

Corporate Social Responsibility & Sustainable Committee
Capex Committee
Safety, Health and Environment Committee

**Tata Sponge Iron Limited**
Committee of Board

**Member of Board Committees**

**Tata Steel Europe Limited**
Remuneration Committee
Audit Committee

**Tata Steel BSL Limited**
Nomination and Remuneration Committee

**Tata Sponge Iron Limited**
Nomination and Remuneration Committee

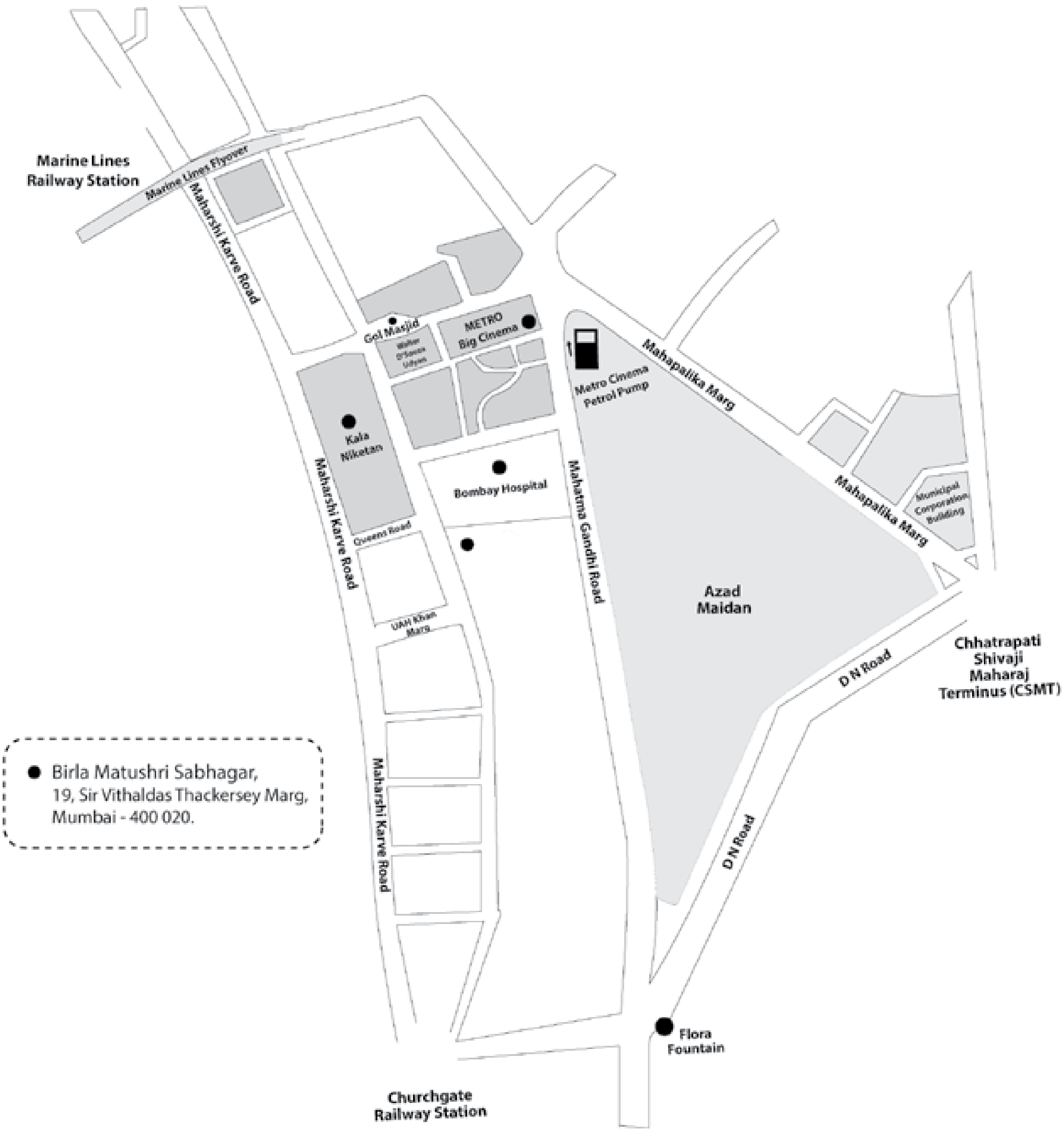
**Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel**

There is no inter-se relationship between Mr. T. V. Narendran, other members of the Board and Key Managerial Personnel of the Company.

**Shareholding in the Company**

Mr. Narendran along with his relative holds 2,032 Fully Paid Equity Shares and 139 Partly Paid Equity Shares of the Company.

# Route map to the AGM Venue




Landmark: Next to Bombay Hospital (H)

Distance from Churchgate Station: 1 km

Distance from Chhatrapati Shivaji Terminus: 1.2 km

Distance from Marine Lines Station: 0.8 km

To,

TSR Darashaw Limited/Depository Participant

____________________________________

____________________________________

____________________________________

## Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No./DP ID/Client ID:

**General Information:**

| | |
|---|---|
| Folio No./DP ID/Client ID: | |
| Name of the first named Shareholder: | |
| PAN:* | |
| CIN/Registration No.:*<br>(applicable to Corporate Shareholders) | |
| Tel. No. with STD Code: | |
| Mobile No.: | |
| E-mail id: | |

*Self attested copy of the document(s) enclosed.

**Bank Details:**

| | |
|---|---|
| IFSC:<br>(11 digit) | |
| MICR:<br>(9 digit) | |
| Bank A/c Type: | |
| Bank A/c No.: * | |
| Name of the Bank: | |
| Bank Branch Address: | |

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

__________________________

Signature of Sole/First holder

**Note:**

Shareholders holding shares in physical mode and having Folio No(s) should provide the above information to our RTA, TSR Darashaw Limited. Shareholders holding Demat shares are required to update their details with the Depositary Participant.

This page has been intentionally left blank

# TATA STEEL

**Tata Steel Limited**
Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001.
Tel.: +91 22 6665 8282 • Fax: +91 22 6665 7724 • Corporate Identity No.: (CIN) – L27100MH1907PLC000260
Website: www.tatasteel.com • Email: cosec@tatasteel.com

## Attendance Slip

(To be presented at the entrance)

**112TH ANNUAL GENERAL MEETING ON FRIDAY, JULY 19, 2019, AT 3.00 P.M. (IST)**

at Birla Matushri Sabhagar,19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.

Folio No. ____________ DP ID No. ____________ Client ID No. ____________

Name of the Member: ____________ Signature: ____________

Name of the Proxyholder: ____________ Signature: ____________

I hereby record my presence at the 112th Annual General Meeting of the Company held on Friday, July 19, 2019, at 3.00 p.m. IST at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020.

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Integrated Report for reference at the Meeting.

# TATA STEEL

**Tata Steel Limited**
Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001.
Tel.: +91 22 6665 8282 • Fax: +91 22 6665 7724 • Corporate Identity No.: (CIN) – L27100MH1907PLC000260
Website: www.tatasteel.com • Email: cosec@tatasteel.com

## Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014, as amended)

Name of the Member(s) : ____________

Registered address : ____________

E-mail Id : ____________

Folio No./Client ID No. ____________ DP ID No. ____________

I/We, being the Member(s) holding ____________ Equity Shares of Tata Steel Limited, hereby appoint

1. Name: ____________ E-mail Id: ____________
   Address: ____________
   ____________ Signature: ____________ or failing him
2. Name: ____________ E-mail Id: ____________
   Address: ____________
   ____________ Signature: ____________ or failing him
3. Name: ____________ E-mail Id: ____________
   Address: ____________
   ____________ Signature: ____________

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 112th Annual General Meeting of the Company to be held on Friday, July 19, 2019, at 3.00 p.m. IST at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai-400 020 and at any adjournment thereof in respect of such Resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

| Resolution No. | Resolution | For | Against |
|---|---|---|---|
| **Ordinary Business** | | | |
| 1 | Consider and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon. | | |

| Resolution No. | Resolution | For | Against |
|---|---|---|---|
| **Ordinary Business** | | | |
| 2 | Consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2019 and the Report of the Auditors thereon. | | |
| 3 | Declaration of Dividend on fully paid and partly paid Ordinary Shares for Financial Year 2018-19. | | |
| 4 | Appointment of Director in place of Mr. Koushik Chatterjee (DIN:00004989), who retires by rotation and being eligible, seeks re-appointment. | | |
| **Special Business** | | | |
| 5 | Appointment of Mr. Vijay Kumar Sharma (DIN: 02449088) as a Director. | | |
| 6 | Re-Appointment of Ms. Mallika Srinivasan (DIN: 00037022) as an Independent Director. | | |
| 7 | Re-Appointment of Mr. O. P. Bhatt (DIN: 00548091) as an Independent Director. | | |
| 8 | Re-Appointment of Mr. T. V. Narendran (DIN: 03083605) as Chief Executive Officer and Managing Director and payment of remuneration. | | |
| 9 | Ratification of the remuneration of Messrs Shome & Banerjee, Cost Auditors of the Company. | | |

Signed this ________________ day of ________________ 2019

Affix Revenue Stamp

Signature of Shareholder ________________________________ Signature of Proxyholder(s) ________________________________

NOTES:

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001 not less than 48 hours before the commencement of the Meeting.

** 2. This is only optional. Please put a '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

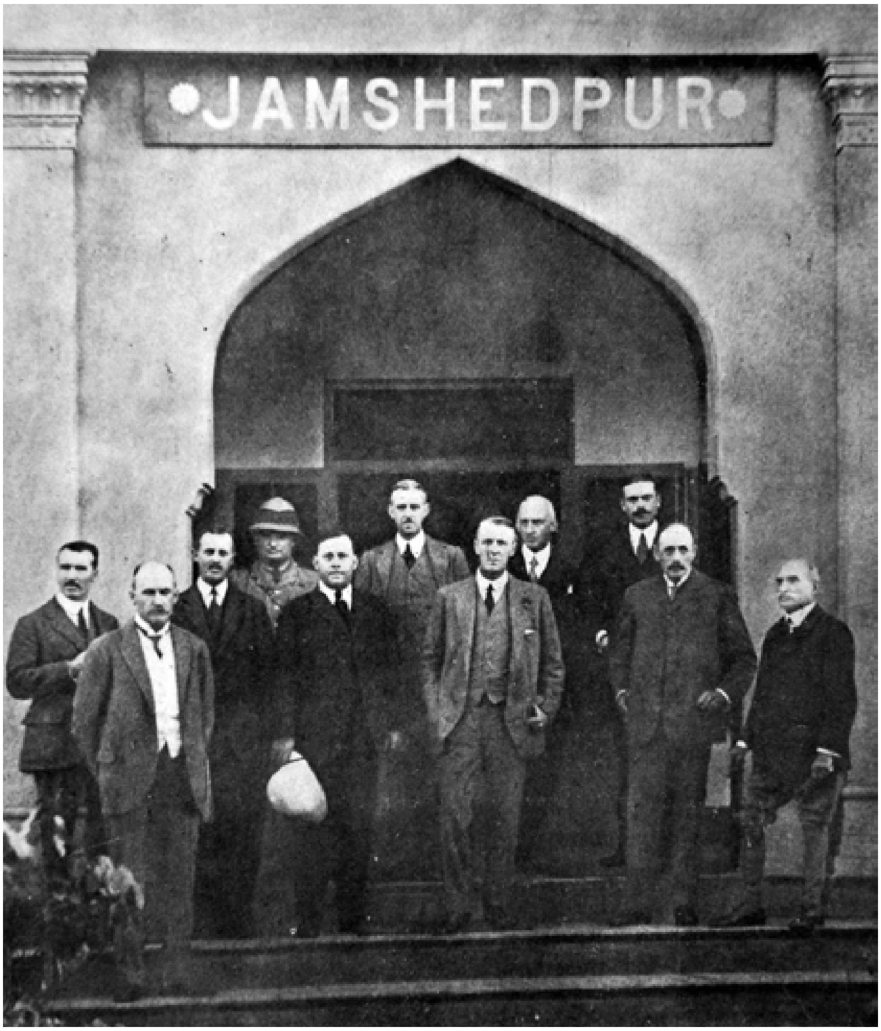
3. Appointing Proxy does not prevent a Member from attending in person if he/she so wishes.

4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

TATA

# Celebrating 100 Years of Jamshedpur

Jamshedpur is where it all started. The city, today, is synonymous with more than just steel and represents a truly vibrant and cosmopolitan India.




*The city, originally called Sakchi, was renamed as 'Jamshedpur' by Lord Chelmsford (Viceroy of India between 1916-21) on January 2, 1919 in the honour of Jamsetji Nusserwanji Tata, founder of the Tata group.*

TATA STEEL

**Tata Steel Limited**

Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001

www.tatasteel.com

Scan the QR Code to read the report online

/TataSteelLtd

/Tatasteelltd

/company/tata-steel/

/user/Thetatasteel/

/tatasteelltd/

content and design consultants AICL (hello@aicl.in)